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Selling relationships for a better world

- A study showing the importance of relationships and communication in global procurement organizations

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Abstract

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Title: Selling Relationships for a Better World - A study showing the importance of relationships and communication in global procurement organizations

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Problem: Inter Agency Procurement Services Office (IAPSO) is an office within United Nations Development Programme (UNDP) that handles procurement for governments, non-governmental organizations (NGO's), United Nations agencies, international finance institutions etc. Annually all UNDP offices and organizations are measured for performance and customer satisfaction in a quantitative Bureau of Management (BoM) survey. Between 2002 and 2004 IAPSO's ratings dropped from 69% to 54% which had major political implications for the organization. IAPSO has since 2002 utilized a quantitative online survey to measure customer satisfaction; this survey shows a very high satisfaction rating through 2002 to 2004. In order to understand why the two surveys presented different results a third quantitative survey was undertaken. The third survey showed high customer satisfaction but could not explain the low rating in the BoM survey. In both the online survey and the third survey comments provided by the respondents are somewhat contradictory to answers given in bound questions, perhaps indicating that there are issues not captured in the surveys. The different outcomes of the surveys have made staff at IAPSO unsure of how the organization is perceived externally raising more questions than answers and so this thesis aims to understand how IAPSO is perceived externally.

Purpose: The purpose of the thesis is to get a holistic view of how IAPSO is perceived externally using grounded theory and symbolic interactionism. Previous quantitative studies fail to give a whole picture of how IAPSO is perceived externally. To achieve the purpose there is a need to understand how IAPSO's stated goals and vision are interpreted, the internal perception and the external perception, and to examine how communication/interaction (or lack thereof) between actors affects the perception.

Conclusion: The result show that even though staff members of IAPSO have an accurate picture of how IAPSO is perceived externally and are aware of their customers' needs and problems, IAPSO's vision and stated goals are unclear (both internally and externally) which influence customer experience and affect how and what internal staff communicate to customers, the results show the importance of personal relationships and functional communication. IAPSO do not only provide services, *they also sell relationships.*

Key words: Grounded theory, symbolic interactionism, Relationship, Customer Experience Management, Procurement, organization communication

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1 Introduction

Inter Agency Procurement Services Office (IAPSO) is an office within United Nations Development Programme (UNDP) that handles procurement for governments, non-governmental organizations (NGO's), United Nations agencies, international finance institutions etc¹.

1.1 Why this survey was initiated

Annually all UNDP offices and organizations are measured for performance and customer satisfaction in a quantitative Bureau of Management (BoM) survey. Between 2002 and 2004 IAPSO's ratings dropped from 69% to 54% which had major political implications for the organization. IAPSO has since 2002 utilized a quantitative online survey to measure customer satisfaction; this survey shows a very high satisfaction rating through 2002 to 2004. In order to understand why the two surveys presented different results a third quantitative survey was undertaken. The third survey showed high customer satisfaction but could not explain the low rating in the BoM survey. In both the online survey and the third survey comments provided by the respondents are somewhat contradictory to answers given in bound questions, perhaps indicating that there are issues not captured in the surveys. The different outcomes of the surveys have made staff at IAPSO unsure of how the organization is perceived externally raising more questions than answers and so this thesis aims to understand how IAPSO is perceived externally.

1.2 Purpose and objectives

The purpose of the thesis is to get a holistic view of how IAPSO is perceived externally using grounded theory and symbolic interactionism. Previous quantitative studies fail to give a whole picture of how IAPSO is perceived externally. To achieve the purpose there is a need to understand how IAPSO's stated goals and vision² are interpreted, the internal perception and the external perception, and to examine how communication/interaction (or lack thereof) between actors affects the perception. Existing quantitative surveys are used as a starting point for further investigation.

¹ See <http://www.iapso.org> for more information about IAPSO

² Available in appendix J

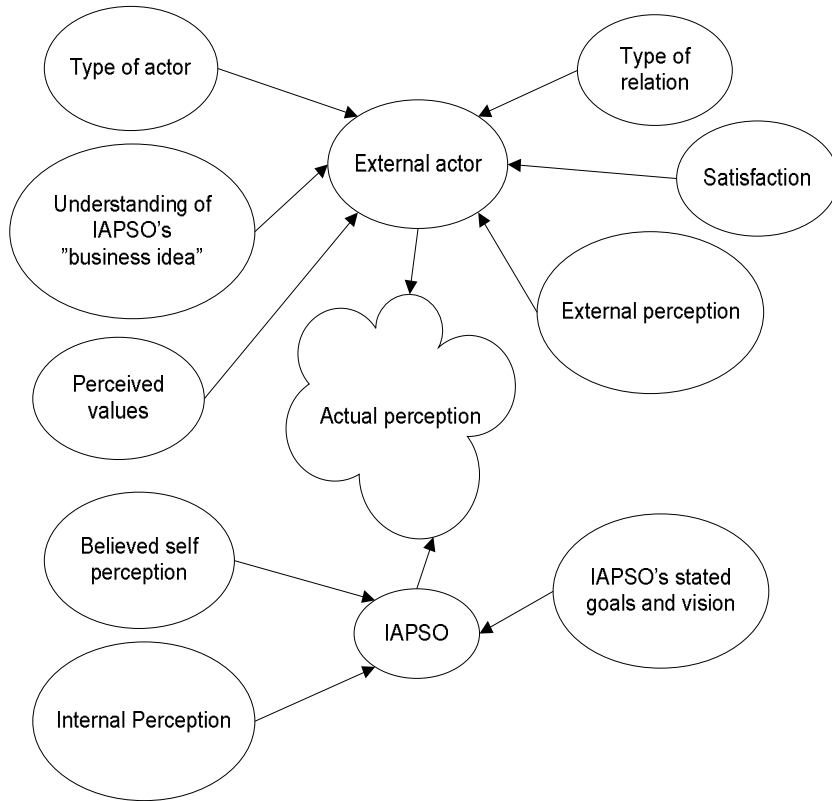


Figure 1: Brainstorm typology

To formulate the objective I used a mind mapping picture (Figure 1) visualizing the areas to be investigated resulting in the research question:

Which differences and similarities exist between the external and internal perception of IAPSO and how are they connected to IAPSO's goals and vision?

1.3 Commonly used terminology in IAPSO

In the thesis there are references to important terms used in the daily work by IAPSO staff members that might not be clear to persons outside the organization; this terminology is presented in appendix H and is recommended reading.

2 Theoretical framework

Presented in this chapter is the theoretical framework used for this thesis.

2.1 *Media and communication science and the issue of organizational communication*

Media and communication science is a relatively young interdisciplinary field of research taking influence from many research areas. Organization communication is a subject studied at many different faculties (psychology, sociology, business economics etc) but has been given a peripheral position in studies of media and communication science in the Nordic countries which is a “shame” since it is an area of interest for Media and Communication Science (Dalfelt, Heide & Simonsson, 2001).

2.1.1 Defining organization communication

According to Dalfelt, Heide and Simonsson no *clear* definition of what organization communication is exist but public relations, marketing, or organization communication can be differentiated or marked as belonging to a specific field of research. Organization communication is focused on communication between *non-professional actors*, for example “ordinary” staff and managers as opposed to advertisement or public relations specialists. *Formal* and *informal* communication differentiates public relations from organization communication. Public relations and marketing is focused on *selling* a product or a service while organization communication traditionally has been focused on how to make internal communication more *efficient* (Ibid).

This thesis examines *informal* communication between *non-professional* communicators focused on understanding the interaction between actors around IAPSO, thus researching organization communication.

2.1.2 Choice of sociological paradigm

Now days, research within organization communication focuses on differences between groups and their interests, the purpose being to get a better understanding of an organization and how the actors interact, that is examining organizations from, for example, a critical or symbolic interactionistic perspective instead of the classical scientific management perspective (Dalfelt, Heide & Simonsson, 2001).

The tradition of *scientific management* has historically dominated and focuses on formal structures, administrative functions and the management's leadership as key factors of how to manage organizations. The social reality is objective and exists outside the individual; individuals are not seen as being involved in creating an organization's structures, so no care needs to be taken to human factors when creating an efficient organisation, everything is measurable and can be predicted through for example quantitative studies. Studies are made to understand how organization formal structure or complexity (vertical and horizontal) affect communication between individuals (Ibid).

Symbolic interactionism focuses on how individuals within an organization create and interpret meaning through communication by understanding *meaning, language and thought* (en.wikipedia.org; 2005, www.scu.edu, 2005; socsci.colorado.org, 2005; www.tvw.utwente.nl, 2005). Organizations are social constructions created and maintained by the individuals through communication. Studies are made to get a better understanding of the activities that occur in an organization through a qualitative perspective. Neuman summarizes symbolic interactionism as a sociological framework where:

“People transmit and receive symbolic communication when they socially interact. People create perceptions of each other and social settings. People largely act on their perceptions. How people think about them and others is based on interactions.”
(Neuman, 1997, p57)

The *critical tradition* is built upon the idea that organizations are constructed through social interaction but emphasises on how power structure (gender, education, social network etc) influence the ability to control an organization. Researchers within the critical tradition are not only interested in how social reality is constructed but why one perception is promoted (Dalfelt, Heide & Simonsson, 2001).

This thesis is not interested in examining the power structure or formal structures and so the critical tradition has not been chosen. Three quantitative studies have been undertaken (using a scientific management approach) to measure how IAPSO is perceived, but none have been able to give satisfactory results so the scientific management approach has not been chosen in this thesis. The thesis is interested in understanding how IAPSO is perceived and how meaning is communicated between actors which match well with symbolic interactionism. The theoretical perspective used is

symbolic interactionism which is efficient for analyzing and understanding human interaction (Neuman, 1997).

2.1.3 Organizational communication internally and externally

In the fifties and the sixties organization theory was focused on internal communication, but in recent years researchers have concluded that it is becoming increasingly harder to separate internal and external communication because of increased cooperation and new information technology, for example organizations share same information through IT-systems. Still, few studies in organization communication examine both internal and external communication (Dalfelt, Heide & Simonsson, 2001).

The thesis examines both external and internal communication because the boundaries of where IAPSO starts internally and externally as an organization is difficult to differentiate; the organization is part of UNDP and roughly half of IAPSO's procurement volume comes from other UNDP "sister" organizations, IT-systems share information with suppliers and UN organizations over the globe. I use the presumption (based on the symbolic interactionism approach) that the perception of IAPSO is constructed in the interaction between staff and customers, from this point of view it is hard to differentiate between external and internal communication as they both effect each other. They are both senders and receivers of information whether they are aware of it or not. IAPSO as an UN organization do not (and can not) market itself through mass medias as a private company and methods to promote image, brand building or marketing to a wide audience are not used.

2.2 Why IAPSO's goals and vision is important

The research sees IAPSO from an actors perspective –An organization is a social system were its members interact with each other, the individual members form the organization with their thoughts and understanding of the world and the organization also forms the individual. When understanding an organization it is important to understand the actors in the organization and how they interact. An efficient organization needs internal and external efficiency; meeting customer expectations, having qualified employees, matching the organizations overall goal versus the employees goals (Bruzelius and Skärvad, 1989). I assume that an organizations goals and vision should be the sum of the

framework created socially by staff members, it is important to examine this because in some sense this is the meaning of an organization; the goals and vision should be the common framework explaining the social construction. If they are not formed well the actors in the organization will not be aligned in the same direction.

2.3 Theories added during analysis process

I have used grounded theory as my methodology (see next chapter). When using grounded theory it is important to let the findings decide theories; data collection, analysis, and theory stand in reciprocal relationship with each other. Research do not begin with a theory on which data is tested, research begins with an area of study and what is relevant to that area is allowed to emerge (Strauss & Corbin, 1990). The theories presented in this section are selected based upon keywords and findings from the analysis; they are used as a corroboration of the hypothesis's emerging from the data. It is important to understand that *I have not chosen theories from the start to test a hypothesis on the findings but let data decide which theory that is relevant* (Strauss & Corbin, 1990). Theories are presented here but where selected later on in the process as theories emerged. Some theories presented might be commonly used in related fields but are interpreted from selected theoretical framework as recommended in grounded theory (www.scu.edu.au, 2005; Neuman, 1997).

Moment of truth – The moment of truth is the moment when two actors socially interact in real time and create a common understanding and reference. This process is in constant change and each interaction affect how knowledge and understanding is transferred to the communicators. For service organizations this is usually the only contact point between the service provider and taker and where the perception of the service taker is formed.

Customer Relationship Management (CRM) – According to George Herbert Mead (en.wikipedia.org, 2005; Filosofilexikonet, 1991) our perception of the world is under continuous change and is built upon earlier experiences, social interactions and interpretations of symbols transferred through social interactions. Our picture of the world can change quickly depending upon how we define the world. According to Cottler (1996) CRM is about delivering long-term value to the customer through customer

satisfaction by communicating with the customer to understand the customer's need in order to personalize service through relationships. In other words, CRM is social interaction between actors in order to create a common social framework from which positive experience can be created together.

Customer Experience Management – The idea that the customer's perception of a company is filtered through the customer's expectations of the company. The task is to manage expectations, which for service organizations happens at customer and company touch points. It is important that the company's values and goals are communicated clearly to all employees so correct feedback can be given to customers in order to manage customer expectations with the goal to build long-term relations and loyalty. The company's goals and vision should be based on values that the customer wants and employees should be involved in developing these values in order to align and agree to them (Cottler, 1996; Thompson and Kolsky, 2003; Hogan, 2005; Jaensson, 1997). That is to (in an organization) through *language* build up a *meaning* that can be *understood* internally well enough to be communicated correctly through social interaction. If the meaning is not communicated well internally by an actor then the "wrong" organization's goals and vision will be sent to external actors resulting in misunderstandings and/or wrong expectations. It works the other way as well; if internal actors misunderstand the external requests the request will be handled differently than expected by the external actor.

Displacement of goals – A term often used in scientific management in the sense that an organization needs to adjust its goals due to new demands coming from a changing world, that is when outside changes make the organization's goals un-relevant (Bruzelius and Skärvad, 1989). In this thesis used in an interpretative way understanding it as when an organization's goal is understood or interpreted differently, effectively making the organization's goals different for different actors and un-relevant in the sense that no common reference can be made to the goals.

3 Methodology

Two quantitative surveys with contradictive results have previously been undertaken. A third quantitative survey aimed at explaining the contradictive results failed. Comments in the second and third survey are sometimes in conflict with answers given in bound questions leaving IAPSO with more questions than answers of how the organization is perceived. Guidance to when to use qualitative or quantitative method can be decided based upon if the approach is inductive or hypothetic-deductive, that is are we trying to get knowledge of an unknown phenomena or do we wish to validate a known problem? The first indicates a qualitative approach (Halvorsen, 1992). Qualitative research is interested in explaining the whole picture (Repstad, 1993). Quality refers to the origin or nature of an object whereas quantity refers to how much, how big or the number of the object. The qualitative research is a powerful tool capture experiences and significance from human beings (Kvale, 1997). A quantitative approach would in this case probably not be fruitful because here we do not validate a known problem or use a hypothetic-deductive approach. Furthermore, the previous attempts to do so have failed. This thesis tries instead a holistic inductive qualitative approach, aiming at obtaining knowledge to explain how IAPSO is perceived by examining how perception is formed through different actors experience and interaction.

3.1 Grounded theory

According to Strauss and Corbin (1990) grounded theory is an appropriate tool for studying organizational cultures. My goal was to understand how IAPSO is perceived externally, but from the actors view, to let the actors tell the stories of how IAPSO is perceived and from this perspective form a view instead of trying to explain an unknown phenomena on basis of pre-selected theories which might not be relevant or result in me trying to adjust reality in accordance with theories. The ambition was to let the actors' perception guide me to discover useful theories.

In summary the aim of grounded theory is to discover the theory implicit in data. Grounded theory sees micro-level events as a foundation for a macro-level explanation. The process in grounded theory is somewhat familiar with techniques used in quantitative research in the sense that the method tries to do generalizations by comparing social

situations and results in a theory or third order interpretation (Neuman, 1997). Grounded theory do not test hypothesis based on existing theories but seeks to see which theory account for the research situation as it is. Research projects commonly start with the researcher trying to find relevant literature, in grounded theory data is analysed as it is gathered, literature is accessed as it becomes relevant. Literature/theories should be searched *widely*, refining your findings in with help of literature often in slightly *related* but different fields (www.scu.edu.au, 2005; Neuman, 1997). In an emerging study it is impossible to know which theories that will be relevant; literature can therefore only be selected at a later stage and is treated as data from which emerging theories can be rejected or strengthened (www.scu.edu.au, 2005). Accordingly, in this thesis literature and theories were selected and tested for relevance as analysis was made, in the end of the iterative process I choose the literature I considered most relevant.

Grounded theory fundamentals are usually based upon Glaser's or Strauss's perception or even on both (!). Thus a complete picture of the method is hard to get as they both have released a number of books with somewhat different guidelines. The big difference between the authors is the methodological approach, Glaser means that data from informants emerge naturally from the analysis with little effort or detailed attention to the process while Strauss pays more detail to the cultural scene. Strauss also pays more attention to validity, generalizability, precision, significance, and verification which puts him closer to traditional quantitative methods. Strauss means that the *research question* in a grounded theory study is a statement that identifies the phenomenon to be studied while Glaser stresses that the research problem itself is discovered through emergence as a natural result of open coding, theoretical sampling, and constant comparison (www.iupui.edu, 2005). This thesis starts with a research question describing the phenomena to be examined; care has been taken to selection processes, only transcribed data has been analyzed for validation and reliability purposes so my approach to the method aligns with Strauss view.

