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Towards a Process Reference Model for Business Process Outsourcing Providers in Customer Relationship Management

Master Thesis

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Any sufficiently advanced technology is indistinguishable from magic.

Arthur C. Clarke

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Listings

Abbreviations

AM	Application Model
ARIS	Architecture of Integrated Information Systems
BI	Business Intelligence
BPM	Business Process Management
BPMN	Business Process Model and Notation
BPO	Business Process Outsourcing
CD	Corporate Design
CRM	Customer Relationship Management
CSR	Customer Service Representative
DSR	Design Science Research
EPC	Event-Driven Process Chain
ERCIS	European Research Center for Information Systems
ERM	Entity Relationship Model
FAQ	Frequently Asked Questions
FCFS	First Come; First Served
GAAP	Generally Accepted Accounting Principles
GOM	Guidelines of Modeling
HRO	Human Resource Outsourcing
IS	Information System
ITES	IT Enabled Services
ITO	IT Outsourcing
IVR	Interactive Voice Response
MECE	Mutually Exclusive; Collaboratively Exhausting
RM	Reference Model
SCOR	Supply Chain Operations Reference
SWOT	Strengths Weaknesses Opportunities Threads
VACD	Value-Added Chain Diagrams
VOIP	Voice Over IP

Abstract

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With the adoption of digital devices, the way customers wish to communicate with companies is changing. This increase in complexity lead to the outsourcing of the customer relationship management process. Service providers in this field are subject to this work. In order to represent distinguishing characteristics of their business, manage communication channels and enable a aligned organization across clients, a process reference model is constructed. This thesis is part of a research collaboration with the European outsourcing provider Arvato, which provided fundamental data for this undertaking. Using design science, the resulting model artifact is an example for ...

1 Motivation

Prozessorientierung ist eine nicht mehr wegzudenkende Maxime in der Gestaltung von Unternehmen. Sie ist ein wesentlicher Bestandteil der Forschung in der Be- triebswirtschaftslehre und der Wirtschaftsinformatik. As put by Thomas Friedman, "The world is flat". Globalization facilitates combinations value-creating activities in economic networks like never before. The key driver of it is information technology, which sets the base for the connectedness we take for granted today. Its implications on markets and businesses are described in the following section.

Reference modeling is a central disciple in IS research Fettke and Loos (2004); König et al. (1996); Becker and Schütte (2004). It refers to the use and construction of reference models.

vorhoef, lemon!!

information society

Process orientiation is a precept in business organization. It is an essential part of research in business adminstration as well as Information System (IS). To make use of it, models as the language of IS take an important part. In particular, the reference models support businesses in these reorganization projects. They guide the user and help to incorporate best and common practices so that there is solid foundation to customize the model for the businesse's originalities.

Outsourcing customer service to external providers is a common practice throughout many industries. Dialling a contact number for a service request often ends up with talking to a service agent anywhere around the world. Several companies have specialized to provide professional customer support using various contact channels. Providing customer relationship management (CRM) as service requires the careful and cost-efficient deployment of contact centres. Such centres are often staffed with hundreds of agents that must be hired and trained before customer contact. For years, special focus has been put on the voice channel (Loudhouse, 2013). Meanwhile digital trends have affected many areas of life, which implies new challenges in customer relationship management. A recent study revealed that 78.7% of call centre operations managers point out that their current systems fail to meet future needs, as they are telephone-centric and costs for an architecture overhaul are too high (Dimension Data, 2015). Nowadays consumers can use a plethora of devices and software applications to interact with organizations (Köffer, Ortbach and Niehaves, 2014). As a result, the number of used channels to reach organizations increases. More specifically, analysts have seen a move from the traditional voice channel

to digital channels, such as chat or social media. For instance, private instant messengers offer faster and less complicated ways to interact with the company. Digital channels in contact centres now take 42% of overall interactions and are said to overtake voice by the end of 2016 (Dimension Data, 2016). To this end, multichannel CRM has become a "must-have" for customer service management providers (Agnischock et al., 2015). In this context, the term omnichannel CRM is increasingly dragging intention. Omnichannel CRM can be distinguished from multichannel CRM by not only providing multiple channels for customer interaction but also through seamless integrations of various channels and their underlying data (Verhoef, Kannan and Inman, 2015), which is a difficult task in CRM. At this point in time, omnichannel CRM is often not realized. However, customers more and more expect that they are able to switch between interaction channels without the loss of information. Contact centre interactions will often require the customer to repeat information again, although he or she has earlier written an email or a chat message to the same company. Omnichannel CRM also comes with important benefits for organizations. Integrated data throughout various channels allows getting a better understanding of the customer's profile and wishes through analytical support. Still, 40% of contact centres have no data analysis tool in place despite of being named the top factor to shape the industry in the next five years (Dimension Data, 2015). To this end, organizations can better target marketing campaigns or increase the quality of service provision. To realize this, organizations that use outsourcing need close relations to outsourcing providers, since the integration of channels affects various information systems both at the organization but also at the outsourcing provider. More specifically, CRM business processes need to be harmonized since they often span organizational boundaries.

Outsourcing processes have be

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- ECIS Paper
- Refmod motivation Püster?
- Omnichannel
- purpose statement
- research question and hyptoheses
- Crewsell: State problem,
- review studies that have addressed the problem,
- indicate definciencies in studies,

- advance significance,
- state purpose statement

2 Methodology

This chapter outlines the underlying methodology of this work. Following Gill and Johnson (2002), the sequence of a research process is identify area (1), select research topic (2), decide on approach (3), formulate plan (4), collect data (5), analyze data (6), present findings (7). With the first two steps being motivated and further specified in 4, this section especially reasons approach (3), plan (4) and data aspects (5).

This thesis is part of a wider research project targeting processes, data and analytics in omni-channel CRM. The methodology described in the following refers to this thesis only and not to the superordinate research project. Prior work in the project helped to create a foundation where this work can build on. Design Science Research (DSR) is chosen as the research design, which is described in detail in the following sections, along with the epistemological aspects. Data was gathered in interviews with domain experts, supported by literature, as well as documents from the research partner. Descriptions of these data sources complete this chapter.

2.1 Epistemological Perspective

Stating the epistemological view of this work helps to support the reader in understanding the author's statements. Furthermore, it demonstrates a systematical method, which is sometimes perceived as lacking in qualitative research. Drawing on a framework by Becker and Niehaves (2007), five questions are mentioned in order to structure the epistemological positioning of research. The concepts highlighted in bold represent the approach taken in this thesis.

(1) What is the object of cognition? (Ontological aspect)

Ontological Realism | Ontological idealism | Kantianism

(2) What is the relationship between cognition and the object of cognition?

Epistemological realism | **Constructivism**

(3) What is true cognition? (Concept of truth)

Correspondence | **Consensus** | Semantic theory of truth

(4) Where does cognition originate?

Empiricism | Rationalism | **Kantianism**

(5) By what means can cognition be achieved? (Methodological aspect)

Inductivism | Deductivism | Hermeneutic

Ad 1. Object of cognition

Ontology is the science of *what is* and *how it is*. The existence and nature of reality are subject matter. Ontological realism assumes a real world that exists independently of cognition. Ontological idealism sees reality as a construct depending on human consciousness. Kantianism brings together the two mentioned views by distinguishing in the unknowable "thing-in-itself" and the appearing of those things to an observer.

This work takes the view of ontological realism, as the construction of the reference model is intended to solve a real-world problem. Hence, this world should exist for every observer.

Ad 2. Relationship between cognition and the object of cognition

This question asks whether entities beyond human thought can be recognized as objective (in principle). Epistemological realism affirms this question. Constructivism deems cognition as subjective and hence makes understanding a private construct determined by the subject.

Because subjects that turn the reference model to account will show different understandings and requirements, the constructivistic view is taken. These subjects can be classified into reference model users and designers, that will see it from different angles from a group perspective, e.g. scientific and practical. Moreover, every subject will interpret the model in a subjective manner.

Ad 3. Concept of truth

The *true* cognition and how humans can achieve it is foci of this question and there are three theories (Habermas 1973). Correspondence theory of truth states that true statements refer to facts of the real world. This requires a realistic view in both ontology and epistemology. Consensus theory of truth bases on constructivism: A statement is true *for a group*, only if all peers agree and true if everyone agrees. Hence there can be no proof of truth. Thirdly, semantic theory of truth proposes that truth is always related to an object language where the possibly true statements are communicated in. Therefore there has to be a meta-language that is able to analyze the correctness of a statement in object language (Tarksi 1944).

Following the constructivistic view, the consensus theory of truth is selected. The correctness of modeling is dependent on the group of reference model users and its designers. If they find a consensus, truth can be achieved within the group. Application of the reference model changes the user group and implies changes in the model, so that it matches

the circumstances in the company. The application model designers and users then again need to find a consensus.

Ad 4. Origin of cognition

There are three origins of cognition. Cognition from experience falls under the school of empiricism. Rationalism puts intellect as the source of cognition. Kantianism again combines both views so that both experience and intellect can be origin of cognition.