3.2 Data collection

3.2.1 Grounded theory

The key concept of grounded theory is to analyze data as soon as it is collected, mark the data with core and sub categories. When data is analyzed theories will emerge from the data. Further data gathering will be marked based upon previous data collection with the emerging theory in mind. When interviews add nothing new to the categories data collection can be stopped.

All data collected from the interviews were recorded using a dictaphone and sent to a transcription company (Accentance). As transcriptions were done they were read through and categorized with keywords. I have chosen to only rely on transcribed data because my belief is that this makes the analysis of the data more reliable (taking a Strauss approach); by being able to re-read the interviews the information is not based upon my memory and keywords alone (recommended by Repstad (1993) for example). In chapter five some of the open sub-categories are kept as they indicate my process, which I hope makes it easier for the reader to follow my thoughts. As data was collected a number of emerging theories surfaced and in the next interview I probed the interviewee regarding my theories. For example, customs was mentioned as a reason for late deliveries in one interview, when late deliveries were mentioned in the next interview I probed for the reason (See section 6.2.2 and questions asked there for this specific example).

3.2.2 Internal data gathering

The purpose of collecting data from internal staff was to get an internal perception of how staff believes IAPSO is perceived externally. In addition the questions could be modified, added or removed before being put to external customers. The secondary purpose was twofold, first to see if the perception internally of how IAPSO is perceived was coherent and secondly to get an understanding of how IAPSO's goals and vision was perceived. The second goal is of interest as an organization's goals and vision should be the framework from which a common understanding is built. To answer the questions it was important to view the interaction between staff members and see where differences and similarities exist. Focus group interviews can help participants to explore and clarify

views which would not be so easily accessible in an interview; the interaction of participants makes it possible to access data that would not emerge otherwise (Webb, 2000; Repstad, 1993; Halvorsen, 1992). Focus group interviews were more suitable to use because they would have a better chance of revealing where participants had different or similar views of how IAPSO is perceived, and to show how IAPSO's goals and vision are understood. By filling in details or giving other participants new perspectives the session could also function as an efficient brainstorm session providing new interesting perspectives which could be asked to external users.

Before the interviews I had a four hour session with a psychologist to validate my questions and get some practical tips. The draft template of questions was sent out to a few selected staff members for feedback. During the first interview two persons with several years of HR experience participated to watch my performance and help me keep discussions on track.

The drawback of the group interview is that it can not be expected to tap into private attitudes between participants (Repstad, 1993; Thompson, 1952). The group constellation might also have an impact on the answer given. Participants might be less inclined to give a truthful answer if their manager is participating (Repstad, 1993). A staff survey from 2004 show that 49% of all staff members do not feel safe to express their opinion openly in front of management. To avoid the issues mentioned the first group interview included the director and the deputy director, managers and staff members known not to be intimidated. The second interview consisted of procurement officers selected in advice with staff from human resources who knew staff members well to increase the chance for good cooperation. All participants were from IAPSO's office in Copenhagen being a mix of nationalities. Anonymity was assured by asking the members of the focus group to secretly write down an animal on a piece of paper to represent them in the presentation so that no-one would know who said what.

The second interview took place in a meeting room in the IAPSO building; the atmosphere was friendly although one interviewee initially felt a little uncomfortable about the use of a dictaphone. Everyone in the second group was talkative; it was very seldom that I felt the need to encourage someone to talk. My impression was that discussions were informative and honest.

3.2.3 External data gathering

An attempt was made to coordinate a group interview for external users but it quickly became too complex because of how the selected persons were scattered across the world in different time zones having fully booked calendars. Also, the selection of participants for the internal focus group was based on efforts to balance the members of the group to increase interaction by taking into account personality and position - an approach that was not possible with external users. Observation was not a good option either because of geographical distance and the irregular interaction between staff and external users. Semi-structured interviews were therefore used to collect data from external users. I have used Halvorsen's (1992) method "strategic selection" from the book "Samhällsvetenskaplig Metod" to select interviewees. The **first selection** was made to get customers with good knowledge; only customers who have had placed at least eight orders with IAPSO during 2004 were selected to reduce the risk of the correspondent not knowing anything about IAPSO and to get "first hand" information. The **second selection** was made to get *conflicting perspectives*; I wanted to match procurement officers and resident representatives³ working in the same country office and presumably having both different and congruent opinions of IAPSO, from as many geographically regions as possible.

3.2.4 Anonymity and ethical perspectives

At the start of every interview anonymity was promised in order to make the interviewees more comfortable in the situation and to lessen the risk of the interviewees to hold back information and build up trust. In the semi-structured interviews sensitive information was given, such as stating that a staff member is troublesome, which might damage existing relations or trigger negative reactions both internally or externally. Extra care has been given to protect the anonymity of the interviewed persons both internally and externally by replacing their names with animal names, randomly swapping the gender of the person and removing information which might give the interviewee away such as specific project names or country information. The names of the participants in the focus group interview have been replaced for the same reason. The reason for not using

³ A resident representative is the head of a country office. Every country office is led by this staff member. Common abbreviations for a resident representative are RR or ResRep.

anonymous quotes is to make it possible for the reader to distinguish between the different actors, recognize their arguments and to be able to make their own complete picture of each user as recommended by Repstad (1993).

3.2.5 Triangulation

Triangulation has been used by drawing conclusion from focus group interviews and semi-structured interviews. Previous quantitative surveys were compared with each other to see where inconsistencies or similarities existed.

3.3 *The work process and structure of the thesis*

The three existing quantitative surveys were first analysed to see where similarities or discrepancies existed between them. The analysis, presented in chapter four, resulted in some questions and indications which were used as starting point for continued analysis. Then focus group interviews were undertaken internally to get a better understanding of the issues discovered in the quantitative analysis, external perception and to understand how IAPSO's goals and vision is interpreted, the results are described in chapter five. After the focus group interview an understanding of above mentioned issues emerged. To get the whole picture semi-structured interviews were undertaken with external actors in order get their view of raised issues and get their picture of IAPSO. Lastly the internal and external views were compared and an analysis was made to understand the external perception of IAPSO based upon earlier discoveries.

3.4 *Limitations*

3.4.1 Theories

Theories were selected based on my personal judgement. Another researcher might have selected different literature. A number of theories could have been used to explain, for example, how specific media affect communication (phone, E-mail etc) depending upon the physical limitation of the media or the medias attributes. Some might argue that phone or mail effect how meaning is transferred between actors (the effect of not seeing body language, face expressions etc) but my main interest was to understand how IAPSO is perceived, not how media *affect* the perception.

3.4.2 My role

I have worked at IAPSO for four years developing procurement system and producing strategic and statistical reports. I am aware that my perception is off course biased but to minimize bias I have followed the methodological approach carefully to let the method guide me rather than my personal reflections. At the same time being an employee has given me a very good insight in the problem areas, it has eased communication internally, I understand internal terminology; I know staff members and have a good pre-understanding of their problems, what they try to say and how they interact making it easier to tap into personal opinions. Externally I carefully stated that my role was as a student, and the use of “they” to refer to IAPSO instead of “you” seem to indicate that this was accepted. Only in one interview did the interviewee wish to discuss order problems thinking of me as part of IAPSO member responsible for his problems.

3.4.3 Technical

Two focus group interviews were done but due to a technical glitch the recording of the first group interview failed and the results are therefore not included.

3.4.4 Political

UNDP headquarters declined my request to interview resident representatives due to “interview fatigue”. I still attended two meetings with resident representatives but was not allowed to use a dictaphone, due to which the data is not used in the analysis in order to keep a strict methodology. The summary of the meetings are available in appendix A

3.4.5 Choice of internal and external data gathering

In the focus group there was a tendency for members to reach an agreement on topics, it is possible that had focus group interviews been used on external users the same phenomena *might* have appeared, that is consolidation of viewpoints. The current answers from external users are much differentiated.

3.5 Presentation of data

Grounded theory was used, meaning that data was analyzed as it was gathered and questions where added or modified depending upon discoveries. *Theories are treated as data and were selected based on emerging theories discovered in the data; I did not wish*

to prove hypotheses using existing theory. Theories are embedded directly in the analysis, which is a little unorthodox, but my belief is that it gives a better disposition, clearer governing idea and shows the relevance of the theory immediately. This particular approach is also recommended by Repstad (1993). My wish was to establish a theory for procurement agents focused on the communicative aspect that can be applied on similar organizations, as the older Wittgenstein would say; skew and fantastic theories often diffuse the conceptual coherence by ignoring the contextual meaning of language and therefore miss the point (Filosoflexikonet, 1991)

4 Previous surveys

IAPSO uses a *web* survey to measure client satisfaction, its results show that IAPSO's customers are satisfied with services provided. In 2003 IAPSO received unsatisfactory results in the annual *Bureau of Management* (BoM) survey. To understand why the two surveys produced different results, a third quantitative phone survey (the *professional* survey) was done, but could not fully explain the results of the BoM survey, it showed that customers were satisfied however. The analysis of the data is a secondary analysis (Rosengren, 1992). Presented here is only the findings, for more details of how the analysis was done see Appendix G.

4.1 Findings

The three surveys all have their weaknesses, but some of the information gathered were useful for a qualitative approach. Both the web and the professional survey targeted the procurer directly, with the difference that the web survey targeted all of IAPSO's customers while the professional targeted UNDP procurers. Both surveys raised issues regarding delivery times and communication.

The professional survey indicates that customers do not understand IAPSO's reasons for declining business requests. The web survey only examines customers who have done business, so the problem is not visible from that survey; the results from both surveys indicate that the procurers are satisfied with IAPSO's services.

The BoM survey targets UNDP resident representatives were the satisfaction of a country office is based upon a single question were the resident representative has to rate "the quality of response to request for service" for 105+ offices at the same time, the rating is low (53% favourable in 2004 and 57% favourable in 2003). None of the surveys gives a valid representative view of IAPSO's clientele as a whole. Figure 4 presents a picture of the findings.

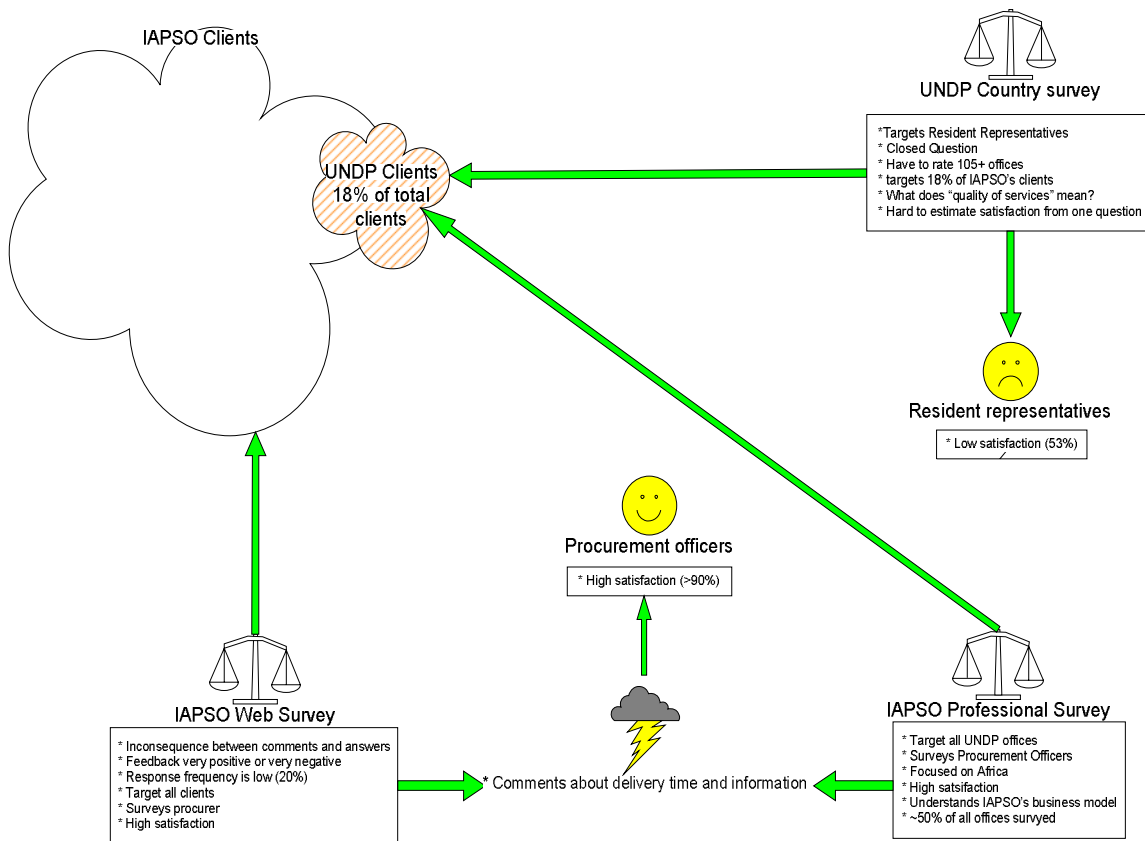


Figure 2 Summary of findings from the analyze of the quantitative surveys

Based upon the findings from the quantitative surveys the following inconsistencies and subtle or unclear points presented below, needs to be examined using qualitative method.

- A. Comments indicate that there are concerns regarding delivery times and lack of information which has to be investigated.
- B. It seems as on time delivery of an order has no strong correlation with whether the customer perceives the order as delivered on time or not, but is based upon something else which needs to be examined.
- C. One third of the respondents in the phone survey had experienced that IAPSO had declined a request for assistance and did not understand or comply with the reason. There might be a correlation between the respondents non-understanding and the non-favourable ratings to the question “quality of response to request for service” in the BoM survey.
- D. There are a number of factors that make the BoM survey problematic. It is based on one question. There is no opportunity to explain the answer. Answer fatigue due to having to rate more than 105 offices on the same question could also have an effect. There is a need to ask resident

representatives further questions to understand if they are generally un-favourable to IAPSO or if it is only regarding requests for assistance.

- E. The web and professional surveys show that customers are satisfied with the services provided; there is a need to understand what they are satisfied with.

5 Internal perception

This chapter analyses IAPSO from an internal perspective based upon my understanding of the group interviews done internally and is combined with theories to support emerging hypothesis's. Every participant selected an animal to represent them; they are presented as a lion, rabbit, owl and a hippopotamus. The additional person referenced as "The Professional" is the person who helped me facilitate the interviews.

5.1 Understanding the history of IAPSO

During the years 2001 and 2002 IAPSO went through major financial changes, such as adding a minimum handling fee for low value procurement, increasing fees to cover costs, turning down requests were IAPSO could not add any value, justify the fee or earn a reasonable fee activity based costing. In addition significant staff reductions were made during this period resulting in internal turbulence, these organizational changes most likely had an effect externally as well.

IAPSO is the only organization within UNDP that is self-financed; this in itself could be a cause of conflict. Classic economic theories measure the success of a company by how well the company manages to maximize its profits (Bruzelius and Skärvad), for organizations within UNDP breaking even or making profit is not a goal, the goal might be to make best use of funding or of political nature such as reducing poverty etc. Economic results were not IAPSO's main concern until it became self financed; suddenly it was important for IAPSO to manage costs, break-even and even show marginal profit i.e. act like a "private" company and at the same behave like and align with the goals of an UN organization. Conflicting goals are often labeled as *displacement of goals* (Bruzelius and Skärvad). One of IAPSO's goals is to be a "good UNDP member" supporting and helping other UNDP organizations, another goal is to "maintain and improve financial soundness", this might lead to situations were a UNDP member asks IAPSO for help, but helping that member would not lead to maintaining financial soundness thus resulting in a conflict of goals (See quote in 5.3 labeled "displacement of goals" for example). It is not uncommon for an organization to have an organizational crisis when organizational values change or do not reflect the stated goals. The goals set by an organization are fundamental for building the organizations culture. It is important

that goals are not contradictive as in “offer the best possible quality for the lowest possible cost”. Such goals might lead to frustration instead of stimulation (Bruzelius and Skärvad).

5.2 Communication with the outside world

One important task missed by most companies, after making changes, is to actually inform the customers about the changes and what the enterprise will do to satisfy the customer (Hogan, 2005). Staff members do not believe that customers understand which services IAPSO provide and when they do, they do not understand that IAPSO is self financed or why requests are turned down, the reason behind the misperception is lack of information from both headquarters and IAPSO regarding the changes IAPSO have gone through:

Wrong perception

The rabbit: “[...] they don’t understand our fee, they don’t understand why we are self financed, they don’t understand why there is handling fee and sometimes there is not. Because sometimes we include it, I think we are inconsistent as well. It gives a different perception from country offices point of view as to what are they paying for. They think it should be free...I think...”

Interviewer: “Why do they think it should be free because if you compare IAPSO to other UN organizations, they are not free as well?”

The Hippopotamus: “It shouldn’t be free and this is a very wrong perception they have, the whole new idea, the whole new policy [within UNDP] is that nothing is for free. We have to charge for fees for any service we do if ...within the organization...and that is totally nonsense if they...but they have that probably from the old days...”

The rabbit: “And it is historical because when we went self financed, when that line was cut, when was it, three years ago, nothing has been sent out from HQ as to why this line would be cut and that we would have to be self financed. And we had to regret on laptop request, things like that, they didn’t understand cause when you did it yesterday why didn’t you do it then, and when you try to explain they didn’t understand it out in the field, they said -: “But you are here to help us, you are not helping us, you are basically telling us to go away [rabbit laughter] and solve it and source it locally”. So there was a misperception...big time...and even though no message has been sent out from our management here or from New York”

Displacement of goals

No information sent to customers

IAPSO is a procurement organization within UNDP but according to the focus group its services are not known, for example the Owl said that “We are hunting down the customers [...] and convince them we have something to offer. “, the major reason is that too little time is spent out on the field where the customers are; the focus group meant

that it is important to be near the customers (many customers have never seen anyone from IAPSO) to understand their needs and increase visibility:

No visibility

The lion: “[...] I mean, we don’t, aren’t in their faces and that is our huge disadvantage and [organization] they got one or two people or no one sitting in the bush, but they are in multiple, they are in most countries, especially in Africa and that’s where we really have a lot of ground to make up because no one knows who IAPSO is...

There were some creative suggestions of how to improve visibility:

See 5.4 for more information on Resident representatives

The Rabbit: And I think even though we are not in the fields these guys are excellent ambassadors for us and so you should not only going to include the res reps, you should also... its really highly important that we include service center and make them our ally because they really are great for all of us. And if they understand what we do and what we can provide it will just ...it will disseminate in the country...It’s really really important that we stick really close to these service center managers. I mean what we have with [confided] is amazing, he’s a fantastic ambassador, he roams 80% of his time around [region] and he’s promoting us like crazy and we don’t even pay him... [Laughter] I mean we said now we have to pay the guy because the guy is fantastic and I think we ought to focus on these guys cause these res reps are from the old school. When I was in [country] they said are you IAPSO [the old name of IAPSO], they don’t even know how to say our name...

According to the focus group the services provided by IAPSO are not well known or misperceived mainly because of two factors; lack of information regarding the organizational changes and low visibility due to limited physical presence. IAPSO has customers all over the globe and communication can therefore be problematic and even if instant electronic medias are available, physical presence is an important method of communication in IAPSO’s world.

5.2.1 How staff believe IAPSO is perceived externally

Procurement done within UNDP follows strict rules and regulations in order to ensure that all suppliers have a fair and equal chance to be selected⁴. From my understanding, the internal perception is that customers are not sure of which services IAPSO’s provide. The internal belief is that IAPSO is seen as a supplier, not as an organization handling the procurement, there were many statements such as:

⁴ To purchase anything from a supplier above a certain amount, at least three quotations from different potential suppliers need to be obtained. The lowest bid that is most compliant with the required specifications is then selected. IAPSO takes care of this process; an agent can contact IAPSO with a request for 100 ambulances for example, IAPSO would contact at least three suppliers and negotiate prices and freight costs with forwarders. Finally IAPSO would inform the customer of the best offer.

Wrong information

The Lion: “The customers very much see us as warehouse...”
The Rabbit: “They don’t understand and again it’s a misperception of what we do, why we do it and what we are... [Laughter]...they don’t get it...procurement agent, what’s that, you’re a supplier!”

In a report by Thompson and Kolsky made for Gartner in 2003 the perception or experience of an enterprise can be handled through customer experience management (CEM) which is the delivery of the brand promise – at the intersection were the company and customer touch points, for example through salespeople, call centers etc. According to Cottler (1996) customer expectations are based upon past experience, opinions of friends and associates and promises. Organizations must be very careful to set customer expectations right, if the performance falls below expectations the customer is dissatisfied (ibid). According to Hogan (2005) customer experience is based on “elements ranging from product quality and customer service to web presence, employee behavior, and community relations which all shape customer perceptions over time.” Internally the perception is that customers’ expectations of IAPSO do not match the business idea. Perhaps the experience comes from before IAPSO was reorganized. The Lion stated that IAPSO was used as a routine *third bid* in order to comply with the rules and regulations for procurement, even though the customer knew he would not turn IAPSO’s quotation into a purchase order, the lion roared that:

[...] Doing the IT market analyses we spoke with the gentlemen from UN or [murmur] who used to work in this [country] country office basically said that ...yeah... They consistently used IAPSO as a third bid but knowingly were never planning on actually purchasing through IAPSO because the prices were too high”.

A little later the lion continues:

Inconsistent information

[...]We don’t want to be a third bid and so if we get ...ah...get a request and we are being asked to be a third offer a lot of times we will decline...and say no...we are...you know...you don’t understand our role as a procurer and yet the same person can talk to a different person in [confided unit] and say: -“we need you to be a third bid for this [confided commodity]” and [confided unit] will say sure, we have no problem, we are happy to oblige and that’s...I mean, there has been kind of a mixed signal that has gone out to, a lot of times, the same procurement officer in the country.

The quote shows that the customer uses IAPSO as a third bid indicating that he perceives IAPSO as one of many suppliers to request a quotation from, showing that customer

experiences differ; the customer get different results depending upon which staff member he talks to, apparently this customer has put this practise into system. The focus group believed that information communicated to external customers is inconsistent and done in different ways, both within each unit and between the units of IAPSO. One person said that “I’ve heard from country offices that they get confused as to whom to contact” since people move around too much, the customer wants to be able to contact the officer they always use. If the internal belief (that customer do not know which services IAPSO provide, or perceive IAPSO’s role differently) is correct, customers will get disappointed as IAPSO will not meet their expectations.

5.2.2 How IAPSO is pictured internally

The focus group was asked to pick an animal to represent IAPSO:

The Rabbit: panther, sleek mean vending machine
The Owl It don’t want to be pet by everyone it picks
The Rabbit: house cat ...not a dog
The Owl: and just when you need it runs away
The professional: Then it brings all the dead birds to the house
The Rabbit: Independent
The Lion: I would go with the cat analogy, like a lion, just in the aspect of flexibility, independence, strength,
[...]
The Hippopotamus: I always have problems with that question...I don’t start from the qualities and build up an animal I just try to associate. I normally able to associate someone and say, well you remind me of an animal...with IAPSO it is difficult to associate with an animal. I can’t step out and look at it from the outside...
Interviewer: but if you compare it to other UN organizations?
The Hippopotamus: well, they’re dinosaurs and we are something new fresh, it is not an animal, I look at it as a little plant that has just come out of solid ground...
The owl: On the back of the dinosaur there is a small flower which is IAPSO

All animals chosen are animals with independent traits, which take care of themselves, animals not really fitting in the big UNDP organization, seen as big bureaucratic dinosaur. It is easy to get the impression that IAPSO is seen internally as not really fitting in the system, or in other words as a small flower growing on the back of the dinosaur. A functional organization need all parts of an organization to work together efficiently (Bruzelius and Skärvad, 1989), the view of IAPSO as an independent organization might

or might not be a problem, it could cause tension considering the goal to be a “good UN family member”.

5.2.3 Adding value to customers

A key factor to success is to build *long-term relationships* with customers, it is important that this is an overall goal made visible in the organization and not only for the marketing/communication department (Cottler, 1996 and Jaensson, 1997). Thompson (2003) argues along the same lines saying that it is important to have a good company culture and support and coach staff how to give feedback to customers; in order to build long-term relationships it is important to understand how customers perceive quality and how much quality they expect. Customers base their choices upon their perception of *quality, value* and *service* (Cottler, 1996). Thompson (2003) stresses that the most important part when managing customer experience is to just *exceed expectation* were it matters to customers and just meet their expectations at everything else. The focus group was asked to discuss around a business case that had gone particular well and analyze why it had been a success:

It was a good example were you understand the needs correctly from the beginning and you actually take time to ask in to the ...and get the right requirement in place. Then you can offer a good service...mm...We worked for the [confided organization] in January and I think it was good project. It took many times as we shipped the proposal back and forth and they had comments and they changed it and maybe went down five, six seven times...in the end it was a little bit of a nuisance but it was worth it because we knew exactly what they expect and then we go out and do the consulting job, it was a spend analysis...we knew exactly what we had to do satisfy them and they don't expect more and we don't deliver less than they expect and then you meet lets say in the perfect match...but things go wrong if they for some reason expect more than we sold or offer and that is miscommunication [common approval]. That's because you don't take the time in the beginning to...clarify to adjust expectations...towards...then you can join the process actually...add a bit more so they get more than they expect and then you offer a good service

Exceeding expectations

Meeting expectations

On several occasions it was mentioned that the most important factor in customer satisfaction is to communicate well with the customer, establish relationships, be interested, understand their needs and important – to meet their expectations. My understanding is that the procurement officers of IAPSO are very aware of the importance of relationships and value adding, the staff is skilled, but the message

communicated to the customer is not unified and the information communicated depends on the officer and the unit. From a customer perspective, this could lead to a situation where a customer, who has done business with a staff member for a long time, will be in for a surprise if he has to face “another” IAPSO presented by new staff member.

5.3 The resident representatives

The actors in a system effects an organization, it is important to understand how the actors interact and their interest of the organization (Bruzelius and Skärvad). One of the most important actors in the UNDP system is the resident representative responsible for all operations in a particular country office. A discussion was undertaken concerning why members of the focus group believe that resident representatives seem to have a negative picture of IAPSO, where as procurement officers have a positive attitude⁵. In short my impression was that the internal view of a resident representative is as a pompous figure only interested in looking good to his superiors. The focus group believed that the resident representatives are much into politics and that their picture of IAPSO is limited, in many cases based upon old experiences. The following conversation gives a good picture:

The Rabbit: “They have to deliver ...he has to deliver to the programs and then to the government, he is responsible and if those programs are either late or something is screwed up or he has not delivered when he promised the government it would deliver and he will blame us for that because if that vehicle never arrived for the ministry of education I tell you he will probably still get in trouble every cocktail party he goes to, so he'll say -:“Well, because of that you made me look bad” so he's looking at his image and UNDP and the country and the procurement officer will also get blamed cascadingly, in the end it is IAPSO because we are...”

The owl “We need you as a scapegoat”

The Rabbit: yeah...exactly! We are there to make them look good, and if we don't, I tell you we hear about it and we will get burned for it!”

The Hippopotamus: “well, I mean if I was the res rep I would think ok, what big project did we have, this...and for which ones did we buy from IAPSO ...that was all right...we had a problem with this one ok...so...you know...I'll rate them therefore...he wouldn't know exactly what was purchased [...] he would just as the rabbit said -“Ok, we had this project with were we had a problem, we didn't do it on time and we had to buy from IAPSO, too bad!”

The Rabbit: “yeah, and I had to go buy that locally because IAPSO didn't deliver and you cost me this much money extra, and I tell you I'm never going to forget that! And this guy they rotate, that's another thing, maybe they just came into the country and they rotate, one month

⁵ See previous chapter “Summary and findings” or “BoM Survey”

in Cameroon, next month they are in Haiti and now he is in Laos, you know, and that goes around...”

[...]

The Rabbit: It’s incredible and they we think we are car dealers...it’s incredible...they don’t want to understand what we do and they are not interested!

The owl: the res reps are political

The Rabbit: they’re more into their puff puff puff than they are into the.....

The Professional: But they are the ones who create us, that’s the problem of them

The Rabbit: Yeahh...

The owl: well, then it’s a question if we just want to change our bad rating or if we really want to make a difference

Staff members have a negative perception of the resident representatives but IAPSO is also dependent on the resident representatives. It is said that you are seen in the light that you treat others, the bad perception of the resident representatives and the belief that they have a bad perception of IAPSO might cause a negative down-going spiral. In reality however staff members of IAPSO are not sure of how IAPSO is perceived by resident representatives as the lion says: “the trouble we are running into right now is that we don’t know what the res reps think of us, and the reason as I see it, is that we never had anyone there to ask them.” In order for an organization to work efficiently all parts must be able to work well with each other and be aligned, if not there will be discrepancy between the systems (Bruzelius and Skärvad). Resident representatives are very much a part of the same organization as IAPSO and an important actor with which there is a need for cooperation since those are the ones IAPSO provide services for.

5.4 IAPSO’s customer goals

IAPSO uses a strategic map as part of its balance scorecard strategy⁶, in the strategic map four customer goals are stated:

- Promote and enhance the standards of procurement profession within the UN system
- Provide state-of-the-art system contracting solution
- Provide flexible and professional procurement capacity
- Assist our customers in developing their own procurement capacity

⁶ See Appendix I

The customer goals are created with the purpose to achieve the vision “Buying for a better world”. In the focus group interview these statements were discussed, it struck me that every member of the group *knew* the underlying purpose of the statements but no-one was satisfied with how the formulation and thought that a customer would interpret them differently than how they *should* be understood:

Unclear goals

Interviewer: “Another goal is to provide state of the art contracting solutions...in your opinion what does this statement mean?”

[Discussions of different implemented IT-solutions]

The lion: “if you want my opinion I think its extremely confusing...it sounds actually more like we are doing some kind of like...system development on their behalf which is not what we are trying to do, we obviously done various things for [organization] and in the way of actually providing them with this system solutions through our IT department but I don’t know if that is one of our strategic goals...I mean..”

[...]

The owl “I think it might be a little bit misleading saying “state of the art”. That’s not an aim in itself. I think an aim is to simplify or to automate, computerize, reuse data...mm...that’s making more streamlined noise, that’s the aim. If its state of the art or old techniques, if its more efficient doing it by hand, then its state of the art [laughter] to make. It is not a goal in itself to be computerized!”

No one participating in the group interview liked or thought the customers appreciated the vision “Buying for a better world”, or thought it was a fair vision to represent the services IAPSO provide. For example, regarding the answer to what the vision means:

Unclear vision

The Rabbit: “professional shopper, no, I don’t know, I actually had a lot of interesting comments in the field about this statement, they don’t like it”

The owl “the intention is good enough but the wording, word by word gives the wrong connotation”

The professional: “and it is very nice that this is also coming out of this group because we had exactly that conversation previously. And in my opinion that is very much were it leads to this perception that we are a supplier.”

A vision is used within an organization to help staff members to focus in the same direction and to transfer those values to the customer, if the vision and goals are not clear it increases the risk of an organization moving into many directions at the same time (Bruzelius and Skärvad, 1989). It seems as if staff members do not like the vision nor believe that it represents what IAPSO stands for, which could make staff members unsure of what to focus on. Unclear customer goals might have an effect on how customers perceive IAPSO as customers experiences are filtered through their *expectations* of the

enterprise, which are determined by the publicized customer *value* proposition and *feedback* from other customers (Thompson and Kolsky, 2003). Organizations need to help customers visualize the value and vision they deliver to customers, who will in turn appreciate the overall experience. In order to create value visualization, a deeper understanding of the customers' total experience and the way customers' view services is required (Arussy, 2005). If IAPSO's customer goals are not clear or can be misunderstood how can IAPSO then visualize these values for the customer and provide them with the expectations the customer goals are meant to deliver?

5.4.1 IAPSO – the knowledge organization

Companies existing in a known and unchanging world can have firm hierarchy and formal rules and programs and routines to solve problems, as these can be anticipated. Companies existing in a rapidly changing world with new requirements need a flexible (organic) organization with professional staff who can take decisions based upon an explicit well formed vision. Exchange of information in such a company requires flexible and fast routes, which do not follow the traditional hierarchical paths, the company might also need to hire more staff and risk the cost efficiency. Knowledge/service companies are characterized by being non-standardized, creative, and dependent upon the person doing the work and complex problem solving (Bruzelius and Skärvad, 1989). Procuring goods globally is complex, many factors have to be taken into consideration; the procurer has to have good knowledge of the country he is buying commodities for, such as expertise about export restrictions, import rules, inspection requests, war zones, electrical voltages, language etc. Requirements are different from country to country and could even change within the country. For a knowledge company it is important to master and understand the requirements to provide good and flexible service:

Non-standardized equipment calls for creativity

The Lion: I mean one of the problems we have had [...] is that ...err...the agreements we have are often with European suppliers which are sometimes in unfamiliar how to actually supply goods and which kinds of goods and...what they actually require in the country, so they've been sending ...err...European keyboards and things like that to places in Africa that don't have any idea or unfamiliar with even the types of plugs, cables...things like that...voltage and frequency to the machines to be sent. It is a big thing to be that IAPSO is, in some sense, far away from the country offices...when we are trying to figure out what kind of electrical specifications the country use

Service organizations provide immaterial services, which can not be stored, that are produced and consumed in the same moment, it is impossible to control the quality of the service in advance; the quality must be secured when it is produced, at the “moment of truth”, the interpersonal meeting between customer and provider. The social interaction between customer and provider therefore becomes crucial for service organizations. The staff member’s motivation, knowledge and interaction combined with customer expectation and behavior becomes decisive for how the service is experienced. The situation is made more complex since the customer takes part in the interaction (Bruzelius and Skärvad, 1989). In recent years companies have turned focus from creating brand awareness and aggressively findings new customers to instead build relationships and add value to customers, relationship is especially important for organizations delivering services (Cottler, 1996).The snippet below shows a good example of how a staff member’s knowledge, motivation and interaction can affect customer experience:

Relationship building

The Rabbit: I am on the phone all the time to them and I have been down there twice to build a relationship as well...and I think that’s what is missing a little bit because, it is very nice with these automatic E-mails that go out, but you know they are so impersonal and people just delete them, it is awful! Call them and say: “Hey, did your shipment arrive, is everything ok...mmm...what can I do for you...do you know there is a new model coming out...thanks very much...” They love that, then you also take the time to phone them ...that’s what we are missing a little bit...