Both intellect and experience are seen as integral parts of cognition in research. Cognitive efforts and reflections of the author are part of the reference model design. Practical experience, as included by the interview component, is used for evaluating the artifact. This requires avoiding direct use of interview content in artifact design, so that a self-fulfilling prophecy is prevented.

Ad 5. Methodological aspect

While inductivism describes the extension from individual cases to universal laws, deductivism is the derivation of the individual from the universal (Seiffert 2006). Hermeneutic assumes prior knowledge in an issue by a subject that is able to improve its understanding of *the entire* by consumption of new knowledge. This repeating consumption shapes understanding and is called the hermeneutic cycle (Butler 1998).

Inductivism is focal in reference modeling, as the case needs to be abstracted to achieve the required universality in reference modeling. Deductivism is also part, as general process structures were applied to the domain of BPO and more specifically BPO in CRM. Both are common in construction of reference models (Thomas 2006b; Fettke 2014).

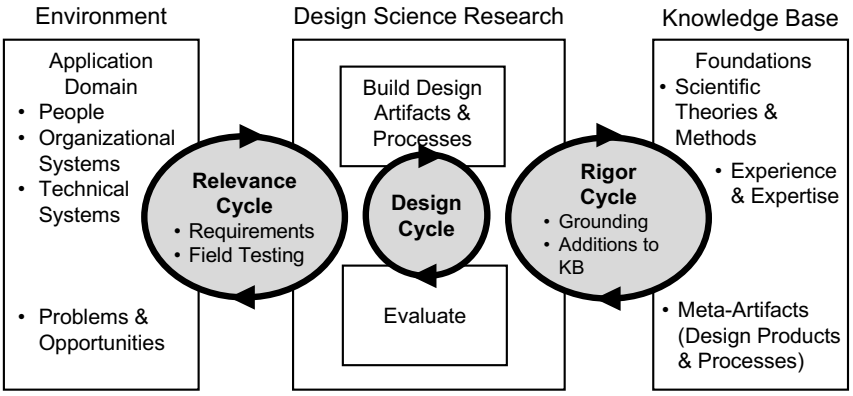
The act of design within this work is characterized by a hermeneutic aspect. The model is shaped by the consumption of existing scientific concepts, as well as requirements from the practical case. As the approach was to increase modeling detail over time, a repeating process emerged: First interviews derived high-level requirements, while the following gave new input that related to additional knowledge. This additional knowledge closes the circle as it became preknowledge to the next repetition.

2.2 Design Science

Research has to employ accepted methodologies to be accepted in the community. Creswell names the selection of a research approach as the first of preliminary considerations (Creswell 2014). Design Science Research (DSR), as conceptualized by Simon (1996)

is getting more and more attention in the IS field and will be the guiding paradigm for this thesis.

Motivating this choice is DSR's overall goal to create innovative artifacts to solve real-world problems. This addresses the often criticized limited practical relevance in IS research (Hirschheim and Klein 2003), while still employing the relevant rigor that separates it as a research project from the practice of routine design (Winter 2008). Routine design, in contrast to DSR, does not contribute to the knowledge base. The common understanding of DSR today is based on in the work of Hevner et al. (2004). It stands for a problem-*solving* paradigm in contrast to behavioural science research, which takes a problem *understanding* approach by developing theories. However, their complementary nature justifies both paradigms, as IS artifacts (as an outcome of DSR) provide *utility* and are subject to behavioral science research, which in turn provides *truth* in form of theories to be used in DSR.



SOURCE: (Hevner and Chatterjee 2010, p. 16)

Figure 1 Design Science Research Cycles

Fig. 1 shows three research cycles, that should be identifiable in every DSR project (Hevner and Chatterjee 2010). The environment is origin of the wish to design an artifact that solves a particular problem. In this thesis it is the absence of a process model that has referential character in the domain of BPO providers in CRM. The contextual environment of the partnering BPO provider is used to define requirements, which are transferred via the relevance cycle to the DSR component. Its inherent design cycle brings together the building of the artifact and its evaluation. An (IT)-artifact can be a model (Hevner and Chatterjee 2010) like the reference model at hand. Evaluation of the design with help of the relevance cycle ensures that the problem is addressed in a meaningful way. The design itself is connected to the knowledge base via the rigor cycle. It draws from vast knowledge in form of scientific theories or experience and expertise. It bases the design of

the artifact on existing knowledge. By using proven methods and structures of reference modeling, a solid foundation is chosen. The application and transfer into the domain is supported by data from literature, as well as by qualitative research in form of interviews with experts. These two data sources are mentioned in the relevant literature (Thomas 2006b, p. 247). The separation from routine design implies that a thorough examination is necessary in the design process to ensure the universal applicability of the reference model artifact.

This work applies the six step method for DSR proposed by (Hevner et al. 2004; Peffers et al. 2007), that consists of: identify problem (1); define solution objectives (2); design and development (3); demonstration (4); evaluation (5); and communication (6).

2.3 Empirical Research

As stated in the epistemological positioning, a Kantianistic view with cognition from intellect and experience is taken. While the cognition from intellect is of special importance in design of the artifact, the transfer of knowledge from domain experts motivates the cognition from experience in evaluation and requirements specification.

The communication with the research partner was key for gaining insights into the domain. As automated process modeling approaches, like process mining, are not possible due to a lack of suitable data, manual techniques are used. These require a data basis, which builds on the school of empiricism. Qualitative research techniques in form of workshops, document analysis and interviews are used in the research project.

A plan for the selection of interview candidates was developed in collaboration with the research partner to ensure coverage of the application domain, which is a form of theoretical sampling[1]. In a top-down approach managers from core processes in the organization were interviewed face-to-face or by call. For this thesis, interviews with nine domain experts were conducted, transcribed and analyzed. Each interview lasted for approx. 40 minutes. Additional presentations and documents were provided by the interviewees and served as an additional source of information. Since the thesis is part of an ongoing research project, other data sources that were not directly connected to the thesis are used like the outcomes of a process modeling workshop and notes from previous meetings, where no transcription is available. The process modeling workshop was conducted over two days and included four practitioners and four researchers.

Analysis of data started before all interviews were conducted, as coverage of fields of interest was necessary on the required detail level.

[1] For more information about sampling in qualitative studies see (Coyne 1997).

3 Research Background

This chapter introduces the reader into the domain and reference modeling. Special emphasis is put on the field of CRM so that the author's conclusions in the modeling chapter can be followed by a solid theoretic foundation. Reference modeling as a method is presented in less extent, as it is does not contribute to the model's content matter.

3.1 Domain

In context of this work, the domain expresses the content of the reference model. This section covers BPO, CRM and the merge of both areas to support comprehension of model design choices.

3.1.1 Business Process Outsourcing

The phenomenon of outsourcing can be explained by basic economic theory. The following section describes how the theory of the firm, the value chain, outsourcing and process orientation are interwoven.

Theory of the Firm

In theory, a firm exists because of transaction and production costs efficiencies. They are organizational innovations to reduce costs involved in market transaction. A transaction here means the transfer of a good or service across a technologically separable interface (Williamson 1981, 1971), e.g. the boundaries between firms. If the transaction costs across markets become larger than the costs of managing the firm, firms will substitute market transactions through internal execution. IT has drastically reduced these transaction costs and the IS field is applying transaction cost theory to explain its impact on the boundaries of the firm (Aron et al. 2005). The theory of production cost efficiency states that production by multiple individuals is the characteristic of a firm (Alchian and Demsetz 1972) and it will exist as long as the output is sufficiently larger than the output under independent production, so that the costs of organizing individuals are justified. With increasing output, economies of scale describe the positive effect on unit costs.

Productivity typically increases with specialization, which explains why firms specialize in certain tasks: costs of managing the firm increase with size, benefits in productivity are reachable through focusing on core business. A company can develop parts into its core business, that others do not. They can provide these as services on the market place - and decreasing transaction costs make it more and more attractive to make us of these.

The Value Chain

Drawing on the concept of the value chain by Porter (1985), the idea is to model each firm as a set of systems, which add value to a product or service. These chains can be concatenated, as more and more actors are involved on the way to the end consumer to make a final product out of raw materials and components. Transaction costs are the glue that hold chains together, because their existence links established connections. Within each chain lie different subsystems, which contribute to the created value through the consumption of resources - like money, labor or material. Strategy demands that firms build sustainable competitive advantages to be able to survive in the market. As firms cannot build these in all stages of their value chain (Ramachandran and Voleti 2004), they choose to focus on certain activities (core business) and hence invest less resources in others.

As transaction costs are composed of costs for communication and information processing (Evans 2014), one can see how digitalization impacts these theories from the last century. With communication costs dropping to nearly zero due to the internet, value chains can easier break up and be more flexible.

As a result of the combination of the aforementioned theories of the firm and the value chain, organizations are incentivized to transfer activities to other actors in the market who have specialized on them and therefore can deliver it better and more efficient

Combining the previously mentioned theories of the firm and the value chain, organizations can easier transfer activities to other actors in the market that have specialized on it and can deliver it better and more efficient.