The rabbit is in this case trying to focus on the personal relationship and understanding the customer’s needs; a good example of improving relationship, this approach is more effective than product marketing-mix theory in knowledge companies. Relationship focuses on finding solutions and understanding customers’ needs and wishes, while the marketing-mix theory aims to “conquer” and attract new customer (Jaensson, 1997).

5.5 Summary

From the group interview my conclusion is that staff members are good at building relationship, and *know how to* build long-term relationships and the importance of it, for example:

The Rabbit: We can use the phone! We can use the phone and then we do maybe one or two missions a year we have, if the consultant goes

Relationship building

out. The more the consultants are home the less money we make [laughter] the more you're out there and, you know, have strategic what we are going to focus on that better and then use the phone as well, then you build a relationship, because its all about relationships, king of relationships.

The problem seems to be that customers are not sure of which services IAPSO provide, customers get different answers or experiences depending upon which unit or procurement officer they have contact with, which can perhaps be explained from the indication that IAPSO has unclear customer goals. Another important factor which could effect why customers are uncertain of IAPSO's services, are the organizational changes IAPSO has gone through, which has not been communicated to the customer making it hard to manage or fulfill customer expectations.

One other area of problem seems to be the negative internal perception of resident representatives, staff members believe resident representatives have a bad perception of IAPSO as well, even though no one knows for sure.

The goal of managing customer experience is to improve long term gains by gaining customer loyalty which is the crucial measure in creating valuable customer relationships, people buy emotionally and then justify with logic. In today's demand-driven individualized market it is more important to personalize values at the touch points with customers. Many enterprises have values – often focused internally, such as “we will be honest and trustworthy” but few enterprises:

- Base their values on what customer wants
- Involve employees in developing the values
- Link the values to the brand promise
- Encourage staff to align their behavior with the values
- Reward employees for delivering the brand values

(Quote from Arussy, 2005)

The bullet points seem to apply; IAPSO do not seem to be sure of which services the resident representatives require as no-one has talked to them, the staff members believe that IAPSO's goals are confusing and cannot link the goals to IAPSO's vision. Since the goals are unclear combined with recent changes it is hard to manage expectations resulting in customers getting different treatments. When categorizing an actor four different categories are usually used; power, dependent, cooperation and conflict

(Bruzelius and Skärvad, 1989), figure 3 shows a rich picture based upon the comments given in the group interview, having the four categories in mind, summarizes this chapter. The next chapter will discuss how the outside world really views IAPSO.

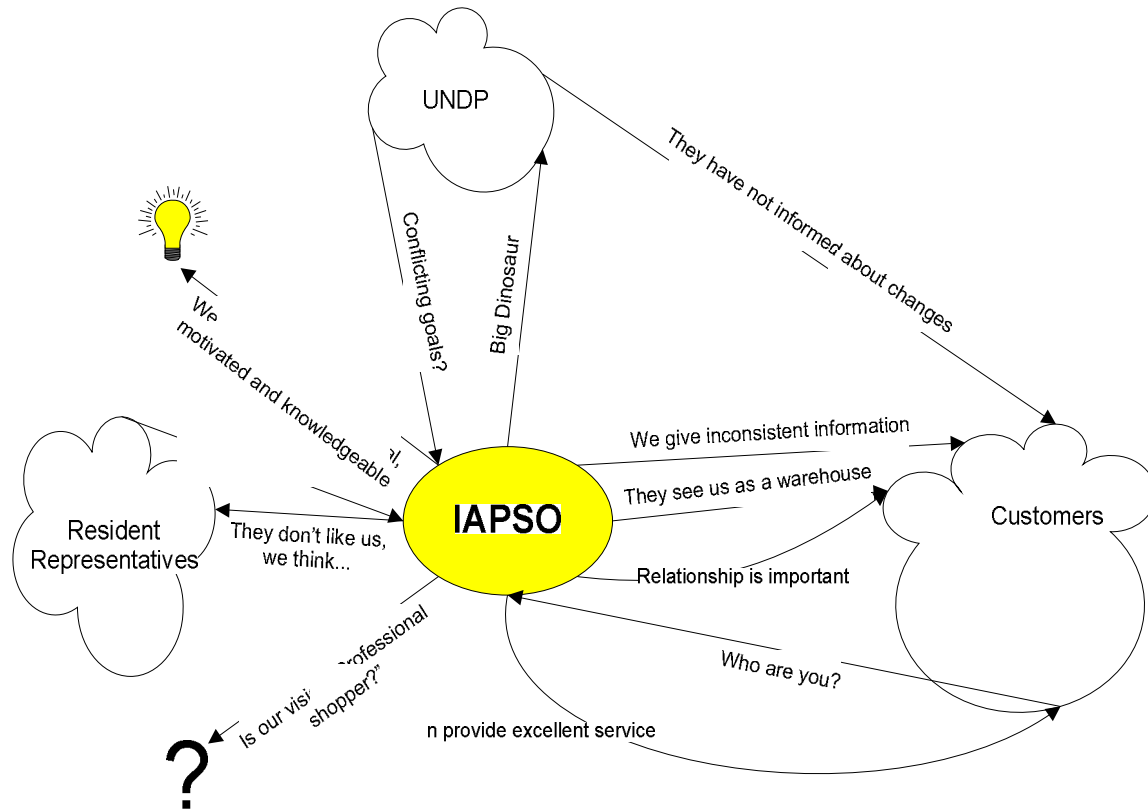


Figure 3: Internal perception of IAPSO

6 External perception

In this chapter the indications and hypotheses from previous chapter are compared with the eyes of the external users to see were similarities and differences exists.

All external interviews⁷ started with a “warm up” question were the interviewee was asked to describe him/herself and what he/she does in the daily work, the question was followed up by a question were the interviewee were asked to describe what they know of IAPSO, already at this part of the interview it was apparent how different the interviews would be; for example, one interviewee read the description of IAPSO’s services directly from IAPSO’s homepage, he patiently waited for my questions thinking for a long time before answering any questions, while another interviewee directly began to discuss what IAPSO needs to improve and was not so much interested in my questions until he had let me know what he thought it was important for me to know.

In summary, what really struck me analyzing the interviews is how different the problems of the interviewees are depending upon their specific situation; there are two main factors that I believe influenced the interviewees answers and wishes, namely personality and location specific circumstances. The difference in personality is perhaps not a surprise, considering that the interviewees’ origin from different cultures, I was surprised that location had an impact however. The analysis shows that even though the interviewees seem to have the same areas of concern on the surface, such as complaints of late deliveries, the underlying reason was very different for each person, each case being unique, and having a different meaning to the interviewed person.

In order to get a structure and to compare the internal and external view, this chapter has a similar presentation as the chapter, “Internal perception of IAPSO”. To preserve anonymity the interviewees are presented with a nick name.

⁷ For a short summary of each interview see appendix B

6.1 Understanding the history of IAPSO

Even though most of the interviewed persons had more than five years of experience with IAPSO only The Fish mentioned or recognized the changes IAPSO had gone through (no question was asked explicitly if the interviewee had noticed any changes in IAPSO the last few years however). The Fish said “and then, frankly speaking, we are wholly satisfied with what they [IAPSO] are doing, presently. Particularly, most times it was a little bit different. Now they are reacting promptly to all the requests”, indicating that he was less satisfied before. In response to why the interviewee thought services had improved The Fish said: “I think it's because of surveys they also had a taker, and then they didn't pickup and the reaction of the customers, I think so. I don't know exactly, I can't say with precision what is on the face of this improvement, but I think they are attempting to adopt all our observations. I think so.” Here The Fish is not sure why the services improved but believe the reason is because IAPSO is taking action on the feedback gathered from previous surveys. When asked when the service improved The Fish says “Uh, let's say, 2002.”, which fits well with the time IAPSO became self financed, it is tempting to draw the conclusion that the improvement happened because of the reorganization, examining IAPSO's database however, it is interesting to notice that early in 2003 the procurement officers handling requests for this country office were changed which could be the reason for improved service, later section will show the importance of chemistry between the service taker and provider. The fact that the interviewee knew that IAPSO had done a survey and cared for him might also have had a Hawthorne-effect⁸ (Bruzelius and Skärvad, 1989).

I do believe that The Cat has noticed changes in IAPSO, her comments seem to indicate frustration that some staff members from IAPSO will not provide her with quotes anymore (before the re-organization IAPSO provided quotes for all request), so she uses a staff member from IAPSO with whom she has a personal relationship who she knows will provide her with a quote. Many statements (described later) from The Cat describe how she wishes IAPSO to change their business to be more customers oriented to fit to her needs.

⁸ In an experiment by Hawthorne of how to increase production by changing light etc it turned out that any change would increase efficiency as long as the employees felt that someone cared for them.

6.2 Communication with the outside world

Internally staff members believe that IAPSO is seen as a warehouse or supplier (See section 5.3.1). The interviewed persons had varying knowledge of IAPSO, from very good knowledge to limited, all interviewees except one, no matter how well they understood IAPSO's business idea, used or understood IAPSO's role as a supplier delivering goods (from my understanding). The reason behind the perception of IAPSO as an organization delivering equipment was different however; this interviewee wishes IAPSO to have a stock from which equipment is shipped⁹:

The Hydra: And you have to be sure suppliers, or you have to have some such acting, we don't say, (inaudible) warehouse. [...] You have to have some quantity in your stock. Once we have an order you just install it and ship and we can submit it to our technicians. It would be much better rather than wait to place the order, then you would start ordering the security items, then you will install it. If you have it in stock, I don't know for how much the amount you will be stocked, but I think it's good if you have some of the items to be stocked.

In reality IAPSO do not have any warehouses, but order equipment from a supplier and hire a freight forwarder company to handle the freight, the interviewee is not aware of IAPSO's procurement role. The Cat however, is aware of IAPSO's procurement role but do not agree to it, here she quotes a staff member from IAPSO: “-‘Well, we want to be sole source. We’re not a supplier’. I mean if you want the business, you’ve got to be in. If you want to be in, you’ve got that sort of thing”¹⁰, explaining that IAPSO is losing business with their requirements to handle everything. The Cat means that IAPSO needs to be more aware of customer needs and demands: “I think you’ve simply got to sort of market yourself as in a different way as supplier to the UN or something because... I don’t know quite how you’re going to do that but, but... that’s how we think of it out here. I will often, you will be one of my suppliers. One of the ones I ask to quote.” The Cat believes other country offices share her view, when told that IAPSO do not wish to be seen as a supplier she said, “No, Exactly, exactly. But of course, country offices they do. They see you as being one of our suppliers”. Only the Fish (in my view) understood and used IAPSO as a procurement agent:

⁹ The view given by The Hydra corresponds very well to how staff believe IAPSO is perceived internally, see The Rabbit's quote labeled “Wrong Information” in section 5.2.1 for example

¹⁰ Compare with the Lion's statement in section 5.2.1 labeled “Inconsistent information”.

The Fish: Frankly speaking, I can't say what other countries think. What I can say is what our country thinks of the IAPSO. For us, IAPSO is a procurement agent. It's what's in the mind of some members in general, right? They don't consider IAPSO as a provider of training services they tax. For instance, you talk about IAPSO; the first thing they capture is procurement.

The Fish was not aware of other services that IAPSO provide, earlier she had asked “So, IAPSO deals only with procurement, right? They don't deal with the training of staff? Of UNDP staff?” No interviewee had a complete picture of all services provided by IAPSO. The interviews indicate that IAPSO is foremost known for its capability to sell and deliver equipment and the customers’ main interest is to buy equipment, maybe because they are not aware of other services.

6.2.1 How IAPSO adds value

When asked what the interviewees appreciated most with IAPSO, very different answers were given (but they all had to do with purchasing equipment). The Fish appreciated the low prices: “Yeah, the prices, you know, you know it better than I do. We are so deluged with a barrage of suppliers which are worthwhile, then the prices are a little bit lower, lower than some other suppliers.” The Cat appreciated that IAPSO was handling the process with the CAP and ACP committees¹¹:

The Cat: Well, you have the advantage especially with high volume over a hundred thousand and that it really decreases our work load as far as ACP/CAP, all that sort of stuff right? This is where I really like going with IAPSO because it saves us a lot of hassle and a lot of time like that. And especially now with the [project], I'm doing very rushed procurement. Every thing is 24 hours and (inaudible) has said he's going to give a blanket wavier. Ok. But we've still got to report post factually. But anything that I've got that I know is big like the hard skin vehicles, soft skin vehicles, and notebooks...all this type of thing. I have got them all through IAPSO. Because I know they can waive this competitive bidding as well and it's all kosher. (Inaudible).So that's why I like it. And...but I find that I find for smaller orders, by the time IAPSO's put their handling fee on it and air freight, then they are not competitive.

¹¹ Whenever procurement is done within the UN system over a certain sum of money the procurement has to be examined by the Contracts, Assets and Procurement panel (CAP) or the Advisory Committee on Procurement (ACP) whose role it is to ensure that all procurement has been done in a fair and transparent manner in accordance to the UN system and regulations. When procurement is done through a long term agreement negotiated by an UN agency the procurement do not have to be submitted to the CAP or ACP. When IAPSO does procurement for another agency or country office IAPSO handles these procedures, meaning that the customer do not have to do it.

The Hydra also appreciated that IAPSO handles the CAP process: “[...] we need to deal with IAPSO, because we know you are famous for (inaudible) this long agreement and we don't have to go through CAP and the mission from New York, to buy from (inaudible). So that's why we prefer to deal with IAPSO.” The CAP process is handled by IAPSO and is an added value to many of the interviewees, for example also Mr. Keep-It-Simple sees IAPSO's long-term agreements as IAPSO's major strength: “Well, obviously, in all of their long-term agreements. I mean vehicles. IT equipment, without any shadow of a doubt. I also have used IAPSO orders for reordering, you know, when we have the process of reordering in UN.” The strength of using long-term agreement is that items procured under the agreement do not need to go through the CAP process which might be what Mr. Keep-It-Simple sees as the advantage. The Thoughtful Cat thought that a good procurement agent would provide best quality of services defined as “the price, the competitive price; the shortest delivery time; the best communications and follow-up”

According to the interviews IAPSO's strength is its long-term agreements; this is where value is added and expectations exceeded, a service that raises the bar for competitors and creates loyalty. IAPSO's weakness is that other services are not known, this can only be communicated at the “moment of truth”.

6.2.2 Delivery times

All interviewees had concerns regarding delivery times, the interviews contains several examples showing the complexity of global logistics handling, presented below are quotes from different interviewees each having a different perception. The first example comes from an interviewee who has worked in several war-zone countries:

The Cat: but I know that very often when I say to my end users, “Oh, I'm getting something from IAPSO.” They say, “Oh (groan) it takes far too long with IAPSO, far too long.”

Interviewer: Do you know what it is that takes long? Is it delivery or handing or...

The Cat: Yea, they just this perception that everything takes far too long to delivery and then get into the country and “why don't we just buy locally?” That's always the thing. “ We can buy this locally.” Because then they don't have to hassle with customs and clearing it from the airport which really, really adds a lot of time. You know IAPSO can say, “We can have it to you in 2 weeks” but then very often, we have another three weeks ** here you know.

Interviewer: Because of the customs.

The Cat: Exactly so.

Where The Cat is located the clearance of customs takes longer than the actual delivery time, this is a factor IAPSO cannot control. The second situation applies to an interviewee who has worked in several developing countries:

The Thoughtful Cat: Yeah, also, it is very very easy for countries located on the sea, who ... countries having harbors and ports. [...] Delivery services are very very interesting for such countries. Very quick. [...] But when it comes to landlocked countries, there comes many many problems. [...] Especially due to delivery time.

Trying to pinpoint why it takes longer time to deliver to landlocked countries I asked for the reason, if for example customs mattered, The Thoughtful Cat answered: “For customs? I don’t foresee any major problems so far as the UNDP is exempted from taxes, and so this is not the major problem. It’s only the transportation.” Here customs is not the problem, it lies in inland transports, another problem IAPSO cannot control.

The third example concerns construction time for vehicles, when IAPSO receives an order for vehicles the order is sent to the vehicle manufacturer who will produce the vehicle. IAPSO do not have a stock but orders directly from the manufacturer to offer lower prices. An order from Toyota normally takes three to four months as is shown in the table below.

Table 1: Typical delivery cycle for vehicles

<i>Order Month</i>	<i>Planning month¹²</i>	<i>Production month</i>	<i>Delivery</i>	<i>Arrival</i>
<i>Vehicle is ordered by IAPSO</i>	Manufacturer plans production for next month including IAPSO’s order	Vehicle is produced	Vehicle is transported to destination. Normally takes four to six weeks by sea.	Vehicle arrives at destination

The Hydra complains that he can have the same car from another supplier in three weeks but prefer to use IAPSO as it eases the procurement process and is cheaper:

The Hydra: Regarding, the delivery time. All here we are concerned about the delivery time, the delivery time, delivery time. [...] The delivery time will take at least 3 months, which is unacceptable at all

¹² Can be the same month as the order month if the monthly production deadline has not passed

with the need of the office and always our order and the breakdown of them, the mission is waiting and we're expecting a lot of problems with this long delivery time.