(Business Process) Outsourcing

The term outsourcing can be derived from **out**side re**sourcing** and dates back to 1981(Oxford Dictionary 2017d). It can be broadly defined by “the purchase of a good or service that was previously provided internally” (Lacity and Hirschheim 1993, p. 74) or narrowly as “contracting with an external firm for the ongoing management and delivery of a defined set of services to a prescribed level of performance” (Cohen and Young 2006, p. 2). However, it does not necessarily mean relocating it to a foreign country (offshoring), which falsely gave the term a negative connotation in Germany in the past[2]. Outsourcing can be distinguished from other types of partnerships through a contract that clearly defines subject and duration of the cooperation (Gross et al. 2006, p. 28).

[2] "Outsourcing" was chosen the Un-word of the year 1996 http://www.unwortdesjahres.net/index.php?id=33

Lee et al. (2000) give an overview about theoretical foundations in outsourcing research. Three major views are identified:

- Strategic management view
- Economic view
- Social view

The first builds on the resource-based view (Wernerfelt 1984) and takes a merely internal view. Here, the firm's strategy is about its capabilities, captured in scarce resources, and reasons outsourcing of non-core activities to focus on its core competencies. The economic view brings transaction cost theory into play and argues that specialized organizations (outsourcing providers) are able to achieve economies of scale in producing services. Lastly, apart from this cost efficiency focus, relationships between provider and client are also an issue worth explaining. Here, social exchange and power political theory (Lee and Kim 1999) can be named. This view is justified by two mechanisms, namely trust and power, are explaining relationships between organizations. These play an important role in establishing and especially maintaining a relationship, which is leveraging economies of scale and scope provided by partnering organizations (Rai et al. 1996). Trust facilitates outsourcing by transferring responsibilities to a provider and power structures define shape of the agreement.

Processes[3] in which IT plays an important role became prime candidates for outsourcing (Gross et al. 2006, p. 27), as transaction costs for information are negligible. More precisely, one can speak of IT Enabled Services (ITES) that can be outsourced using the power of IT (Ramachandran and Voleti 2004, p. 49). In addition, IT itself has become the most outsourced function (60% penetration (Deloitte 2014) considering firms with more than 1 billion USD revenue) and is called IT Outsourcing (ITO). Next to IT, finance, legal, real estate and facility management, HR and customer service are popular outsourcing applications (Deloitte 2014).

BPO is a special form of outsourcing. It is defined as the transfer of complete processes to an external service provider (Wüllenweber et al. 2008). Mani et al. (2010) add that IT-enabled processes are subject to BPO. It is unquestioned that the reduction in transaction costs driven by IT enables the BPO business and that IT will expand its importance. One can argue that BPO, which requires more coordination and a more complex relationship between client and provider than outsourcing, is only possible through IT as an enabler: The transaction costs without the empowerment of IT for outsourcing complete processes are too high to be reasonable from an economic point of view. This work views BPO as

[3] For sake of completing the introduction to outsourcing, processes are discussed in the next section.

"the delegation of one or more information technology enabled processes to an external service provider" (Mani et al. 2010, p. 39).

Process Orientation

Drawing from the Architecture of Integrated Information Systems (ARIS) (Scheer 1997), one can take four different perspectives on modeling businesses from an IS perspective: organizational, functional, data and process. The process perspective integrates the other three views. The concept of processes is a central part of this thesis.

As it turns out, there are conflicts in the wording between the business process management and outsourcing domain. A process is defined a self-contained time-logical sequence of activities that work on a business relevant object. (Becker et al. 2012a, p. 6). A business process is used synonymously with a process in this work. Reason for this is that the notion of business process within BPO only stresses the outsourcing of complete processes and views every outsourced process as a business process. An example for this conflict is that outsourcing the payroll management process would be considered BPO, while the very nature of the process is clearly not directed by the business objectives of the company (as the definition of business process according to (Becker et al. 2012a, p. 6) would state).

Porter's value chain differentiates into primary and supporting activities (Porter 1985). The former directly contribute to the created product or service and therefore have impact on the economic outcome of the company. Porter names logistics, operations or service as parts of these primary activities[4]. Supporting activities on the other hand do not have a direct relatedness to the product or service, but are necessary to perform primary activities. Human resource management or IT can be named here. This distinction between primary and support activities may be flowing and leaves room for interpretation and is additionally dependent on the business domain and company itself. Furthermore one can add coordinating activities to the list, as they are required in an organization. These three activities are applied to processes that shall be distinguished in core, support and coordination processes.

A Framework for BPO Participants

There are at least two parties involved in an outsourcing setting. The company that is outsourcing a process is called *client*, while the business that is servicing the outsourced process is called *provider*. This thesis focuses on building a model for the provider and

[4] However, the differentiation in primary in supporting activities highly depends on the business of the company.

takes its perspective. Due to this view, it is also referred to as the focal company. With respect to the outsourced process, additionally there may be *customers* involved. These can be other businesses or private consumers. Fig. 2 shows an Entity Relationship Model (ERM) (Chen 1976) among participants.

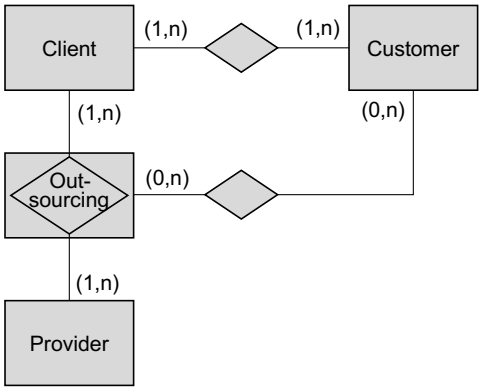


Figure 2 Outsourcing ERM

Client and provider are connected with their outsourcing agreement and a provider is very likely to have multiple of these relationships. Multi-Sourcing, i.e., the outsourcing of services to multiple providers even within a functional area is reflected in the *(1,n)* relation of the client to the provider. Clients and their customers are connected, as a customer is buying goods from multiple companies (clients), which in turn have multiple customers. The outsourced process can involve client customer contact (for instance in CRM), but does not have to (accounts payable). In addition, a customer may be connected to multiple outsourcing services and every outsourcing service is likely to handle multiple client customers.

The outsourcing of customer facing processes is often not to the knowledge of the customer . This is due to the fact that clients do not have interest in confusing their customers or damaging their brand by bringing another party into their relationship with the customer. Hence, client and provider fuse to one unit from the customer's perspective (one face to the customer policy). Fig. 3 visualizes the described B2B2B/C chain as an analogy on B2B and B2C as existing shorthands for business-to-business and business-to-consumer. The chain underlines the two critical intersections of the focal company (provider) with the other markets. As shown in the ERM, an outsourcing provider has multiple clients (each having customers that may be part of the outsourcing) and hence provider's businesses can be visualized as multiple chains with different client and cus-

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tomers attached to the provider. Consequently these form markets that the provider interacts with.

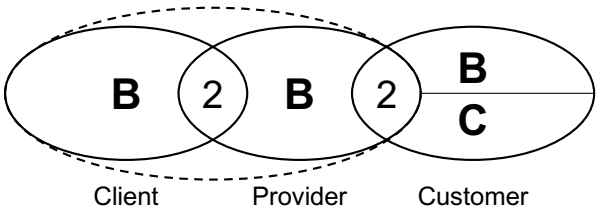


Figure 3 BPO B2B2B/C Chain

Outsourcing Client

Motivation for outsourcing of services is based on sound economic principles, as laid out in the section about the theory of the firm. From the previously described theories, especially the economic and strategic management view applies to the justification of outsourcing decisions. Bartell names improved business focus, mitigate risks, build sustainable competitive advantage, extend technical capabilities and free resources for core business purposes (Bartell 1998). Cost reduction is not included in this list (even though it was a primary driver at first), as the experience has shown that 80% of customer service outsourcing projects aimed for cost cutting are failing to meet their goals[5]. Gross et al. names cost savings, quality improvements and increase in capacity (Gross et al. 2006, p. 77) as reasons for BPO.

gross nennt 3 gründe (77))+ beispiele mit customer service.

cost savings argument noch disku-

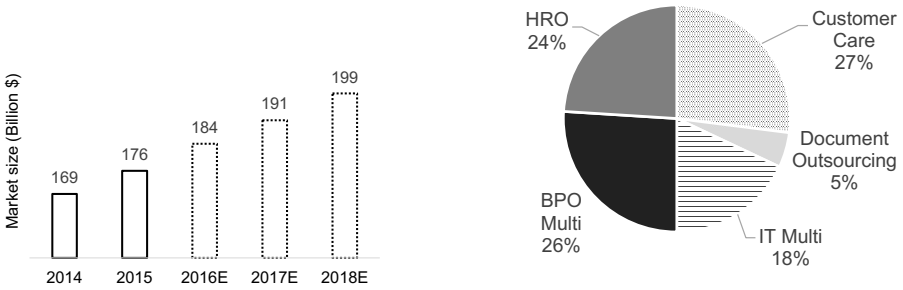
Outsourcing Provider

The business of an outsourcing provider is oriented towards clients. Outsourcing contracts are individually negotiated and can put the provider into different roles. While companies can use outsourcing as a means to drop off operative work and manage related processes by themselves, a closer relationship between provider and client facilitates more cooperation. Providers can become partners that take responsibilities collateral to their front-line business.

[5] cf. http://www.gartner.com/newsroom/id/492113

Schewe and Kett (2007) provide a framework for processes of an outsourcing provider, which is located in Appendix A.4. It counts three main areas: service management, delivery management and service delivery. Service management comprises *client support* and *help desk*, which are about the nurturing of the client relationship and providing help with respect to the provided services, respectively. Delivery management can be loosely compared to product development in a manufacturing business. It contains *program management*, which handles the offered service portfolio and *projects*, that develops and deploys new outsourcing engagements. The last area, service delivery, is about the outsourcing activity itself. Its components are *finance*, *HR* and *procurement / logistics*, as well as *transaction processing*. The latter refers to the creation of services, which is the main business, while the first three are supporting activities for service delivery.

A recent market overview segments BPO-providers into five categories: Human Resource Outsourcing (HRO) specialists, customer care specialists, BPO multi's, IT multi's and document management providers (Snowdon et al. 2016). While the authors note that the split is subjective, it helps to get an overview about the market's composition, as shown in Fig. 4. The notion of customer care is hardly seen in academics, as a search on sciencedirect unveils[6]. It seems that customer care is used to emphasize activities that exceed narrow customer service provision. Here, the term CRM is preferred to capture this extension, which is reasoned in the following.



SOURCE: (Snowdon et al. 2016, pp. 5–6)

Figure 4 BPO Market Composition

In terms of growth, customer care is expected to grow 4%, which is one percent behind the highest growth rate expected in HR providers. The BPO market in general is expected to continue its increase in volume in a linear manner.

[6] 1294 results for "customer service" in title, abstract or keywords in comparison to 58 for "customer care"

3.1.2 Customer Relationship Management

"A company's most precious asset is its relationship with its customers" is a quote of Theodore Levitt, Harvard Business School professor emeritus (Levitt 1983). Following this idea, marketing has undergone a shift from a brand- or product-centricity to a more customer-centered view (Chen and Popovich 2003). An absence of sharp definitions has lead to a considerable confusion in academic literature about the term customer relationship management (Payne and Frow 2005).

Essential terms surrounding CRM are marketing, relationship management and relationship marketing. Drawing on the taxonomy of (Leußer et al. 2011), a visualization of the fundamental relationships is given in Fig. 5. Under the umbrella of marketing, relationship management describes the active and systematic analysis, planning, design, selection and control of all business relationships in the sense of a holistic concept of systems, activities and goals (Diller 1995, p. 442). It has to be noted that not only relationship to customers, but also suppliers, communities, authorities, as well as internal relationship are enclosed by this term. Relationship marketing is a subset of relationship management and more strongly emphasizes customers as a target, but also comprises vertical relationships, i.e., relationships to suppliers. Within relationship marketing lies customer management or customer relationship management. Both terms are often used interchangeably (Leußer et al. 2011; Ryals and Payne 2001). Conducting an analysis of publications w.r.t. the terms, CRM is identified as the most used term (cf. Appendix A.2). Therefore, this thesis prefers the term customer relationship management.

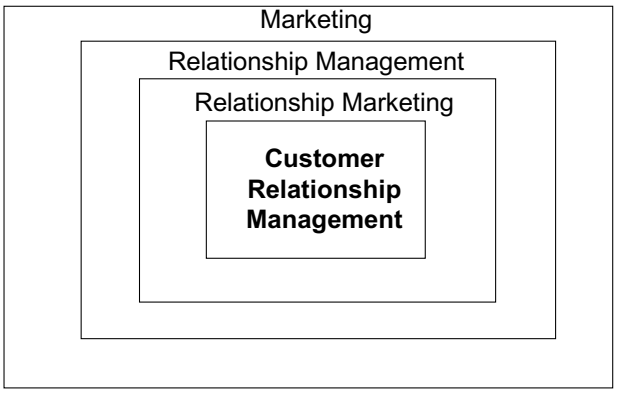


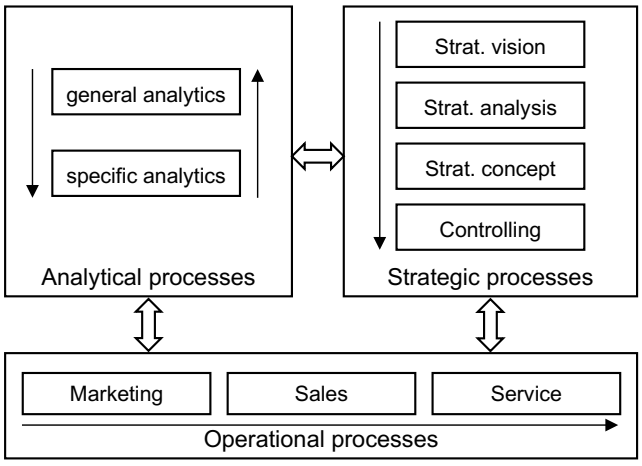
Figure 5 CRM in the Field of Marketing

Chen and Popovich see a process, and technology component in CRM (Chen and Popovich 2003). Payne and Frow (2005) compile different standpoints and propose three views, that will be described in the following. As the name suggests, the building and sustaining of

relationships to customers is always a defining characteristic of CRM, but the importance of the technological component is varying.

Narrowly and tactically defined, CRM refers to a technology solution and its implementation, which justifies the term's popularity in the technical field to create one view of the customer in the IS. With an increased scope, CRM can be seen as the implementation of an integrated series of customer-oriented technology solutions. Widely and strategically defined, CRM can be seen as a holistic approach to managing customer relationships to maximize customer value, corporate profitability, and thus, shareholder value (Payne and Frow 2004). This value is realized through the developed of a relationship, that is profitable and preferably long-term. Customer service is seen as a part of CRM (Helmke et al. 2012, p. 11). It exists in order to create additional value before, during and after a purchase.

For this thesis, a customer is defined as an individual or business that has entered the process of buying a good or service from another business. Hence, the customer has a relation to the latter, that is of interest in CRM. This relationship can be strengthened by a plethora of marketing instruments that businesses use to bind the customer. These are initiated from the businesses and directed towards the customer. The reverse way, i.e., a customer reaching to the company by considering a product is also possible.



SOURCE: adapted from (Helmke et al. 2012, p. 39)

Figure 6 CRM Processes

Processes in CRM can be divided into strategic, analytical and operative (Neckel and Knobloch 2005). Strategic processes build up on an strategic analysis (for instance SWOT)) to derive goals of the CRM initiative and structures necessary to reach them. Operative processes describe execution loosely separated in marketing, sales and service processes. Analytical processes support both strategic and operative processes through data-driven

insights either on a general level (i.e., customer segmentation) or bound to a specific activity (i.e., cross-selling). Operative processes are customer-facing processes and are of special interest in this thesis.

For contact between the company and customer, two terms have emerged: (interaction) channels and customer touch points (Leußer et al. 2011). A channel is a medium that facilitates communication and seen from a company perspective, while a customer touch point is more specific and from the customer's view. A touch point shall be every moment of contact with the company from the customer's perspective (Zomerdijk and Voss 2010). Linking touch points together forms a customer journey.

A channel can be composed of platforms. Social media as a channel represents platforms like facebook, twitter or instagram. Channels are likely be a long-lasting medium in CRM, while a platform may or may not withstand the test of time. In social media, platform members can publicly communicate via posts, which are touch points between company and customer. However, it is noted that one can see platforms as separate channels in business, as they require different handling in operations. This granularity stands in contrast to the intended applicability of this work, therefore social media platforms are not treated separately.

Communication between the customer and company can be done through a number of channels which have grown in the past years. Integration of these channels is a central task of CRM and shows increasing complexity. Payne and Frow (2005) propose six categories: (1) sales force, (2) outlets,i.e., stores and the alike, (3) telephony, (4) direct marketing,i.e., mail, radio, television, (5) e-commerce,i.e., e-mail and internet, (6) mobile-commerce (i.e., text messaging, mobile telephony). Applying the Mutually Exclusive; Collaboratively Exhausting (MECE) rule, one faces problems with this definition. With the advent of smart phones, mutually exclusion of (3), (5) and (6) is hardly possible. In addition, social networks have become increasingly important for customer interaction. This necessitates another view, which adequately represents to today's channel landscape and is forearmed for new channels that might emerge in future.

This thesis takes a two-dimensional view on different interaction channels in CRM that defines four quadrants. Building on the framework by Payne and Frow (2005), the digital component gets more emphasis, as it is of striking importance today. The matrix displayed in Fig. 7 positions different channels with respect to their personal or universal way of communication, as well as their orientation towards IT. The aforementioned categories (1) sales force, (2) outlets and (4) direct marketing are located in the matrix with no further change of meaning to the primary literature. Especially in the digital sphere, a

more diverse view on the remaining problematic categories is taken. The channels in scope are described in the following section.