The problem here is the time it takes from placing an order, producing the vehicle and delivering it, developing countries often having humanitarian crises and three months can be a long time. The Hydra says that if ordering from another agent “we get the item within three weeks” but that “we need to deal with IAPSO, because we know you are famous for (inaudible) this long agreement and we don't have to go through CAP” and that is why they prefer IAPSO but “Really we are in trouble with this long delivery time for the vehicles.” The delivery times of vehicles become a problem to the country office because the projects often have a shorter time span than three months, from the day of the request; this problem is also out of IAPSO’s control.

The fourth example exemplifies a delivery made late because of procedures and lack of expertise:

Mr. Keep-It-Simple: and he spotted a problem with IAPSO and the program in [country]. It was not entirely IAPSO’s fault, but the bottom line was that some of the bids were taking an unacceptably long time. In one case, in excess of 15 months, you know, from procurement recommendation to purchase order.

Interviewer: Do you have any idea why?

Mr. Keep-It-Simple: Yeah, I know exactly why.

Interviewer: Okay.

Mr. Keep-It-Simple: Now, what happened was [person] saw this and there were a lot of complaints. We’re paying IAPSO, if you can imagine, a lot of money, many many hundreds of thousands of dollars a year. [...] And what was quite apparent to me was the fact that, because you have the technical people in [country], you had a team in [country 2] which were not really experienced in [professional skill]. [...] And I suggested numbers of ways in which we should revise our tend to procedure, which IAPSO did not have. They didn’t have this procedure which I was used to, now, from DIFIT and from the European Commission. Which, we had, for ex ... one example, which was a glaring example, that first of all IAPSO’s deadline times are so short, in some cases 18 days or less, for a value of one million dollars was, I thought, absolutely unbelievable

Mr. Keep-It-Simple’s problem is IAPSO’s procedures and expertise which was not satisfactory, leading to long delivery times, this problem however is something that IAPSO has the possibility to influence, internal procedures can be changed and expertise can be learned.

In the interviews it is only The Fish who mentions failure to deliver on promised delivery dates saying that: “Maybe they can make some effort in terms of the time. Because some of the time if you order it takes more than the expected time.” Many interviewees raises issues which are hard for IAPSO to control, that lies outside IAPSO’s sphere to control, such as manufacturing deadlines, customs, bad infrastructure etc. Even though these issues are outside of IAPSO’s control IAPSO might still be blamed¹³ as this snippet show:

The Cat: this is the thing when people then tend to think, “Oh, well, it’s IAPSO’s fault” because it’s been sitting in the airport for days. Were it’s not really your guys fault but it’s just all the bureaucratic hassle that we have in our country that’s giving it out. That’s customs. That is all sort of tends to just be dumped on your shoulders. Oh, well, anything that you buy from IAPSO is going to take forever. Right

The picture given from the interviews shows a complex world regarding delivery times were each interviewee has specific problems. Previous surveys showed an indication that delivery problems were a big issue, the interviews adds to this picture, but also shows that it is not only a matter of whether delivery was made in time or not, but reveals other sides of the problem, this can explain the inconsistency in the web survey were 75% of the surveyed say that the order was delivered in time but 35 out of 65 comments is about delivery times.

6.2.3 Displacement of goals

Especially one of the interviewees was irritated at IAPSO’s persistent requests to take care of the whole procurement process, which is to handle the invitation to bid to suppliers and select the most qualified supplier, refusing to provide quotes to the interviewee. From the interviewee’s perspective, IAPSO wishes to handle the whole process to make sure they will be getting business; this was mentioned several times during the interview, for example:

The Cat: Oh because he says, “It’s just costs us too much money. We’re not going to take the time to quote if we’re not going to get the order.” And we got very angry at [our country office] because they [IAPSO] were going to start pushing a fee that even if we didn’t order, they were going to charge us 5,000 dollars or something ridiculous. And that would have stopped us using them [IAPSO] totally.

¹³ Compare with quote in section 5.3 “IAPSO gets blamed”

The statement shows a conflict is between IAPSO's goals "being good UNDP member", supporting and helping other UNDP organizations and the goal to "maintain and improve financial soundness", a little later The Cat clearly states she wishes more focus on IAPSO supporting her than focusing on the financial soundness:

The Cat: Yes. Well, basically, you've got to have people who are willing to go that extra mile and look out of that blanket type ofmonetary type of view point. If we're not going to earn our kroner, then we're not going to do it. You've got to have that sort of that customer orientated, "Yes, We're going to help and we're going to help here and there. We might not win these cases but, the fact that we've given the extra service on these cases is going to win us a big one down the road."

In The Cat's view IAPSO's goal to maintain financial stability is seen as IAPSO wishing to make profit on every order. The internal focus group was in agreement that the message sent to customers is inconsistent. One member, the lion for example, complained that while he was declining a request another staff member would accept to provide a quotation, for The Cat this is exactly the case¹⁴:

The Cat: And ... and so that's another hiccup because I find that if I ask for a quote, if IAPSO is not the sole for plan then you're reluctant to quote. And that is a pain. Actually [IAPSO staff member one] is always very good. he'll always give me a quote even if she doesn't get the order.

The Cat's solution is to do exactly what the Lion is irritated about, to ask another staff member. My hypothesis is that staff members in some cases have to choose to either please the customer or to protect IAPSO's financial soundness, this result in inconsistent customer experience and different information sent to the customer¹⁵, in this case The Cat is picking an officer she has a good relationship with, from whom she knows she will get a quote. Another layer of complexity is added to the situation; The Cat is also under pressure from the management to get quotations from IAPSO: "But I... just to have my files in order and to justify to ACP that I have checked it with you, I need to have a quote from you. But then, often it's, 'Well, are we supplying this or are we no because we're not going to waste our time giving you a quote.'" So The Cat is under pressure from her country office to get a quote from IAPSO and at the same time she is refused a quote from IAPSO if she can not get in contact with the "right" staff member at IAPSO.

¹⁴ See section 5.2.1, the quote labeled "Inconsistent information"

¹⁵ This seems to confirm the hypothesis put forward in the last part in section 5.2.3

6.2.4 How IAPSO is pictured externally

I added a “stupid” question last in the interview where I asked the interviewee to resemble IAPSO with an animal. My hope was to ease the professionalism that I expected to encounter and to get a spontaneous answer revealing the perception of IAPSO with a harmless question and to be able to compare the external and internal view:

The Cat: (Laughs) My immediate reaction is a rhinoceros. (Laughter) I don't know why really. A bit bullish and cumbersome. (Laughs) Yea, that's the only thing that comes to mind but, I really don't know why.

The Thoughtful Cat: (Laugh) A dog because ... a dog protects his manager, guides him ... it guides him in some instances. Through this guidance, it could be either if there is a danger, if there is a weakness somewhere, so that the manager or the appropriator could think twice and then think about how to get his right feet on.

Mr. Keep-It-Simple: (Laugh) One time I would have said a vulture. (Laugh) But that's not fair, because since then I've met many IAPSO people, I've worked with a few here, [staff member], I don't know if you know [staff member]. [...] So animal-wise, yeah maybe, I don't know. Bloody hell. I wouldn't say a Dodo or anything. I wouldn't say a vulture. How can I put it. Maybe something like a cheetah, looking around, slightly nervous, making sure that when he makes his kill he's got the right thing. And invariably he loses quite a lot. But in the end he gets there, you know? (Laugh) But always sort of very wary of looking over both shoulders to make sure he's pleasing everybody at the same time. And run away ... no, no, he's got to get the job done. But he's always very wary that someone is going to kick his ass. (Interviewer laugh) And of course he's got lots of enemies. The hyena, the lion, the leopard. They'll all spot him out, you know? So yes, maybe the cheetah. But very nice and sweet and normal.

The Hydra: (Silence) No. You got me. [...] A donkey, donkey. [...] Because (inaudible) Also because it's an animal from our environment and then that's a lot of animal.

The Snake: Ah! IAPSO look like a...a snake. No, no, no it's not true it's not a snake, but IAPSO is a Dog Huh? Yeah, a dog...a dog is more, more near to..how they call...it's a owner okay? Yeah the owner, IAPSO, IAPSO, near to the owner. It has clients (inaudible) IAPSO, IAPSO looks like a dog.

The animals used to picture IAPSO internally all had attributes which reflect strength, flexibility and independence/freedom while UNDP was seen as a dinosaur¹⁶. Externally however IAPSO is in many cases associated with contradictive values, such as a being close to his owner, have the need to please everyone, all attributes that signals dependency rather than independency. Two interviewees mention the dog, normally

¹⁶ See quotes in section 5.2.2 for comparison

associated with attributes as loyalty, devotion and protection (Biedermann, 1989), perhaps staff at IAPSO wishes to be an independent organization but externally IAPSO seems to be viewed differently. The spontaneous first reaction, mentioned by two interviewees, were a vulture and a snake, both normally associated with less favorable attributes such as living on the dead or being a tempter. The Cat's picture of a bullish and cumbersome rhinoceros fits well with the concerns she has with IAPSO. One interviewee's animal is missing as the batteries in the Dictaphone died before this part.

6.3 The resident representatives

Both the analysis of the quantitative surveys and the internal focus group interview seems to indicate that the resident representatives' view of IAPSO is different than external procurement officers' view of IAPSO, the interviewees were asked if they thought that resident representatives have a different perception of IAPSO than they have themselves, the answers were all different:

The Cat: Well, yea a lot of people have a lot of negative impressions of IAPSO. I find this quite across the board. They say, "They find you bureaucratic. They're too slow. Too expensive." This is the general attitude and of course, I struggle a little bit [...], they think I'm biased toward them. So they tend to sort of think I'm buying more from IAPSO than the others would because I want to give you business or something. And it's not this because I know what can you guys can deliver and I've got more inside knowledge and things. But I use them far more than...far more than my colleagues here for example. So in many cases, I have gone to them and they've come to me and said, "Do you know were we could this and this and this" and I said, "Go to IAPSO, go to IAPSO, ask them." "Oh, do you think so?" And so, you've got to push it. (inaudible).

Interviewer: Sorry. Do you have an idea were this impression comes from?

The Cat: Well, just experience I think.

The Cat believes that resident representatives have a bad perception of IAPSO based upon experience¹⁷, the negative picture seem to stick even though she is promoting IAPSO, it seems as if The Cat is trying to change the resident representatives picture but is meeting resistance which indicates that she does not have the power to change their perception.

¹⁷ See section 5.2.1 for theory of factors that affect perceptions

The Thoughtful Cat meant that the resident representatives are not involved in the procurement process and therefore do not get their perception of IAPSO from the procurement officers:

The Thoughtful Cat: Eh, I don't... anyway, the other representatives don't deal directly with IAPSO. People who deal with IAPSO, people who I, as [person] and myself, [inaudible] as in special operations.

Interviewer: Exactly.

The Thoughtful Cat: So, I don't know, some of them who show interest ... who have an idea ... in case they decide to buy their personal vehicle through IAPSO.

Interviewer: But otherwise, do you think they are aware of IAPSO's services, and what IAPSO do? Or is it just you, as the procurement expert, that know what services IAPSO provides?

The Thoughtful Cat: Yeah, I think if I am not mistaken in each country office, the best person who knows, who has much more knowledge about the IAPSO is the person responsible for procurement administration.

In The Thoughtful Cat's country office the resident representatives are not involved in the procurement process, he says: "You ask, to be frank, residents too don't have much time to deal with these issues." In this case The Thoughtful Cat actually does not know which impression his resident representative have and most likely do not influence the resident representative's perception. With Mr. Keep-It-Simple the situation is the opposite:

Mr. Keep-It-Simple: I don't think that our resident representatives would know a great deal about IAPSO for the simple reason that we've never used IAPSO for so many years now. So, our present incumbent, I don't think for one minute they would have anything against IAPSO. And I think an example of this would have been the elections last year when I, our RRs then was [resident representative's name]. And I said [resident representative's name], now the only way we can do this is through IAPSO. And of course, fine [Mr. Keep-It-Simple], whatever you think. No I don't think the RRs in my history, in my case, in my experience, that I've worked with, and there have been 3, have got anything whatsoever against IAPSO. And I would think that they would have the same feelings that we have. Because we, of course, would advise them accordingly.

Interviewer: Yeah, exactly.

Mr. Keep-It-Simple: I don't think myself or [resident representative's name] have ever, sort of, hammered IAPSO. We've had our grouches, bloody IAPSO this and that, of course. (Interviewer laughing) But no, when it comes down to brass tags, no, we've got nothing.

Interviewer: Would you say it's true that the res. reps get their opinion of IAPSO primarily from procurement officers?

Mr. Keep-It-Simple: Yes, absolutely. Absolutely.

From the text it is clear that the resident representatives ask Mr. Keep-It-Simple for advice and that they work close together (for example using we to reference himself and the RR), he is sure that the perception of IAPSO comes from the procurement officer. The Fish believe resident representatives can have a different perception than the procurement officer:

The Fish: Sometimes they have different opinions from ours, I mean. Because we understand what IAPSO is doing, they don't, they don't understand it as well. It's up to us to explain in order to have the same viewpoint with us. The same level of understanding, I mean.

The Fish believes that resident representative and the procurement officer can have different perceptions if the procurement officer do not bring the resident representative to the same level of understanding, meaning that (in my understanding) that a resident representative who understand procurement would have the same perception as the procurement officer, apparently this is not always the case. In the context I interpret that The Fish means that better expertise of the complexity of procurement gives a better understanding of things that can go wrong which leads to more understanding to these issues, than someone who only sees, for example late deliveries, and is not so forgiving.

From the external interviews it is hard to say how the resident representative's perception of IAPSO is formed, the perception seems to be formed differently in each office, and the perception can have its origin in type of leadership, previous experience, being involved directly with co-workers, viewing the final results etc. The internal view seems heterogenic and do not fit with the external view¹⁸, from the interviews and the meetings it does not seem as if the resident representatives have such a bad perception of IAPSO as staff internally might believe. To conclude, it seems as the perception resident representatives have depend upon multiple factors¹⁹, were one important factors is the very different (as it seems) personalities the resident representatives have, which effect from were they get their perception.

¹⁸ See quotes in section 5.3 for comparisons

¹⁹ As suggested by Thomposn and Kolsky, Cottler and Hogan in section 5.2.1

6.4 IAPSO's customer goals

The interviewees were asked to comment IAPSO's customer goals; I was interested in knowing if they were aware of or recognized IAPSO in the statements. I wished to understand how the statements were interpreted as the internal perception was that external customers would not understand them correctly²⁰. In the interviews I did not give any explanation of how the statements should be interpreted, I told the interviewee that the statements were IAPSO's goals set up to increase customer satisfaction and the interviewee was asked to associate freely around the statements. In general I got two types of answers from the interviewees. It might be coincidence, but the two native English speaking persons reacted spontaneously and asked for clarification, for example:

Interviewer: Have you heard of IAPSO vision?

The Cat: Vision?

Interviewer: Yea, buying for a better world?

The Cat: Oh god, that awful one but, yea. (Laughter)

The Cat: What does that mean exactly?

Interviewer: Yea that was exactly the question that I was going to ask you? (laughs)

The Cat: Well, I think it's weak and I think it does nothing for me.

Interviewer: The next statement is: to provide state of the art system contracting solutions.

Mr. Keep-It-Simple: What the devil does that mean? (Laugh)²¹

Interviewer: (Laugh) That's a completely fair answer.

Mr. Keep-It-Simple: Now if you had said something like that to a delegation of [country] businessmen, they would nod their heads, and think they knew all about it, but they'd think, Oh geeze, what's he talking about?

Mr. Keep-It-Simple: I have no idea what that means, I'm sorry.

My hypothesis is that the native speaking interviewees are more comfortable in saying that they do not understand a statement as they are experts in their own language while non-native speakers struggle to create an understanding. The non-native English speaking persons reacted differently; in two cases I got the feeling that the respondent did not really understand what it meant but felt he/she had to give an answer even if he did not really know what to give an answer to:

Interviewer: [repeats question] Provide state-of-the-art system contracting solutions. Is it vague or is it crystal clear?

The Hydra: Yeah, actually, one of my colleagues is attending one of these courses they've got in contracting services. I don't know,

²⁰ See section 5.4 for the internal perception

²¹ Internally this goal was also seen as "extremely confusing", see section 5.4, section labeled "Unclear goals"

Contracting (inaudible) something, I don't remember the full name. But they are part of UNDP contracting system. And, when he present what he attend, it is useful and I'm planning to attend the same [...] But in general I think IAPSO is doing well in this part

Here the interviewee first talks about a course held by IAPSO and then rounds up with stating that IAPSO is doing well in this part. In two of the interviews I had a translator attending translating the statements to the speaker's native language, when a statement was translated I got an answer more in line with the native English speaking persons, for example "Yeah, I understand it, but it's not clear for me." It is my understanding that none of the interviewees thought the statements were very clear or understandable.

None of the interviewees were aware of or understood the customer goals, if the customer does not understand an organizations customer goals it is hard to set or control customer expectations. The un-clarity of the goals might affect the picture which external customers have of IAPSO²².

6.5 IAPSO – the knowledge organization

In section 5.5.1 it was assumed that IAPSO is a knowledge organization. Several comments among the interviewed strengthens this picture and show the complexity of the world IAPSO operates in, even catalogue procurement²³ is complex; region specific aspects have to be taken into consideration, such as trade embargos, steering orientation etc. Knowledge organization needs to have skilled staff members who understand how crucial the social interaction is between the customer and the provider (Bruzelius and Skärvad). I will concentrate on three issues which were brought up in the interviews that can affect customers' experience of IAPSO.