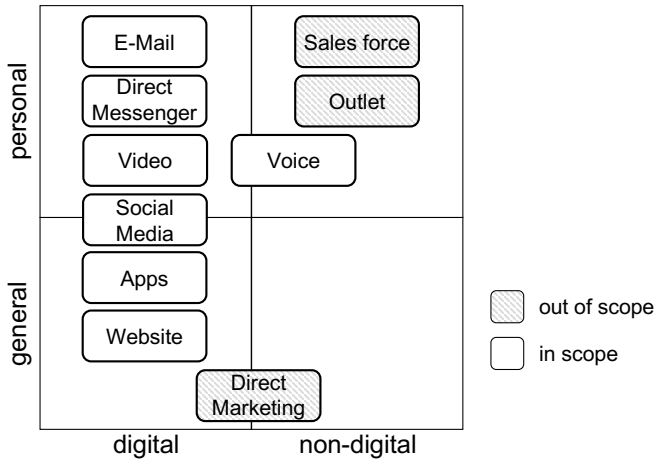


Figure 7 Channel Matrix

Digital channels are characterized by the web as an underlying technology for communication. Non-digital channels on the other hands rely on physical interaction in a broader sense. In general, a shift towards digital channels is undeniable. For customers they are a convenient way of communication, as their devices enable them to do interact with less effort. A stop at a retail store is more effortful than a lookup of information on the company website. Nevertheless, non-digital channels will always be part of the channel portfolio, as complicated issues may require interaction with another human being face-to-face, especially in the B2B-sphere.

The customer-centric view underlines the shift to personal marketing activities (Peppers and Rogers 1993). This is enabled by IT and the ever increasing amounts of data that is available and attributable to a single consumer. While the more personal approach is standard practice in B2B-relationships, mass media direct marketing has been the only way to target private customers in the past decades through the use of radio or television. In a data-driven world personalized relationships with customers is an imperative to stay competitive. However, an anonymous way of retrieving information is also demanded, even though this way will likely increase the effort due to a less tailored presentation of information. This is contrary to the wish of integrating as much customer information as possible, to create a so called 360-degree view of the customer. Identification of customers for integration purposes is a key challenge there.

The two trends in the dimensions renders the personal / digital quadrant as an strategic priority. The identification of single customers is of paramount interest for a customer-centric view, which is only possible through use of IT. This again can be mapped back

to the work of Payne and Frow: They name information management and multichannel integration as strategic processes.

Not every channel is used by every company, but companies tend to create multi-channel instead of single-channel strategies (Frow and Payne 2007). Coming from a pre-digital age, digital channels were integrated gradually and often in a heterogeneous information system landscape (Chen and Popovich 2003). The following paragraphs shortly describe all channel categories that are not named in Payne and Frow (2005). A special focus is put on the role of customer service provision.

Voice

Coming from traditional, non-digital telephony, voice is a very important service channel. While non-voice channels are said to overtake by the end of 2016, it is still accounting for half of the customer service volume on its own (Dimension Data 2016). However, voice is becoming more and more digital for example through Voice Over IP (VOIP) technology, which is one reason for the renaming. Defining characteristic is the synchronous communication and interaction with a Customer Service Representative (CSR). A channel's popularity is reasoned by customer's expectation to explain their problem easily (35.2%) and get a fast response (46.4%) according to (Agnischock et al. 2015). Voice is well suited here, but is also a costly option for customer service due to the one-to-one interaction. CSRs are not able to process multiple calls simultaneously. Outsourcing call centers has therefore become a major application across industries as low-wage countries like India offer significant cost-saving potentials.

Regarding data, the shift towards digital call processing enabled the tracking of numbers, efficient routing and conversation recording for instance. Identification of callers is often possible through the caller's phone number (if not suppressed). Audio recordings are on the rise (Contact-Center-Network 2016) also need to be automatically transformed into a processable format through sophisticated text-to-speech tools before using them for analytical purposes. Due to privacy reasons, these activities are restricted in many countries.

E-Mail

By 2020, 50% of the world's population is expected to have an email address (Radicati Group 2016). In the developed world this number will be significantly higher. The convenience of electronic mail is the asynchronous communication from various devices, with attachments, at any time of the day and without the need to personally interact with the

receiver. In customer service it is ranked second in terms of volume. 90.1% of call centers support e-mail (Dimension Data 2016) today.

As the message content is directly processable, analytical support plays an important role in routing mails. The sender can be identified by the address that can not be suppressed.

Direct Messenger

The vast adoption of smart phones replaced the temporarily very popular short messaging service (SMS) in a scratch. While in 2012, traditional text messaging in Germany counted 162 million messages (the messenger WhatsApp: 20 million), WhatsApp overtook in 2013 and is now the goliath (667 million messages expected for 2015) in this business (39 million SMS are expected)[7]. The popularity stems from no character limit, no extra data plan costs and easy sharing of photos and videos. Strong network effects tie users to the platform. However, other players are existing in the market. In addition to this mobile app bound instances of messengers, many other platforms provide a direct messaging function, which is often called chat. In contact centers, the integration of a chat capability is ranked first in new investments (Contact-Center-Network 2016). Being a asynchronous channel from a technological perspective, it is de facto synchronous: customers expect a flowing conversation and hence a quick solution to their problems. Websites of companies have a chat embedded to quickly solve issues that arise while browsing. An economic advantage for messengers in customer service is that an agent is able to process multiple chats in parallel, which is not possible in voice for example. In addition, automation technology enables artificial intelligence to participate in chats. Being fed and trained by a knowledge base, so called *Chat Bots* are able to dynamically infer queries from customers that are transferred via chat messages. These aspects are discussed in context of self-service technology in 3.1.2.

Video

Video shares several characteristics with voice: It is synchronous, two human beings are src involved and the communication is based on a common spoken language. In some sense, it is *voice+*, as it adds the visual representation of communication partners, which is why one can argue that they will ultimately merge into one channel category. The reason for the split here is that voice has its roots in the non-digital world, while video is clearly a digital channel. In terms of adoption, voice is accepted and used across the technological, cultural and demographical sphere. This is not the case for video-based communication technology. While technological requirements (i.e. mobile devices with front-cameras)

[7] cf. https://de.statista.com/statistik/daten/studie/3624/umfrage/entwicklung- der-anzahl-gesendeter-sms–mms-nachrichten-seit-1999/

are given, it can be put into the early adopters group w.r.t. theory of diffusion of innovations (Rogers 2010). Consequently, the use in customer service is seen on the lowest ranks (Dimension Data 2015). Furthermore, it necessitates the customer to use a specific software (e.g., Skype, Apple FaceTime) to get in contact, if the solution is not integrated in the browser or an app. However, it offers advantages not possible via voice for example through the ability to perform legally binding identification or show objects of interest live during the conversation. These innovations are reasons to put it into place in customer service, as the customer knows of their necessity in the process. The technology acceptance model (Adams et al. 1992) helps to explain the obstacles: customers do not see the added value in revealing themselves visually in front of a stranger and also expect it to be more complicated than a normal phone call.

Social Media

More than 40% of Germans are members of a social network[8]. The dominant player on this market in the western hemisphere is facebook. Characteristics of it are personal profiles and the ability to interact with ones network through public or private communication. Public communication is referred to as a post. With increasing adoption, companies realized the potential in CRM through these platforms. The ability to communicate *with* the company on a public stage in the network is a novelty, which justifies its attractiveness for customers and companies. In customer service, it is often used as a channel for complaints, as publicly sharing ones grief puts more pressure on the company and hence increases the chances of a customer to get a satisfying solution or compensation. The company needs to react quickly and well-considered to these inquiries, as the nature of social networks make it possible to generate a myriad of displeasing content by a single post (so called *shit storms*). Furthermore, the answering agent represents the whole company as a single person in the post, which necessitates a review process.

The public posting also has implications on the ability to process customer inquiries. As personal or order related data should not be available on the network due to data privacy regulations, agents often have to switch to a private channel (e.g., private messenger within the platform or another channel). Despite the use in customer service, companies also use social networks as a marketing channel. As typically all published content can be commented by users, there is no clear boundary between service and marketing activities.

Website

A company's website is likely the first address a customer visits to satisfy his information needs. It can be a starting point for switching to another channel, i.e., visiting the website

[8] cf. https://www.statista.com/statistics/312918/social-network-penetration-in-germany/

for retrieving the service hotline number, or the channel that solves his problem. 15.1% name it as their preferred contact channel (Agnischock et al. 2015). Often, a Frequently Asked Questions (FAQ) section is provided to quickly answer questions in-demand. In addition to these sections, websites can offer a customer service area, that aims to solve customer's problem without personal interaction of a CSR, which are called self-services.

App

Driven by ecosystems around smart phone operating systems (namely Android and iOS), small applications (apps) have emerged and enable diverse use cases for mobile devices. Companies publish their own apps to accompany products or services by additional information or functionality, which intensifies the relationship to the customer and increasingly becomes core part of value propositions. Airlines for instance offer check-in over their app to avoid queues and counters, owners of a Tesla can "summon" their car over the app to their location[9] and home automation enables customers to control their lights. Companies benefit from access to a plethora of personal data, as the application needs to be installed on the device. In terms of customer service, the app can be seen as a gateway to other channels, as a chat can be provided, web site content can be displayed or contact information for e-mail or calling can be shown. The development of smart, connected devices (Porter and Heppelmann 2015) in connection with servitization (Vandermerwe and Rada 1988) will position apps as a focal point in customer experience and consequently as a means for customer service.

Non-Digital Channels

While digital channels continue to grow, other ways of contact exist. For customer service, the importance is diminishable if one counts voice as a digital channel : mail and fax account for 1.4% across age groups (Agnischock et al. 2015), with the highest popularity among the elderly. These can be included in the e-mail channel, as their content can be digitized (viz. scanned). Brick and mortar stores, if available, amount for 28.5% and are therefore very important. Narrowing the scope to ITES leads to an exclusion of sales force or branches, as these are not outsourced.

Self-Services

Self-service technologies[10] enables customers to produce services without direct involvement of a service employee (Meuter et al. 2000). This automation relies on information technology to enable its functionality. Early examples include ATMs or balance checks

[9] cf. https://www.tesla.com/en_EU/blog/summon-your-tesla-your-phone

[10] In the following, Self-service technology and self-services are used synonymously.

on cellphones, which underline the diversity of self-service channel opportunities. Today, the internet makes companies create comprehensive "web-based customer support self-services" (Thomas et al. 2009), which are accessible through websites or apps. However, these examples convey that self-service technologies cannot be seen as a channel, but as an additional component that enables service delivery standalone or combined with other services. Other, mixed forms of self-service with involvement of a CSR (Globerson and Maggard 1991) are not seen as self-service here. Solely the interaction of the self-service system with the customer is meant.

Standalone self-services provide a solution to a customer's problem, i.e. by providing the needed information in an FAQ section (also called self-help (Meuter et al. 2000)). The magnitude of these areas is varying largely by industry and company, as it is the companies own responsibility to design, implement and maintain it. A social network component can be seen in communities or bulletin boards (Thomas et al. 2009) where customers help themselves. These brand communities (Hsieh and Wei 2017) are typically moderated by CSRs to ensure correctness of solutions. Elements of gamification give incentives to participate and follow the rules. This type of crowd-sourced knowledge substitutes CSRs with other customers.

Company websites may be platform for advanced self-service technology that actively processes queries against a knowledge base. Chat functionality can accompany the customer service area to give an medium to communicate issues in natural language, without the need to navigate through the website.

Reasons for self-service implementation are cost savings, due to less labor-intensity and more productivity and scalability, as no employee needs to deal with the request (Walker et al. 2002; Walker and Francis 2003). Customers can ignore service times, benefit from extended services, greater convenience and control, potentially more reliable information delivery and help themselves without the need to explain their issue to another person. Blut et al. provide a comprehensive study about technology acceptance in self-service technologies (Blut et al. 2016).

Multi-Channel and Omni-Channel CRM

An explosion in touch points (Lemon and Verhoef 2016), especially in digital media, has lead to new developments in customer relationship management. Companies seek to make use of the data to enhance their customer relationships and improve customer experience across and within channels (Frow and Payne 2007). However, the integration of data from various channels is a major challenge.

In the last century Pine and Gilmore claimed customer experience will be the next "competitive battleground", which now seems to come into reality. A recent study named customer experience the number one priority of executives in the next months (Accenture 2015). For this work, customer experience shall be defined as the internal and subjective response customers have to any contact (direct or indirect) with a company (Meyer and Schwager 2007)[11].

Drawing on the five strategic processes in CRM (Payne and Frow 2004), especially the multi-channel integration process and information management process are of special importance in this context. The former underlines the strategic role of integration from a customer experience perspective and the latter emphasizes the IT focus of CRM.

Two developments take place, multi-channel and omni-channel management. It is abstracting from the CRM case to include other domains, like retail. While multi-channel management is existing longer in the literature[12] and is now interpreted as the management of multiple channels to deliver high service quality in each of them, the notion of omni-channel management has recently emerged and seeks to deliver a seamless customer experience across channels. Omni-channel CRM originates in the domain of retail (Brynjolfsson et al. 2013; Rigby 2011; Piotrowicz and Cuthbertson 2014) and envisioned shopping of goods across different sales channels (i.e. online, store, telephone). This concept is now transferred from goods to the customer experience in its center, so that omni-channel management creates one view *of* a customer and thereby strengthens the relationship and increases its value. Measures like the customer lifetime value preferred over value creation emphasize the long-term view of the customer (Lemon and Verhoef 2016) and the need of CRM to run like a golden thread through different interactions of the customer. A discussion towards the separation of both terms is included in Appendix A.3.

This work agrees with the view that omni-channel management puts in a holistic view and emphasizes communication with the brand across channels. The objectives of omni-channel management emphasize the overall, holistic customer experience, which forges a bridge to the CRM domain. Adding the temporal dimension of the customer relationship, these experiences over different interactions (in separate, integrated channels) describe omni-channel CRM as a means for a superior customer value creation.

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[11] cf. Lemon and Verhoef (2016) for a detailed discussion of customer experience and the customer journey

[12] For an overview of existing research see (Neslin and Shankar 2009)

3.1.3 Customer Relationship Management Business Process Outsourcing Providers

Putting together the theory of business process outsourcing, customer relationship management and recent omni-channel approaches, this section underlines how these concepts work together in business.

From the process groups in CRM, primarily operational services are subject to outsourcing activities. Reasons for this lie in high labor intensity in customer service activities. According to a study by Aksin et al. (2009) staff members for voice amount to 60-80% of the overall operating budget. While strategic or analytical processes are more connected to high skilled and differentiating activities for a company, customer service includes several tasks, that can be learned quickly. Outsourcing these activities makes use of (global) pay gaps and helps to realize cost savings. As the complexity of relationship management increases with the number of channels, companies find it harder to keep pace with their competitors. In addition, customers expect an individual and customized treatment, which justifies sophisticated techniques by companies to accompany them on their customer journey. Consequently, BPO providers have expanded their tool set to provide solutions for challenges in the other processes of CRM, namely strategy and analytics, instead of solely providing isolated activities (as an extended work bench).

Ramachandran and Voleti (2004) name two capabilities of outsourcing providers. On the one hand, they need to understand the client needs in the domain and business (e.g., CRM). This expertise is manifested in the understanding of the client's customer, as the relationship of the client to the customer is subject of the outsourcing engagement and is called the business development capability. Furthermore, the provider needs to have capabilities to execute the services efficiently. Economies of scale and scope have to realized by the provider to reach a competitive cost level and superior service, respectively, which are denoted as the operational capability.

As visualized in 3.1.1 Fig. 3, outsourcing provider and client can form one unit when an end customer is involved in the outsourced business. Customers do not need to be aware of the outsourcing contract and therefore the customer service provision should keep up this delusion. For instance, a CSR in an outsourced setting will answer the phone on behalf of the client and does not leave any clues about being an employee of the outsourcing provider. As nowadays multiple channels are the norm, companies may outsource a subset of them, outsource all to one provider or cooperate with multiple providers (so called multi-vendor relationships) . Implications on providers arise when managing more than one channel, as the aforementioned multi- or omni-channel management approaches apply. This development requires more expertise from the provider and moves away from the extended work bench-analogy. The spanning of an outsourcing business across

src: kunde will nicht im outgesourcten call center landen

SRC

channels requires higher emphasis on information management and therefore the IS landscape. Technological parameters can partly be set by the client, be it back-office systems or knowledge bases, as well as application systems that manage specific channels. Varying requirements and leeway make general statements about the provider's responsibilities vague.

Another dimension is the complexity of requests, which are outsourced. One typically differentiates in different tiers in a contact center[13], that order the complexity of inquiries. Tier 1 support solves the most basic queries and is typically the first personal contact in a service inquiry. Tier 2 support handles complex issues, where tier 1 support is not able to solve the problem. Consequently, tier 2 CSRs need to be more skilled and trained than tier 1 CSRs. This reasons why tier 1 customer service is the first outsourcing candidate (54% tier 1 against 37% tier 2 outsourcing (Deloitte 2014)): it is more labor intensive through its gate-keeping property and requires less training to be productive in the job. There can be more than two tiers (Thomas et al. 2009) that each escalate to the next higher level.

In terms of IS landscape, providers have to manage a plethora of customer service systems, as clients may bring in their own. In addition, they outsource single or multiple contact channels. Their own landscape may consist of a single system in the best case, but due to a gradual introduction of digital channels, multiple systems are more likely. If new systems are put in place, clients may inherit the selection process, as the investment outlasts a typical outsourcing contract. Vendors on the market offer solutions for single or multiple channels and a provider selects the appropriate system for the client problem. Putting it into perspective across client businesses, the system landscape that the provider has to interact with can be described as highly heterogeneous (**?**, p. 47)gross2006, which is a reason why a centralized organization is hardly achievable.

3.2 Reference Modeling

This second part of the background chapter presents reference modeling as a method for building a model that represents businesses in a certain domain. Its concept and benefits are highlighted and icebricks as a means for process modeling is presented along with guidelines to assess model quality.

[13] The term contact center or service center is preferred over call center, as nowadays more than calls are handled in these facilities.