- Physical presence and complexity of procurement
- How relationship effects business
- Declining requests

²² This seems to confirm my question raised in the end of section 5.4

²³ With catalogue items is meant equipment that has standard specifications, where IAPSO has negotiated a Long term agreement with the supplier. For example a Toyota Land cruiser or a Dell latitude D600

6.5.1 Physical presence and complexity of procurement

In general the interviewees seem satisfied with the way things are when they are procuring catalogue items. For complex procurement, or in situations where something has gone wrong, a general wish was expressed for IAPSO to be present to solve the problem. Mr. Keep-It-Simple explained that they had stopped using IAPSO in complex project since coordination with IAPSO staff members, being present only in Copenhagen, became too slow and complicated but the interviewee felt certain that if IAPSO had been present in the country it would have been a different story:

Mr. Keep-It-Simple: You know, let me tell you one thing that I have certainly learned here in the last 3 years, and I'm certainly learning it now in the last 6 to 9 months, or so, that we've been with UNDP in [country]. That the benefit of being, if you got a large budget, the benefit of being actually here, is priceless.

Interviewer: All right.

Mr. Keep-It-Simple: There's no way that the tenders I am doing now ... for example, I am at this moment, working on about three bids because [officer]'s in [City] and two of our staff are on leave and one is sick. And I am working on three big tenders, okay, 3 million, 1½ million, a million. But if I wasn't here to be able to pick up the phone and ring our technical people close by [...] I would say it is impossible. I would say that all these guys could have dealt with IAPSO in Copenhagen, across the desk, or at least once a month coming to visit from [country], or whatever. I would say it's very very difficult. Very difficult. I think if IAPSO would have been here in the [name of operation] days, and I know they had some representation here, but I think if they (I don't know whether it would have been possible) created the office on behalf of the [name of operation], it would have been a different story.

Because of the complexity of the procurement it was not possible for IAPSO to handle the process from Copenhagen. The country office uses IAPSO for less complex catalogue procurement, Mr. Keep-It-Simple meant that: "Vehicle agreements are slightly different because when you're dealing with vehicles you know what you want. You've already got the LTA and everybody's approved it. It's pretty straight forward." When it comes to catalogue procurement the complexity is less and no physical presence is required from IAPSO. The Cat, who deals with catalogue procurement, argues along the same lines:

The Cat: Well, I don't know. I think probably for some country offices that for the very high profile and doing a lot of business, it might be beneficial to have.. to embed a staff member for say 6 months or something. That could be beneficial.

There is a small difference in The Cat's argument; here it is the amount of business that decides whether IAPSO needs to have staff present and not the complexity. But later on The Cat argues that it is cumbersome for a country office if something goes wrong:

The Cat: Quote and delivery and I think the fact that you guys are no were to be seen. And this is the thing, people think, "Oh, well, God we're ordering stuff from IAPSO in Denmark and we never see them" so we can never come to you. Were as if we buy from Joe Blogs who's around the corner here ... if something goes wrong, we can just march to his shop and say, "Come and fix it." [...] And were they think, "IAPSO by the time we send a dozen emails then we'll never hear from them again and then it's our problem. Whatever the problem we've got here, we're stuck with it."

The opinion is that it is to complicated for IAPSO to handle the problem from a far distance so they have to solve it locally which is cumbersome, therefore it is easier to go to a local dealer, on whom they can have tougher demands, because they are physically available and can do something about the problem!

Both The Thoughtful Cat and The Fish deal with catalogue procurement, none mentioned any cases as complex as Mr. Keep-It-Simple or The Cat but The Thoughtful Cat spontaneously suggested that IAPSO should have regional representation, but that there was no need to have it in his country: "Not particularly in our country, but in a neighboring country". The Fish said that (in answer to if physical presence of IAPSO would help him): "Not actually. But, uh, it could be good with everything. I will tell you, if you know someone face-to-face and then maybe if you send a message you can see they are sending to this person, there is value on it."

My conclusion is that when complex issues and problems happen, the interviewees wish to have someone from IAPSO physically present to help them with their problems, but when procurement is simple and straightforward there is no real wish or need for IAPSO to be present.

Internally staff believe that the reason for IAPSO's services not being well-known to the outside world²⁴ is because too little time is spent out in the field were the customers are. The interviews indicate that country offices need IAPSO presence when complicated procurement is undertaken. This approach is different from the internal perspective were IAPSO presence were foremost seen as a strategic tool to capture business.

²⁴ See section 5.2, quote labelled "No visibility" for example.

6.5.2 How relationship effects business

Quality of service is often referred to as if the customer receives the service promised, this is however only one part of the truth; this is called the technical quality of the outcome. There are numerous interactions between the service provider and the customer, including various moments of truth which will influence the customer. The customer is also influenced by how he receives the service; this is called the functional quality. The total quality experienced by a customer is built on both these experiences (Gronroos, 2000). During all interviews the interviewees stressed how important it was for them to have contact with someone at IAPSO who they can trust and who can help them. What is indicated in the interviews is that personal chemistry seems to be vital for the customer, as The Cat says: “While I’m just saying that it’s important the chemistry, the business and working relationship that you have with people there.”²⁵ In the quotes below the same IAPSO procurement officer is given both bad and good functional quality from two different interview persons. The names of the IAPSO employees have been replaced within brackets but all reference the same staff member:

IP1: Exactly. I mean, for example, it’s awful to say this but this is confidential... [staff A] gone on holiday right so she’s (inaudible). Well, if you need anything now on these [staff B] I’ve had nothing but disaster with him and I felt (groan) If I’m having to deal with her now... and [staff C] will be back next week. Well I find him extremely difficult to work with too. I find him very inflexible and so ... if I was just dealing with these people, I wouldn’t use IAPSO at all.

IP2: I may give my congratulations to [staff F], [staff B] and [staff G]. They promptly react, and if there is a problem, they don't wait for long before asking for provisions. And then this helps us a lot. Just to deal with them and then to cope with them. And if there is an order that we have placed and they are protecting the supplies, they keep us informed of what they are doing.

IP1: [staff D]. I had a tremendous amount of work with him last year with the [equipment] stuff. And, I mean, he’s ok. But again, a little bit pedantic and inflexible. Alright. So I sort of tend to sort of think, “Oh well, I’ll just... yes, I know I need these [equipment] but, I’m not going to go [staff D]. I’ll go to [staff A]” And with vehicles too. I suppose I should go to ... something like [staff E] or [staff F] but, I don’t get the service that I do if I go to [staff A] for example. [...] I tend to pick my people.

²⁵ Also internally relationship was deemed important see section 5.5.1, quote labelled “Relationship building” or first quote in section 5.6 labelled “Relationship building” for examples.

Assuming that internal staff is professional and treat customer in the same way it seems as if chemistry between internal staff and the interviewed person is important, if the interviewee get what he or she expect to get there is an understanding, if one person is interested in details and the second person is not, the second person would probably perceive the first person as pedantic and inflexible. IP1 receives different level of functional quality depending upon whom he has contact with, this might be because of several reasons such as: higher demands, that she encounters more problems, cultural background or her personality.

In the internal group discussion the rabbit stressed the importance of building relationships with customers and so do all external interviewees, but a new factor is added, the chemistry between the actors, which effect functional quality. IP1, for example, stresses several times that he wishes to contact IAPSO staff member A: “I mean I have used IAPSO quite extensively both in [country] and here because I have a good working relationship with [Staff A] and (inaudible) particularly so I get results.” Another interviewee did not have a singular relationship:

The Hydra: I want someone who would be responsible for our items. To alert me for anything for [country] office, you contact me. it would be good for me. It would be good in any instance. I don't know to whom I have contact, but I think you have someone for ID for vehicles, right? If you appoint someone to be responsible for all [country] orders, in this one, it would be much better. Then he will (inaudible) same person in your office there.

The reason The Hydra wishes to have one person to contact is because of problems getting hold of anyone able to inform him about a quotation: “Last week I have a quotation for four vehicles. Two weeks I'm sending reminder, reminder to everyone. Then, (inaudible) what I have done, I've gone to your website and I have found the four names I think, some director and that [staff member] has left.” The Hydra complains that “people dealing with issues are not always the same” and because of that “people are not worried about what you did last time, so they ask the same questions.”²⁶ The experience The Hydra gets, dealing with IAPSO is that he will have to start all over which seems cumbersome and even though the technical quality might be good the functional quality is in this case not. Another interviewee did not appreciate the idea of having just one

²⁶ This comment seem to fit well with the internal perception of how IAPSO is perceived externally, see end of section 5.2.1 for example

contact person as he was afraid that would mean that person might not be accessible and because it could be considered rude to other contact persons:

The Fish:(Woman's voice translating - man speaking French in background) - He prefers to have several persons, because if you just have one it means you don't trust the other. Oui (Man telling her to hold on - speaking in French in the background) He prefers to have several persons, so if one is away you can deal with the other one. And, he thinks for a company it's better to function in terms of team instead of having one focal point

Here it seems as The Fish have received good functional quality with more than one staff member and therefore wishes to have several contact points, this also indicates loyalty to the staff members.

No matter if the interviewees wished to have one focal point or have cross team communication, relationship is the keyword, for one of the interviewees personal relationship are of uttermost importance, if he did not have staff member one she would not use IAPSO at all, The Hydra wishes he had one contact point to avoid re-building relationship, The Fish has relationship with several staff members and is satisfied.

It seems as if relationship becomes more important when procurement becomes problematic or complex, for simple procurement, relationship does not seem as important. Anna Kahn's book "Kundvård" says that research show that customer have one common wish; "keep contact with us and show interest." Gronroos (2000) writes in his book "Service Management and Marketing" four similar points: care and concern; that the organization is devoted to the customer's problems and wishes, spontaneity; that employees show a willingness and readiness to solve problems, problem solving; that the employees are skilled in handling problems, recovery; that the organization is ready or prepared to handle unexpected problems. I would like to add the factor of chemistry for successful relationship building; different customers have bigger or smaller demands on the functional quality which could depend on many factors, such as personality or complexity of the business.

6.5.3 Declining offers

In the phone survey one third of IAPSO's customers had experienced that IAPSO had turned down a request for assistance, among the interviewed only The Cat had experienced that IAPSO would turn down her requests for help. According to The Cat a

request is turned down when IAPSO is not guaranteed to get the order²⁷, the other interviewees were not sure in which instances IAPSO would turn down a request for assistance as they had not experienced it, for example: “They have plenty of reasons, but I don't know exactly. Maybe, if the specs, the specifications are not clear or something like that.” None of the interviewed persons knew the real reason why IAPSO would decline a request for help. This might be a problem for IAPSO, but from the material gathered no further indications can be read.

6.6 The importance of communication

In all interviews two things were emphasized; relationship and communication. Relationships are important to build up trust, but communication is a requirement for relationship, without communications there can be no relationship, relationship is important because it creates loyalty. A customer who does not get enough information or wrong information will distrust the source of the information. Of all the keywords communication was the most common keyword. All interviewees mentioned at some point during the interviews that what matters is communication, if we communicate well then any problem or issues can be solved. Presented below are just a few quotes regarding communication:

“And also I haven't mentioned before it's a matter of communication, they need to in a way to help us better.”

“But in the absence of continuous communication and feedback, we were in the dark”

“So the main issue I want to raise over here is that, when an order is placed, there should be a good follow-up system. A good communication system. So that the client is informed of any problem that arises, so that remedial solutions might be taken very very quickly.”

“but for me it's only a matter of a misunderstanding and good communication consulting around the problems.”

“If we communicate well, then we get the right things.”

“To me it's only the feedback. For example, when I place an order and I'm expecting that feedback that they receive my order and I, I mean quotation. (inaudible). When they receive my request, yes you'll receive (inaudible) by this date. And then when I am placed the order you're told that it's in process, too. But even sometimes I check the website with tracking system. Sometimes it's updated and sometimes you see...For example, I receive a car one time, and when I check there and still I found that it was in process. That means that they can use the

²⁷ See last quote in 6.2.3 by The Cat for example

system match exactly (inaudible) what kind of situation. (inaudible)
And also this is a kind of feedback or communication.”

The context of the quotes seems to indicate that many problems would not have happened or could have been avoided if communication was better. There are however a number of factors (my reflection) that make communication between IAPSO and its customers complex, for example

- (1) Cultural differences
- (2) Language barriers
- (3) Complexity of profession requires technical language
- (4) Physical distance and limited communication channels

In section 6.5.2 chemistry between provider and service taker was discussed, to ease communication and to predict where chemistry might “match” it might be useful to regard the four points above, communication and relationship building might be eased if the staff member and the customer have the same cultural background and have the same mother tongues. For complex projects, speaking the same “technical language” and being physically present might also help. I examined which staff members the interviewees prefer and do not prefer, it is very interesting to note that where chemistry works, the interviewee and staff member have many of the four points in common and the opposite when chemistry do not work.

6.7 Final words and a theory

Customers are in general satisfied with catalogue procurement, but for complex procurement satisfaction is lower, for complex procurement there seems to be a need for the customers to have a staff member from IAPSO physically available to help them, for example when the problem is too complex to solve over the phone.

Jaenson (1997) says that customer relationships are central to the success of a knowledge company; if they are well-kept and improved the customers will perceive a good quality experience and be satisfied, this will affect the staff that in their turn will become more positive. I would like to add that it is important to take chemistry between persons into consideration; if chemistry is matched it is easier to provide functional quality. Gronroos (2000) says that “value is perceived by customers in their internal

processes and in interactions with suppliers or service providers when consuming or making use of services, goods, information, personal contacts, recovery and elements of ongoing relationships.” Value is added to customers from both functional and technical qualities. In my view, to achieve functional quality it is important to pay attention to the complexity of the service and the demands that comes with the customer. A customer’s demands are set both by the customers personality (some are more demanding than others) but is also decided by how well the service taker and provider can communicate (decided by cultural differences, language, complexity and physical distance), if communication is difficult, demands are higher on both the service taker and provider. The matrix below summarizes my hypothesis.

		Complexity	
		High	Low
D e m a n d s	High	1. Functional quality at risk	2. Need for relationship
	Low	3. Need for relationship	4. No relation needed

Figure 4: How demands and complexity effect functional quality

1. When both complexity and demand is high there is need for much communication or else the functional quality is at risk. If the demand is high because of cultural differences etc the demand can be lowered (to box 3) by matching the service taker and provider better. If the “chemistry” is matched but the service taker still has to high demands then the organization need to consider whether this relationship should be kept. Physical presence is needed! There might be a need to clarify customer expectations.

2. Here the demand is high, but the complexity is low, there is a need for relationship to make sure the demands from the customer are understood and to make the customer feel safe. If the demand is high because of wrong “chemistry” then the demand can be

lowered (to box 4) by providing a better match between taker and provider. Customer expectations need to be set.

3. The complexity of the project requires communication between two persons who understand each other. The complexity probably requires physical presence as problems can not be solved over distance. The expectations of the service provider and taker match.

4. The service provider and taker understand each other and the complexity is low or is routine. There is no need to build relationship, all expectations are clear and business is routine.

6.7.1 Comments regarding the hypotheses from the quantitative interviews

Only one of the interviewed persons had experienced that IAPSO had turned down an offer, it is not possible to say whether this have an effect on the BoM survey, the interviewee was irritated that IAPSO declined her requests but worked his way round the system by asking other staff members of IAPSO to provide her with a quote, that it is possible to get different experiences and result from different staff members indicates that customer goals are not clear or approved on, it could be a conflict of goals between maintaining financial stability and serving customers.

There is still uncertainty of how well the BoM survey represents resident representatives' view of IAPSO. From the two meetings nothing further can be said other than that the view of the resident representative in meeting two, matches the view of the procurement officer who he had worked closely with (the meetings did not provide enough data to make any conclusions). Comparing this issue with other issues, for example delivery times, show that much complexity can be hidden behind an answer to a single question, I very much doubt that the real world is as black or white or favourable to non-favourable as it might look in the BoM survey.

6.7.2 Internal versus external view

Staff members of IAPSO have an accurate picture of how IAPSO is perceived externally, they are very aware of their customers' needs and the problems that exist. Since the problems are known both internally and externally why are they not solved then? In my understanding there are a couple of factors that complicate matters; the perception of IAPSO's role is unclear, both internally and externally. In Anna Kahn's book

“Kundvård” three fundamental points are given on which all good customer service is built; it is common and accepted rules and routines which are known for everyone, enough independence and comfort for employees to take their own responsibility and initiative, employees who are experts in both their profession and as relationship-makers. Internally there seems to be uncertainty or disagreement of the guidelines to use for external customers in various situations, for example, when to provide a quote, which might be a sign of internal conflict regarding which goal is the most important to follow. The purpose of setting up goals and a vision for an organization is to help staff members to know how to act in certain situations, to provide guidelines. Displacement of goals could be one reason for uncertainty of how to serve the customer. IAPSO is a typical knowledge company needing independent staff members who can take their own decisions, this makes it difficult to implement, or even agree, on explicit customer goals, if the goals are to narrow independence is threatened, limiting the number of choices available, factors important for a knowledge company. If the stated goals are too broad customers will not view the organization as unified because how service is provided is very much decided by the individual staff member.