3.2.1 Concept

Reference Models can be seen as theory of information systems (Schütte 1998). Purpose of this section is to illustrate the ideas behind and intention of reference modeling.

The Model as a Construct

A model itself is defined as an "immaterial representation of an original for the purposes of a subject" (Becker et al. 2012b, p. 1). Based on the work of Stachowiak (1973), three characteristics of models are identified: mapping, reduction and pragmatism. Mapping describes the representation of natural or artificial originals, which can be models themselves. Reduction underlines the omission of certain elements of the original in a model. Pragmatism means that the selection of parts of the original is dependent on the intent of the model. Based on this notion, models of information systems (or information models in short) are explicit models that have information systems as subject matter. The purpose of modeling can be the constitution of application systems or the organization (Rosemann et al. 2012, p. 59). The latter is in focus here and encompasses among other aspects knowledge management, documentation of the organization and process management.Information modeling, the act of creating these models of IS is a complex task, which is why reference models are a useful means to reduce this effort (Becker et al. 2007) to create application models.

Reference Models and Application Models

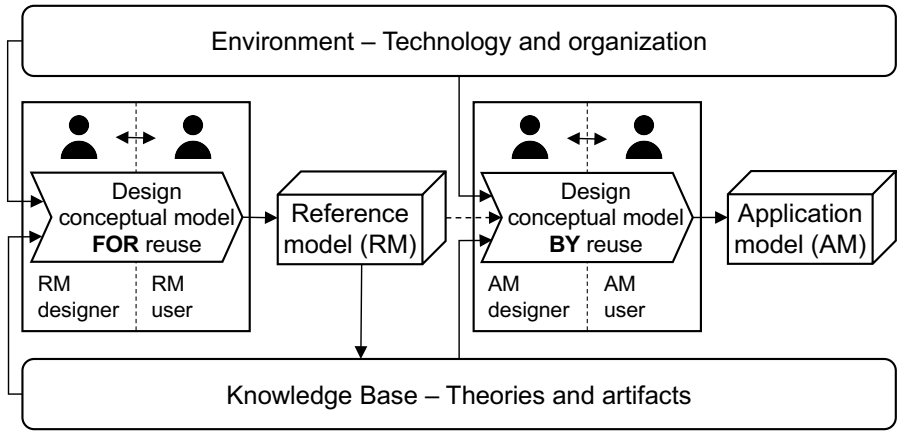
An information model can be specified on a certain company, which is here denoted as an application model. Reference models on the other hand are not firm-specific and as the name suggests provide guidance in a defined modeling scenario. There is no accepted definition of reference model in the literature. Thomas compiles various definitions for reference models (Thomas 2006a). Vom Brocke and Buddendick bring in the notion of reusable conceptual models, where conceptual models are the representations of an application domain used to capture the important features to be incorporated in a specific information system (Vom Brocke and Buddendick 2006, p. 584), as the term reference model is predominantly used in the German literature. In this work, it is agreed that a reference or application model of German understanding is a conceptual model. However it is refrained to use the terms reference conceptual model and application conceptual model over Reference Model (RM) or Application Model (AM). As an conceptual model's purpose is the representation of features of an information system, it is an information model.

Schütte (1998) puts "universal validity" and "recommending characteristics" as defining for a reference model. Universal validity expresses that a reference model can only be

valid for a class of companies, so that it can be used for creating application models. The recommending aspects states that a reference model should capture a wanted state, which is in the modeler's intention. These two combined enable the wanted reusability, which is planned by the modeler (vom Brocke 2003, p. 36). However, achieving a recommending characteristic is a subjective judgment and universal validity can always be achieved by shrinking down the target class of companies (Thomas 2006a). Taking the user perspective, one can identify a reference model if it is reused, disregarding whether the modeler considered its reusability (Püster 2015). Both perspectives build the working definition for this work. A reference model is defined as an information model with content that is intended to be reused in the construction of other application models. The relationship between a reference and application model is characterized by utilization of reference model components in application model construction.

The other option, namely encompassing a large target class of companies to create *one* reference model stands in contrast to practical use, as the creation of application models gets increasingly complicated the more general (and hence abstract and theoretical) (Schütte 1998, p. 79) the reference model is. Striking a balance between these trade-offs is known as the reference modeling dilemma (Delfmann 2006).

To capture the complexity in business, a data, organizational, functional or process perspective can be taken (cf. 3.1.1). As only process models are subject matter in this thesis, the term process reference model is used interchangeably with reference model from here on.



SOURCE: adapted from (Vom Brocke and Buddendick 2006, p. 587)

Figure 8 Design Process of Reusable Conceptual Models

A model is created by one or multiple subjects called designers and utilized by users (Becker and Schütte 2004). Model designers in context of reference modeling respon-

sible for creating the RM itself. Their intention is to design *for* reuse, i.e. creating an artifact that is to be reused. The other involved stakeholder in this modeling process is the reference model user which collaborates with the designer and defines requirements for use. This first process is visualized in the left chevron in Fig. 8 and takes input from the knowledge base as well as the environment. The output is the RM which itself contributes to the knowledge base as an artifact.

The right chevron is similarly structured w.r.t. the stakeholders, but designs an application model on base of the now existing RM which can be labeled as design *by* reuse. Akin to the reference model designer, the application model designer takes requirements from the application model user. By doing this, the AM can represent characteristics of the application environment (i.e. one organization), while still being conformable to the reference model.

Construction

A construction of an AM on basis of a RM requires the construction of the latter beforehand. Fig. 8 lists the knowledge base (theories and artifacts) and the environment (technology and organization) as inputs for reference modeling. For knowledge acquisition, one can differentiate in an inductive and deductive approach (Thomas 2006b). Inductive conclusions might stem from the organizational settings that are observed or existing AMs of organizations in the domain. Deduction is employed when drawing on existing theories from the knowledge base. Loosely, these two approaches refer to the two inputs for design *for* reuse in Fig. 8.

The reader is referenced to Fettke (2014) for an overview about different construction techniques. These show conformance with the design science approach (Püster 2015, p. 10) which is taken here.

Selected Reference Models

As mentioned, a reference model is suited to fit requirements of a certain domain. The purpose of this section is to briefly present two different reference models that are used in practice: The Supply Chain Operations Reference (SCOR) Model and the Retail-H. Both show a layer structure to manage complexity and both encompass a process reference model. Figures showing the framework are located in Appendix A.5.

SCOR allows modeling of supply chains. It is a process reference model with three detail layers. It was developed in 1996 and is now maintained by the Association for Operations Management (APICS 2015). On the highest level, typically called regulatory framework, SCOR is based on six distinct management processes: Plan, Source, Make, Deliver, Re-

turn and Enable. While the regulatory framework assists in defining scope, the second configures the type of supply chain (Make-to-Order, Build-to-Order, Engineer-to-Order). On the thirds level these are decomposed into generic process steps (e.g., issue product). Even more detailed processes are considered company specific and therefore no part of the model. Furthermore, performance metrics are also defined on each level.

In the domain of retail, the Retail-H is a reference model that includes process, function and data models. Developed by Becker and Schütte (2004), it has been adapted to suit special segments of the domain[14]. It is structured with four layers of detail: the regulatory framework, main processes, detail processes and process building blocks, as an application of icebricks as a process modeling language. The core of the regulatory framework is made up of three parts that form the H (a connection to the German word for retail: "Handel"). While the left part of the H describes the supply side, the right covers the distribution side. Both are connected through logistics. All of these core processes are business processes, the roof and foundation consist of support processes thereby making use of the framework reference design as proposed in Meise (2001) while simultaneously capturing domain-specific aspects in the set-up of the framework.

3.2.2 Benefits

Becker and Schütte name benefits of reference models in combination with an explorative study (Schütte 1998, pp. 75). Similar to Vom Brocke and Buddendick (2006), they differentiate in model designers and users. Reflecting on Fig. 8, actors in the left process are subject in this section. Taking the view of the two parties, the following benefits are named:

- Designers
  - Monetization through application and configuration
  - Obtaining domain knowledge
- Users
  - Cost reduction
  - Risk reduction
  - Documentation
  - Analysis
  - Exchange of information

[14] for instance eCommerce, Central Clearance or Central Settlement (Püster 2015)

Designers of RM are a research institutions or businesses. This distinction is not mutually exclusive, but helps to conclude the two main benefits. While the economic principles encourage the monetization through the use of the *product* reference model, the scientific world strives for cognition in the domain. It is noted, that the practical use of a reference model to form an application model is seen as hardly possible without additional consultative services in application model design (Schütte 1998).

The user side puts emphasis on cost reduction aspects (Schütte 1998, p. 76). This stems from the avoidance of modeling from scratch which creates quality gains and time savings. Related to this, risk reduction refers to less modeling mistakes as the application model builds on a solid foundation. Through a more structured approach of information modeling an improved documentation can be achieved. The analysis and identification of weak spots is especially important in process reference models (Becker and Schütte 2004, p. 81). Finally, the exchange of information inside the company benefits from a common base for discussion. It can be summarized as *best practice sharing*. A feedback loop from users to designers also facilitates further development and adjustment of existing RM to new circumstances in the domain.

vombrocke checken!