All interviewees requested good personal relationships, interviewees were satisfied with staff members who gave fast responses, who understood their needs and helped them with their needs, which they could trust, with whom they have a good relationship. Different interviewees preferred different staff members, a staff member that was appreciated by one interviewee was not automatically appreciated by another interviewee, this leads me to believe that the chemistry between the provider and the respondent is very important, just as we pick our friends in real life the interviewees chose their “own” staff member or in cases they had none, wished they had one.

One point where the internal and external view seems different is the perception of resident representatives, there is an indication however that they are not as maligned towards IAPSO as staff might believe internally.

There is confusion regarding IAPSO’s role as a supplier; IAPSO do not wish to be seen as a supplier, but the interviewees either do not know this or ignore the fact. This might very well be a problem due to lack of information sent out to customers when IAPSO was reformed. My belief is that these changes did not go unnoticed by the

customers but since they have not been informed, the changes might be met with resistance putting staff members in a difficult situation, the customer have expectations on which services they will receive based upon previous experiences, when the expectations are not fulfilled they get unsatisfied, as the rabbit said: “they didn’t understand cause when you did it yesterday why didn’t you do it then, and when you try to explain they didn’t understand it out in the field, they said -: ‘But you are here to help us, you are not helping us, you are basically telling us to go away’.” IAPSO’s goals to “Maintain and improve financial soundness” and to “be a good UN family member” do not become easy when customer do not approve with the first goal (perhaps regarding IAPSO as only interested in earning money). The staff member has to choose, she can not protect both goals, if the first is chosen the customer will not be satisfied and if the second is chosen the staff member breaks a policy.

Delivery times are of concern to the customers but the problem is more complex than it seemed, the origin of the problem is different and in many cases based upon factors specific to the country or region, such as customs, infrastructure, construction time compared to length of programme projects, complexity and expertise or late deliveries. The main concerns regarding delivery of goods are not related to if the order was delivered in time, but factors that are specific for every interviewee, factors hard for IAPSO to control. The only factor in the chain IAPSO can control is the quality of relationship between customer, manufacturer and forwarder, that is communication between different actors, IAPSO cannot directly control construction times or quality of production, if something goes wrong it is likely that IAPSO will get the blame as they are seen as responsible for the whole chain, maybe customer expectations needs to be managed here or IAPSO needs to add extra value.

The interviewees had different perceptions but they had one thing in common; their knowledge of IAPSO was focused on the service(s) they used IAPSO for, in most cases the interviewees used one service. IAPSO is divided into one unit per service with little cross-unit communication. A customer’s only contact with IAPSO is with staff members who handle his request, the perception of IAPSO comes from the “moment of truth” and this is where all expectations are built up. One reason that customers are not aware of other services provided could be that staff members fail to inform about other services

provided by IAPSO, maybe because of low cross-unit communication, the staff member is not aware of which activity other units have in the same region for example. If staff members treat customers differently based on their “own” customer goals there is a risk that the customer will get confused when he is presented for another staff member, resulting in confusion and mixed signals.

The main conclusions in summary:

- (1) Even though the external and internal perception of how IAPSO is perceived matches, IAPSO’s vision and customer goals are unclear (both internally and externally) which affects customer experience
- (2) Personal relationships and communication are very important for IAPSO. IAPSO is not only selling services, they also *sell relationships*.

My wish was to formulate a theory for procurement agents focused on the communicative aspect. A theory of how functional quality is influenced by chemistry and complexity of business was presented earlier. Strauss and Corbin (1990) provide four central criterias for a good grounded theory: it should fit the phenomenon; it should provide understanding; it should provide generality; and it should provide control, in the sense of stating the conditions under which the theory applies and providing a basis for action in the area. I hope the reader feels that the theory meets the requirements.

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Appendix A: Meetings with Resident Representatives

The request to interview resident representatives was declined but the director of IAPSO had already booked a couple of informal meetings with resident representatives over the phone or in person during June and July of 2005. The purpose of the meetings was to get acquainted with the resident representatives and to understand how IAPSO can help serve them better. Since both the group interviews and earlier quantitative surveys indicate a difference in attitude between procurement officers and resident representatives, and staff internally has a negative perception of resident representatives I felt that it was important to get information from the resident representatives in any way I could. Below is a descriptive summary of each meeting

Meeting One

This short discussion lasting ten minutes was held between the director of IAPSO and the resident representative over the speaker phone, I asked no questions.

The resident representative mentioned that the biggest issue when dealing with IAPSO was speed, it takes too long to get the goods, the country office had ordered a couple of vehicles for last year and had waited three, four or five months before they were delivered. The country office mostly orders goods for the government and they cannot wait that amount of time, so they have started ordering from local dealers whose delivery time is shorter. The resident representative would like to use IAPSO, because the organization is part of the UNDP family but due to pressure of delivery times.

According to the statistics for the country office the orders placed in 2004 were in average nine days early and only one order was late (five days). In average it took the customer four months to get the goods from placing the order to delivery. No further information was given whether the resident representative was aware of the lead times from the beginning or not.

Meeting Two

The meeting took place physically in Copenhagen between the director of IAPSO and the resident representative (RR) and lasted for 46 minutes. Most of the conversation was between the RR and the director of IAPSO with some input from the author. In the meeting much focus was on the existing procedures within UNDP for procurement and how procurement can be made easier.

The RR had experience from more than three different country offices and has used IAPSO's services several times, the RR likes IAPSO and is aware of the changes the organization has gone through recently (becoming self financed etc). In his current country office they do not use IAPSO's services however, the RR made it clear that the reason was not because they did not like IAPSO, but that they can handle most of the procurement themselves, with the exception of vehicles, which they procure through IAPSO. The RR believes that IAPSO's usefulness depends very much on the country office's needs. In a previous country office he had much use of IAPSO but comments that the negative aspect of the organization is the mixed signals it sends out. IAPSO is very good at off-the-shelf products, but not for specialized equipment. The RR says that he tried to use IAPSO as the procurement agent for specialized equipment in order to be a

good UNDP family member, one of the problems encountered was the fee structure; first UNDP took a fee, then IAPSO and finally the country office, which made procurement expensive. The largest problem however was that procurement through IAPSO was “way to slow”, the major factor for procurement being slow was that the people involved in the procurement was scattered all over the world; IAPSO in Denmark, the supplier elsewhere and the local procurement staff and expertise scattered over the country with the result that communication between the involved became problematic and slow, in the end the administrative costs became higher than the value of the goods procured and the delivery time was between nine to twelve months, which is not acceptable when it comes to humanitarian aid. Even though everything was made according to the book in a very academically correct way, it is not defensible to have such high administrative costs and long lead times. There was a lack of flexibility in the process according to the RR. In some regions, however, it is necessary to have formal procedures and routines as the overall knowledge of how to handle procurement is so low. The opinion of the RR is that procedures are there to safeguard, not to hinder. The most important rules for procurement is that procurement is

- (1) transparency
- (2) that suppliers have had enough time to respond to an invitation to a bid
- (3) that the selection process of suppliers has been fair

The resident representative means that too many persons in the organization hold to hard on procedures and are not flexible enough for the real world outside. UNDP, even though being the most flexible organization within UN, needs to be more market oriented. The RR ends the discussion by stating that he wishes to be part of the newly reformed procurement process policy (created by IAPSO, authors note) and to be a good example of how to use this policy.

Reflections

Not very much can be read from the first meeting, in the second meeting it is interesting to see how well the resident representative’s view of IAPSO fit with the interviewed procurement officer Mr. Keep-It-Simple who has worked together with the second resident representative. Mr. Keep-It-Simple is also the one interviewee who states that he works closely with his resident representatives and believes that resident representatives picture of IAPSO is colored by each country office’s procurement staff (See section “Understanding the different parts of IAPSO and how they interact” in chapter five). In the meeting the problem of delivery times is made more complex, for “off-the-shelves” products IAPSO is doing well, but when it comes to complex procurement IAPSO lacks expertise, flexibility and communication is hard since IAPSO is not physically present. The inconsistency of information is also mentioned here as in the focus group interviews. Overall the resident representative seems to have a positive picture of IAPSO and think of IAPSO as fellow UNDP member belonging in UNDP.

Appendix B: Summary of interviews

<i>Interviewee name</i>	<i>Total Time</i>	<i>Comments</i>
<i>Interview one Mr. Keep-It-Simple</i>	50 minutes	Relaxed talk, the IP was very talkative, friendly and answered questions very fast. The interview was interrupted after twelve minutes and continued after a break of 20 minutes.
<i>Interview two The Cat</i>	41 minutes	Procurement officer was talkative, professional and responded fast to questions. The interview was interrupted after four minutes due to a call to the officer's mobile phone. Interview was resumed after a few minutes.
<i>Interview three The thoughtful Cat</i>	35 minutes	The procurement officer gave short answers and seemed reserved; I had to use lots of follow-up questions. It seemed as if he had prepared answers in advance as he sometimes answered as if from a paper, for other questions he thought for a long time and asked if he could come back with answers. The person had some problem with the English language which can perhaps explain the long answer time. Another reason could be that the interview was delayed for one hour due to a misunderstanding (his phone was giving a busy signal but he had waited for the call for one hour).
<i>Interview four The fish</i>	~45 minutes	The procurement officer was happy to be interviewed and answered at some length. A French interpreter from IAPSO participated and translated when the interview person did not understand the question or wished to answer in French. The batteries in the Dictaphone died after 31 minutes. The interpreter helped taking notes at this point.
<i>Interview five The Hydra</i>	50 minutes	Two procurement officers participated in the interview. My main concern was to keep the interview on track as the interviewees wished to discuss two recent orders they had problems with. I have chosen to give both officers the same synonym.
<i>Interview six The snake</i>	78 minutes	It was very difficult to understand the procurement officer because of a thick French accent but the interviewee was happy to be interviewed. The interview was interrupted after 50 minutes in order to call for an interpreter.

Appendix C: E-mail asking IAPSO customers to participate in a survey

Dear [Name],

From our records, we note you have recently taken delivery of your ordered goods. As it is important for us that you, as our customer, receive good service, and to know where we can focus improvements, we would be grateful if you would take a moment to participate in a survey.

The survey will not take more than two minutes to complete and consists of four simple yes or no questions.

Please follow this link <http://www.unwebbuy.org/survey/default.asp> to participate in the survey.

(If clicking doesn't seem to work, you can copy and paste the link into your browser's address window, or retype it there.

<http://www.unwebbuy.org/survey/default.asp?ID=xx|xx|xx|xx|xx|xx|xx|xx|xx|xx>)

We appreciate your feedback on your experiences with the procurement process through IAPSO.

We look forward to hearing from you.

Best Regards,
IAPSO Procurement Staff

Appendix D: External Survey

Questionnaire on IAPSO services for UNDP country offices and bureaux.

Name: _____

Country office: _____

Position: _____

Good morning / afternoon, sir/madam

We are calling on behalf of the Inter-agency Procurement Services Office, more commonly known as IAPSO. IAPSO are a part of UNDP and they are currently investigating how they can adapt their strategy and operations to become closer to UNDP country offices and their needs. We would like to ask for 10 minutes of your time to answer some questions about your experience if any in dealing with IAPSO and the needs you believe they could address. If you so wish, your identity will be confidential.

<p>1. Have you used IAPSO services in the past year?</p> <p>YES 5 NO 5</p>	
<p>If the answer to question 1 is YES, proceed with questions in this column</p> <p>2. What did you purchase? <input type="checkbox"/> vehicle for private use <input type="checkbox"/> vehicle for official use <input type="checkbox"/> other equipment <input type="checkbox"/> procurement support <input type="checkbox"/> training course <input type="checkbox"/> consultancy or advisory services</p>	<p>If the answer to question 1 is NO, proceed with questions in this column</p> <p>2. Why not:</p>
<p>Have IAPSO ever declined a request for assistance from you? YES 5 NO 5</p> <p><i>If the answer to this question is YES, proceed to question 3a. If the answer to this question is NO, proceed to question 4.</i></p> <p>3a. What was the reason given?</p> <p>3b. Do you agree with the reason?</p>	<p>3. Have IAPSO ever declined a request for assistance from you? YES 5 NO 5</p> <p><i>If the answer to this question is YES, proceed to question 3a. If the answer to this question is NO, proceed to question 4.</i></p> <p>3a. What was the reason given?</p> <p>3b. Do you agree with the reason?</p>
<p>4. Was the service you received from IAPSO: <input type="checkbox"/> efficient and informative, saving you time, money and hassle <input type="checkbox"/> efficient but little information or explanation given after the order was placed and little after sales support <input type="checkbox"/> inefficient and a difficult process to understand <input type="checkbox"/> poor – you could have done it better yourself</p>	<p>4. What does IAPSO offer? <input type="checkbox"/> Procurement services for a fee to recover its costs and finance its own operation <input type="checkbox"/> Procurement services free of charge to UNDP and other UN agencies <input type="checkbox"/> Procurement services for a profit <input type="checkbox"/> Procurement services for the best possible price, regardless of cost recovery utilising UNDP core budget to make up the difference</p>
<p>5. Was the price of your goods or services: <input type="checkbox"/> excellent – better than any other pricing available <input type="checkbox"/> reasonable <input type="checkbox"/> poor – you could have sourced the goods/services cheaper elsewhere</p>	<p>5. If IAPSO charge a fee to recover costs and finance their own operation, do you believe this practice is:</p> <p><input type="checkbox"/> Inappropriate (why?)</p> <p><input type="checkbox"/> Appropriate (why?)</p>

<p>6. What does IAPSO offer?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Procurement services for a fee to recover its costs and finance its own operation <input type="checkbox"/> Procurement services free of charge to UNDP and other UN agencies <input type="checkbox"/> Procurement services for a profit <input type="checkbox"/> Procurement services for the best possible price, regardless of cost recovery utilising UNDP core budget to make up the difference 	<p>6. If IAPSO decline your request for procurement assistance is this because:</p> <ul style="list-style-type: none"> <input type="checkbox"/> They cannot recover the costs they would incur to service your request <input type="checkbox"/> They do not have the skills/expertise to assist <input type="checkbox"/> A combination of the above <input type="checkbox"/> Your request is not of high enough value <input type="checkbox"/> IAPSO cannot add value to the procurement process
<p>7. . If IAPSO charge a fee to recover costs and finance their own operation, do you believe this practice is:</p> <p><input type="checkbox"/> Inappropriate (why?)</p> <p><input type="checkbox"/> Appropriate (why?)</p>	<p>7. Please tell us which of the following services you consider of value to you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> procurement of high value/ complex requests for items such as vehicles, , computer equipment, laboratory equipment etc <input type="checkbox"/> procurement of low value requests for items such as printers, office equipment etc <input type="checkbox"/> procurement training and certification for UNDP staff covering rules, regulations, ethics, etc <input type="checkbox"/> procurement consulting for UNDP encompassing the management of the supply chain <input type="checkbox"/> partnership to allow you to provide advisory services in governance related to public procurement in your partner government <input type="checkbox"/> procurement advisory services including networking (eg. Procurement sub-practice network)
<p>8. If IAPSO decline your request for procurement assistance is this because:</p> <ul style="list-style-type: none"> <input type="checkbox"/> They cannot recover the costs they would incur to service your request <input type="checkbox"/> They do not have the skills/expertise to assist <input type="checkbox"/> A combination of the above <input type="checkbox"/> Your request is not of high enough value <input type="checkbox"/> IAPSO cannot add value to the procurement process 	<p>8. Any other comments?</p>
<p>9. Please tell us which of the following services you consider of value to you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> procurement of high value/ complex requests for items such as vehicles, , computer equipment, laboratory equipment etc <input type="checkbox"/> procurement of low value requests for items such as printers, office equipment etc <input type="checkbox"/> procurement training and certification for UNDP staff covering rules, regulations, ethics, etc <input type="checkbox"/> procurement consulting for UNDP encompassing the management of the supply chain <input type="checkbox"/> partnership to allow you to provide advisory services in governance related to public procurement in your partner government <input type="checkbox"/> procurement advisory services including networking (eg. Procurement sub-practice network) 	
<p>10. Any other comments?</p>	

Appendix E: Focus group template interviews

<i>Scientific Questions</i>	<i>Topic to discuss</i>
Start of interview	<ul style="list-style-type: none"> I would like to record the interview using a Dictaphone. No-one will have access to the tapes except for me. I will use the records to make it easier for me to analyze my material. Full anonymity will be given and in cases were it could be possible to guess the individual I will ask for permission before using the material.
Understanding of IAPSO's "business idea"/Perceived Image	<ul style="list-style-type: none"> Q: Which primary needs do you believe IAPSO's client have? Q: How do you see IAPSO in relationship to these needs?
Type of relationship	<ul style="list-style-type: none"> Q: Why do you think IAPSO's clients choose to use IAPSO's services?
Satisfaction	<ul style="list-style-type: none"> How do you think clients perceive services provided by IAPSO Q: How can IAPSO improve its services Q: What is IAPSO's main strength Q: What is IAPSO's main weakness Q: Can you tell me something regarding the quality of information clients receive from IAPSO? Q: What kinds of problems can a client run into when using IAPSO's services?
Earlier surveys	<ul style="list-style-type: none"> What do you believe makes a satisfied and unsatisfied client? Q: Can you see any differences between IAPSO as a procurement agent and other agents I will now tell you a few of IAPSO's customer goal set up to fulfill IAPSO's vision "Buying for a better world". I would like you to tell me a little of what you think of each goal and if you recognize IAPSO in these goals. S: One of IAPSO's goals is to be a professional procurement agent which enhances the standard of procurement within the UN system. FU: How can a procurement agent achieve this goal? FU: How do you think IAPSO lives up to this goal? S: Another goal is to provide state-of-the-art systems contracting solutions. FU: In your opinion what does this mean? FU: Can you give an example of were IAPSO has succeeded or failed in this goal? S: IAPSO wishes to provide flexible and professional procurement capacity and to help clients build up their own procurement capacity. Q: How can IAPSO help you with this goal? S: IAPSO's vision is "Buying for a better world". Q: What does this vision mean to you
Understanding of IAPSO's "business idea"/Perceived Image	<ul style="list-style-type: none"> Q: In the UNDP survey there was a question were you were asked to rate the "quality of services" for each country office. How do you interpret this question?
Earlier survey testing (if not answered already)	<ul style="list-style-type: none"> Q: If you would resemble IAPSO with an animal which animal would it be? Q: Could you please tell me a little about that animal?
Perception of IAPSO	<ul style="list-style-type: none"> That was the last question in the interview. Is there anything you have said which you do not wish me include in the report?
Ending the interview	<ul style="list-style-type: none"> Is there something else you would like to add?

Appendix F: Original template for individual semi-structured interview

<i>Scientific Questions</i>	<i>Topic to discuss</i>
Start of interview	<ul style="list-style-type: none"> I would like to record the interview using a Dictaphone. No-one will have access to the tapes except for me. I will use the records to make it easier for me to analyze my material. Full anonymity will be given and in cases were it could be possible to guess the individual I will ask for permission before using the material.
Type of actor	<ul style="list-style-type: none"> Q: Could you please tell me a little of your country office and what you do? Q: Could you please tell me a little of what you know of IAPSO?
Understanding of IAPSO's "business idea"/Perceived Image	<ul style="list-style-type: none"> Q: What kind of services do you usually need assistance with? Q: Can IAPSO assist you with any of these services? Q: Could you tell me about a case were you have used IAPSO's services? Could you tell me a little of how you perceived the services provided by IAPSO Q: Why did you choose to use IAPSO's as a service provider? Q: How can IAPSO improve its services Q: can you tell me something positive of IAPSO Q: Can you tell me something negative of IAPSO Have you experienced that IAPSO has declined a request for help? If so could you please tell me what happened?
Satisfaction	<ul style="list-style-type: none"> Q: Could you please tell me a little about which information you have received from IAPSO when using IAPSO's services? Q: Have you ever experienced any trouble in dealing with IAPSO? What makes you satisfied and unsatisfied as a client? Q: Can you see any differences between IAPSO as a procurement agent and other agents
Earlier surveys	<ul style="list-style-type: none"> I will now tell you a few of IAPSO's customer goal set up to fulfill IAPSO's vision "Buying for a better world". I would like you to tell me a little of what you think of each goal S: Promote & enhance the standards of the procurement profession within the UN system FU: How can a procurement agent achieve this goal? FU: How do you think IAPSO lives up to this goal? S: Provide state-of-the-art systems contracting solutions. FU: In your opinion what does this mean? FU: Can you give an example of were IAPSO has succeeded or failed in this goal? S: Provide flexible and professional procurement capacity Assist our customers in developing their own procurement capacity S: IAPSO's vision is "Buying for a better world". Q: What does this vision mean to you
Understanding of IAPSO's "business idea"/Perceived Image	<ul style="list-style-type: none"> Q: could you tell me something about the "Quality of unit response to your requests for assistance in 2004". How do you interpret this question? Do you believe resident representatives have a different picture of IAPSO than procurement officers? If so describe why. Q: If you would resemble IAPSO with an animal which animal would it be? Q: Could you please tell me a little about that animal? Q: If you would resemble your own organization with an animal which animal would it be? Q: Which qualities does that animal possess in your opinion?
Strategy goals	<ul style="list-style-type: none"> That was the last question in the interview. Is there anything you have said which you do not wish me include in the report? Is there something else you would like to add? In the case I would need to get clarification of an answer is there some way I can contact you?
Earlier survey testing (if not answered already)	
Perception of IAPSO	
Ending the interview	

Appendix G: Analysis of the quantitative surveys

Bureau of Management (BoM) Survey

Every year a survey is sent out to all resident representatives in all country offices in UNDP who has to submit **one and only one** survey questionnaire containing 22 questions (14 pages) with both multiple choice and open questions. The question interesting for this thesis is the resident representative have to rate the “**Quality of unit response to your requests for assistance in 2004**” for each of the ~120 country offices. The respondent can select one of six different checkbox answers; Very good, Good, Fair, Poor, Very poor and Not applicable. Only data were at least 70 answers have been given is used.

IAPSO is one of the least favorable rated offices measured, having a favorable rating of 57% in 2003 and 54% in 2004. The lowest scoring office in 2003 had a favorable rating of 53% and the highest rated office had a favorable rating of 87%.

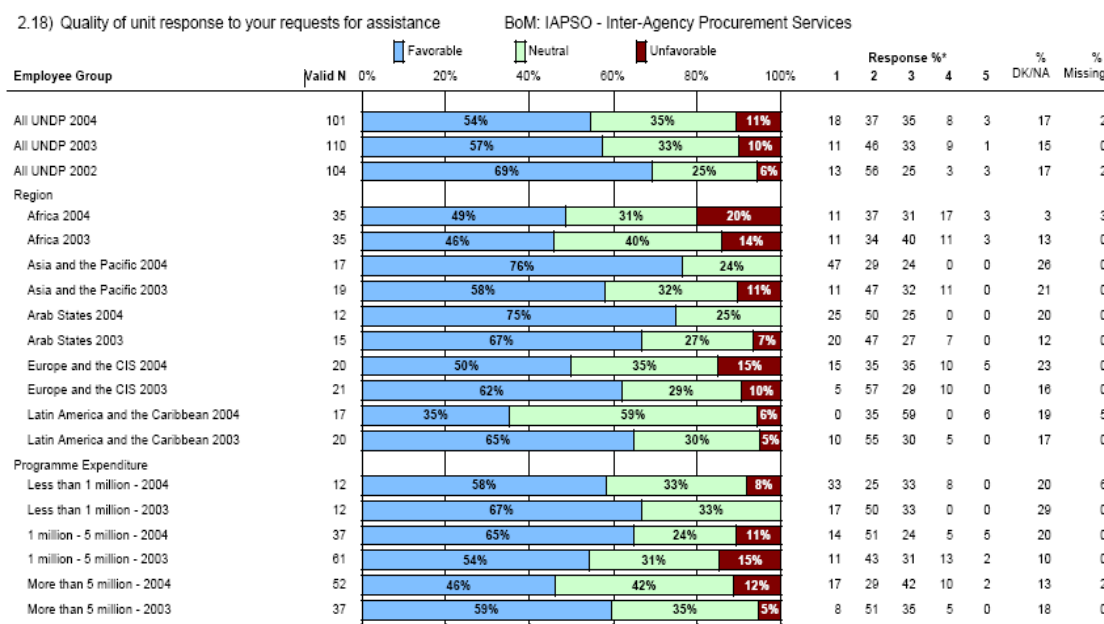


Figure 5: Result for IAPSO in BoM survey for the year 2003 and 2004

Professional Survey

In 2004 IAPSO hired an external marketing company to carry out a quantitative telephone survey, randomly selecting UNDP Country Offices to investigate why “The recent survey of HQ Products and Services produced a Country Office response very much at odds with IAPSO’s own customer satisfaction measurement of its own performance.” The survey wished to investigate whether IAPSO’s business model is understood by its UNDP customers; whether IAPSO’s business model is respected or whether the customer group believes it inappropriate to either pay for services rendered by a “sister” unit (or even to be refused service); for country offices that have used IAPSO in the past year, their perception of quality of services received, value for money etc; the services UNDP country offices consider desirable to be offered by IAPSO.

The external company was provided with a list containing contact details of 115 UNDP staff members in Country Offices; mainly persons with procurement responsibility were selected. The list covered 100% of Africa region, plus a random representative sample from the other regions. The questionnaire, which is attached as Appendix C, was developed by IAPSO. The interviews were carried out over a period of 2 weeks during March 2004 and the results were anonymous. Within the timeframe, the interviewers were able to contact 54 of the 115 people listed, of those 54, three refused to be interviewed, giving a total of 51 responses. The interview guide used closed questions, but on some questions limited feedback was allowed.

Use of Services and Declined Requests

In total 47 out of 51 had used IAPSO's services in the year 2004, the most common services requested by the customers were for vehicles and training. One third of the respondents had experienced that IAPSO had declined a request for assistance; eight of thirteen respondents did not comply with IAPSO's reason for turning down the request, comments indicate that the respondents do not understand the reason for IAPSO to decline the request:

IP1: IAPSO do not accept that the UNDP countries compare prices with the prices of another company

IP2: Office equipment – no proper reason

IP3 IAPSO wanted to be assured that they [the country office, authors note] would not be in touch with other suppliers, and not choose other suppliers for that specific high order value

IP4: two years ago, major purchase. IAPSO did not want to bid on service.

IAPSO's policy is to turn down requests when there is no gain for the customer to use its services (no value adding). In my view both IP1 and IP3 believe that IAPSO declined a request because they wished to compare prices or contact other suppliers. IAPSO handles the procurement process and invites necessary suppliers to compare prices etc, it is therefore unnecessary for the customer to contact other suppliers, it would not be effective. IP4 seem to believe that IAPSO *is a supplier*, not a procurement agent handling the process. In a later part of the interview respondents were given choices why IAPSO would decline a request:

- Nine thought it was because IAPSO can not recover the cost
- Seven thought it would be because IAPSO does not have the correct skills
- Four thought it would be a combination of the above
- Six thought a request would be turned down when the request is not of high enough value
- Three thought it would happen when IAPSO can not add value to the procurement process

Delivery Times and Efficiency

All but two participants deemed IAPSO's services efficient, saving them time and money. A majority (89%) think it is appropriate for IAPSO to charge a fee to recover its costs and finance its own operations as long as the fee is reasonable.

At the end of the interview the respondents were asked if they had any additional comments. In total 31 comments were given, ten comments concerned long delivery times, other issues concerned confusion of how IAPSO's fees are calculated and lack of information (one third of the interviewees lacked information after the order was placed), for example:

IP: The waiting period is too long but am satisfied with the services and we gain time with IAPSO

IP: If IAPSO can improve the waiting time it will be the best organization

IP: Regarding the service, even though efficient in general, delivery time was slower when compared to others

Respondents are satisfied with IAPSO's services but delivery times seem to be a concern.

Final Remarks

There is a need to examine if there is a correlation between how requests are turned down by IAPSO and how resident representatives rate the "quality of response to request for service". When requests are not declined, IAPSO's services are efficient and price worthy with exception of delivery times.

Web Survey

Every customer who places an order with IAPSO receives an E-mail three weeks after delivery of the order, where the customer is asked to participate in a survey (See appendix B) consisting of four yes or no questions and a comment field:

- (1) Overall, are you satisfied with the sales and service you have gotten for your IAPSO order (97% yes)?
- (2) Was your order delivered on time (75% yes)?
- (3) Did you know who to contact in IAPSO when you had a question (94% yes)?
- (4) Were you satisfied with the information you obtained from the UN Webbuy web site? (91% yes)

Follow ups are done during "spare time" by sending a reminder mail or calling the customer directly. In the year 2004, 745 mails were sent out, of which 535 had valid E-mail addresses²⁸, 118 forms were submitted equalling an answer frequency of 22% which is not enough to statistically represent the total population, Galtung requires 60% for example (Halvorsen, 1992, p101).

The Comments

The most interesting data comes from the comments. Of 118 respondents 74 respondents have entered information in the comments field; in 65 cases respondents have entered useful²⁹ comments.

- Of these 65 comments **35** express concerns on delivery times, were **30** express that they are not satisfied with delivery times.
- In total **13** comments express concern regarding missing information from IAPSO, for example missing documents, missing information on the web site etc.

Examining the number of concerns entered in the comments field regarding delivery times compared to the percentage in question two (Was your order delivered in time) it seems as if the results are contradictive. In question two **75%** of the respondents answered that the order was delivered in time, but according to the comments **46%** (30 of 65) of the comments mentions late deliveries and only five comments mentions that the delivery was in time. One explanation for the discrepancy could be that respondents who do not get their orders in time are more inclined to participate in the survey and/or submit a comment³⁰ but it could also be that question two does not capture the whole truth.

²⁸ Here the definition of a valid E-mail address is a non-blank address containing the "@" character

²⁹ Useful is here defined as a comment expressing an opinion about IAPSO's service.

³⁰ I did a check where I compared comments vs. the answer in question two and it seems as respondents are more inclined to enter a comment if they answered "no" to the question.

In reality about 65% of all orders from IAPSO were delivered in time during 2004, checking all orders answered to be *in time* with the real delivery time shows that orders in average arrived ten days earlier than expected, four orders were actually late but the comments were still positive. Running the same check against orders answered *not in time* shows that about half arrived in time; usually 30 days before promised, the other half was in average 11 days late. Checking orders actual time of arrival against the customer's perception of whether the order was in time or not seems to *show that there is no strong correlation between if the customer sees the order as in time and whether the order is delivered on time*. The concerns of the web survey seem similar to those in the professional survey and the comments resemble each other:

“Dear Friends As a whole we are satisfied with quality and service provided by IAPSO, but most of our project complaining about delivery time. Please look into it and take care. Regards”

Comments seem to indicate that customers of IAPSO are very sensitive to delays or missing information.

Appendix H – common terminology within IAPSO

Resident Representative

The Resident Representatives lead UN country teams in more than 130 countries and are the designated representatives of the Secretary-General for development operations. Working closely with national governments, Resident Coordinators and country teams advocate the interests and mandates of the UN drawing on the support and guidance of the entire UN family. In other words, the person responsible for all operations in a country office.

Procurement

Procurement is the acquisition of goods or services at the best possible total cost of ownership, in the right quantity, at the right time, in the right place for the direct benefit or use of the governments, corporations, or individuals generally via, but not limited to a contract.

A key question in procurement is what to buy, given a limited budget. A manager in a health service may have a large choice of possible health technologies which could be purchased. Is it better to buy an MRI scanner for a hospital or an advertising campaign to encourage parents to have their children vaccinated? A military officer may wish to choose between buying more fighter aircraft or more trucks. If good data is available it is good practice to make use of economic analysis methods such as cost-benefit analysis or cost-utility analysis.

Procurement life cycle in modern businesses usually consists of seven steps:

- (1) **Information Gathering:** If the potential customer does not already have an established relationship with sales/ marketing functions of *suppliers* of needed products and services (P/S), it is necessary to search for suppliers who can satisfy the requirements.
 - (2) **Supplier Contact:** When one or more suitable *suppliers* have been identified, Requests for Quotes (RFQ), Requests for Proposals (RFP), Requests for Information (RFI) or Invitation to Bid (ITB) may be advertised, or direct contact may be made with the *suppliers*.
 - (3) **Background Review:** References for product/service quality are consulted, and any requirements for follow-up services including installation, maintenance, and warranty are investigated. Samples of the P/S being considered may be examined or trials undertaken.
 - (4) **Negotiation:** Negotiations are undertaken, and price, availability, and customization possibilities are established. Delivery schedules are negotiated, and a contract to acquire the P/S is completed.
 - (5) **Fulfillment:** Supplier preparation, shipment, delivery, and payment for the P/S are completed, based on contract terms. Installation and training may also be included.
 - (6) **Consumption, Maintenance and Disposal:** During this phase the company evaluates the performance of the P/S and any accompanying service support, as they are consumed.
 - (7) **Renewal:** When the P/S has been consumed and/or disposed of, the contract expires, or the product or service is to be re-ordered, company experience with the P/S is reviewed. If the P/S is to be re-ordered, the company determines whether to consider other suppliers or to continue with the same supplier.
- Has no stock and do not produce goods

Procurement officer

Personnel within an organization taking care of the procurement process.

Supplier

A company who's business is to supply a particular service or an amount of commodity from an existing stock (while procurement is the act of getting possession of something that is supplied by a supplier)

Long Term Agreement (LTA)

A long term agreement in IAPSO's world is an agreement negotiated between IAPSO and a supplier where further purchasing of goods or services is based upon previous procurement agreements. Since UNDP regulations and standards have been followed earlier there is no need for goods procured through a LTA to go through the CAP process.

Contracts, Asset and Procurement Panel (CAP)/Advisory Committee on Procurement (ACP)

Whenever procurement is done within the UN system over a certain sum of money the procurement has to be examined by the Contracts, Assets and Procurement panel (CAP) or the Advisory Committee on Procurement (ACP) whose role it is to ensure that the procurement has been done in a fair and transparent manner in accordance to the UN system and regulations. When procurement is done through a long term agreement negotiated by an UN agency the procurement do not have to be submitted to the CAP or ACP. When IAPSO does procurement for another agency or country office IAPSO handles these procedures, meaning that the customer do not have to do it.

Third bid

In order for procurement to fair and transparent the CAP committee require that at least three compliant ITBs (Invitation to Bid) have been received. If this is not possible, due to monopoly etc, a wavier must be issued explaining why three bids were not received. This regulation is commonly referred to as the "third bid".

Human Resources (HR)

Staff within an organization that take care of personnel issues such as hiring, firing or training.

Appendix I: IAPSO's strategic goals and vision