3.2.3 icebricks as a Process Modeling Language

A language is a system of signs and rules to their use (Holten 1999, p. 11). Fundamental is the ability to represent and communicate information through it (vom Brocke 2003, p. 64). While reference models are formulated in various languages, several options may arise. There are reference models like SCOR, which avoid the use of a defined modeling language to ensure wide industry adoption through not interfering with used modeling languages. However, this necessitates an increased complexity in adoption, as an application within a company requires the translation into a sound process modeling language. While the framework level does not need to comply to a formalized language, more detailed layers of the reference model without clearly defined syntactical guidance increase the risk of misunderstanding among users. This reasons the choice of using a defined process modeling language for this undertaking.

The next step is to decide what language to use. Traditional modeling languages like the Event-Driven Process Chain (EPC) or Business Process Model and Notation (BPMN) show similarities. Being syntactical languages, they offer large degrees of freedom in usage. What might look like an advantage at first sight, turns out to be disadvantageous. As process management approaches have increased number and variety of model designers and users enormously, more and more non-experts get in contact with process models and thus create models of less quality. The definition of modeling conventions becomes nec-

SRC

essary to help the modeler to conform certain standards. A way to confront this challenge are the Guidelines of Modeling (GOM) (Becker et al. 2012b), which are an analogy to the Generally Accepted Accounting Principles (GAAP). However, conforming to these guidelines will lead to increased resource requirements in these undertakings. Semantic process modeling languages avoid this by enforcing additional rules that models have to follow. icebricks (Clever 2016) is one example that realizes this concept and has been used for reference modeling. In addition to syntactical correctness, i.e. conforming to an existing language's meta model, other aspects are also considered which would otherwise be taken care of by combining GOM and syntactical languages. Because the additional check for guideline compliance is unnecessary in semantic languages, they are more efficient. After a short summary of the language, the GOM are described and it is argued why icebricks conforms to these aspects.

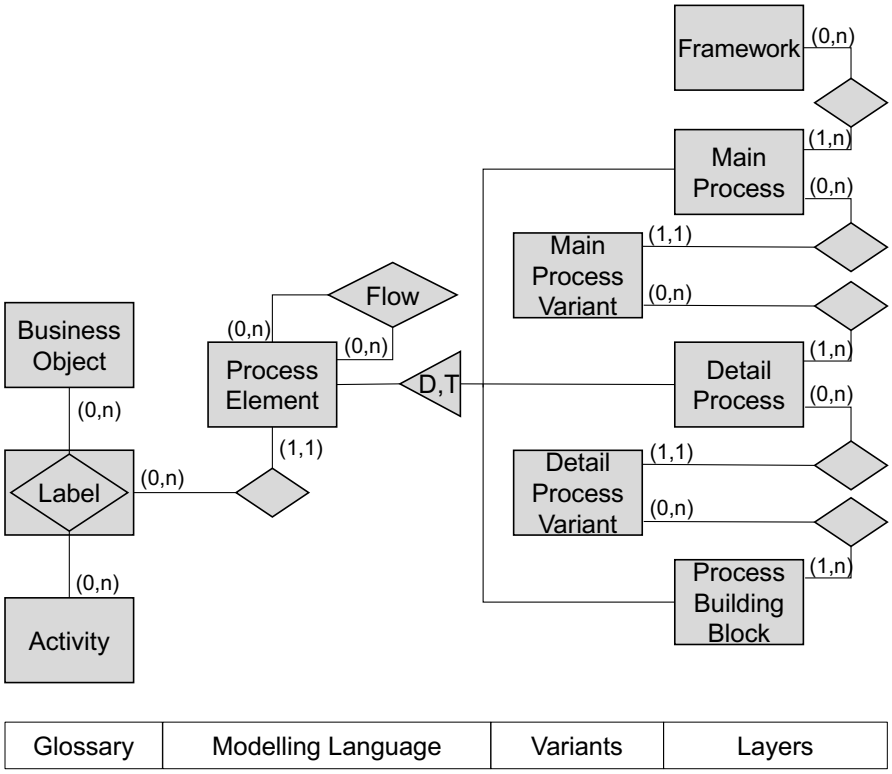
icebricks has a four layer architecture, which consists of four layers of abstraction: (1) process framework, (2) main process, (3) detail process and (4) process building blocks. Each lower layer is an element of the higher layer, i.e. an element on the framework layer is a main process. Each part of a main process is a detail process and so on. A visualization is located in Appendix A.6. A glossary ensures unambiguous terminology and meaning of processes. Labels are restricted to verb + object notation, which is proven to be easier to understand than other notations (Mendling et al. 2010a). Variants are integrated in the layer concept, so that every main or detail process can have different variants to model different peculiarities within a process. One example can be the three variants make-to-stock, make-to-order or make-to-engineer as variants of a production process. icebricks uses undirected graphs, which enables non-sequential flow of activities.

Correctness

Correctness can be seen from a semantical and syntactical point of view. The latter can be assured when the model conforms to a meta-model of the language, which is shown in Fig. 9. On the other hand, semantical correctness refers to the correct display of content inside the model. This correctness is hard to prove, but can be supported by a clear and simple structure that minimizes misunderstanding (which negatively impacts semantical correctness). While the other named languages tend to generate very complex models, the strict four layer structure of icebricks limits model complexity.

Relevance

Relevance refers to the depiction of elements inside the model, which are necessary for the modeling purpose. This causes two boundaries: On the one hand, no element should be included in the model that has no connection to the real world. On the other hand,



SOURCE: adapted from (Püster 2015, p. 75)

Figure 9 icebricks Meta Model

no aspect of the real world should be part of the model, which does not comply with the modeling purpose. Again, a simple structure of processes helps to guide the modeling procedure.

Economic efficiency

Syntactical languages are more error prone than semantical languages, because defects occur a posteriori, i.e., after modeling. As a semantical language ensures more guidance and strictness to its modeler, less errors exist in the model because they are identified during model creation. This reduces corrections on the outcome, which benefits the economic goal of successfully creating a model for the intended purpose with minimal effort (efficiency). In addition, icebricks as a reference modeling language has the ability to translate into other languages, because it only uses activities and control flow on every level. This enables a more efficient application of the reference model in companies and positively effects learning and use the language (zur Muehlen and Recker 2008).

Clarity

Clarity aims at a clear structure within a model and a simple navigation through different process models. The four layer approach, variant modeling and limited use of branches addresses a clear and consistent structure in an icebricks process model. Furthermore, the glossary ensures a labeling of processes that conforms to the proposed verb + object construct (Mendling et al. 2010b) and tackles the problem of naming conflicts.

Comparability

With respect to different modeling languages, comparability describes the transfer of content inside a model in language A to another language B without sacrificing information. icebricks was designed to provide this ability, as the application of a reference model in multiple companies consequently leads to contact with different process modeling languages.

Systematic Design

The scope of reference models necessitates different layers of detail to manage complexity. Consistence between different layers is a challenge when separate models are built for each layer. By applying a layer structure, variant modeling and the use of a glossary, icebricks guides the modeler during model creation to create well-structured models in the first place.

4 Case

This chapter serves to connect the scientific background and methodology with the research project. It sheds light into the organizational environment of the business which will demonstrate the first application of the reference model.

4.1 Organizational Setting

This thesis comes into being as part of the *ERCIS Omni-channel lab powered by Arvato*. This cooperation fosters research in omni-channel CRM through cooperation with Arvato, a leading European outsourcing provider. The focus is set on the CRM services division, which is one of four solution groups. While the German market has the largest share, Arvato operates international. The organizational structure can be described as decentralized in the past, but it is intended to integrate the independent country organizations more deeply within the solution group. As clients intensify international outsourcing of customer services to Arvato, a need to deliver an orchestrated outsourcing concept across borders arises. The solution group CRM therefore needs more alignment in their three constituents

- Sales & Business Development,
- Portfolio Management & IT and
- Operations.

An investigation in organizational structures is not in scope of this work, but this view on the business helps to derive a process structure. Reflecting on the domain of retail, one can see its supply and distribution side in form of Sales & Business Development and Operations, respectively.
The *Sales & Business Development* organization is oriented towards the outsourcing company, e.g., client. It is the main channel of communication to manage existing and potential clients and hence enables the *supply* of outsourcing contracts and therefore business to the organization.
Operations, on the *distribution* side in the retail analogy, is oriented towards the customer. With call center business as core of CRM BPO , it becomes clear that human resources are one key ingredient of service delivery.
Portfolio Management & IT at Arvato organizes available service products and their technological foundation. It connects the previously described organizations and therefore loosely fits the warehouse function in retail. From an IS perspective, it embodies several interesting aspects.

Knowledge in CRM systems, their selection and implementation is part of its capabilities. With a decentralized orientation in the past, Arvato faces the problem of a heterogeneous system landscape in client businesses, as there was no guidance for system selection. The aspired product orientation at Arvato demands standardization in terms of employed systems, so that a managed portfolio becomes necessary. As it is a characteristic of CRM outsourcing that clients dictate parts of the environment, e.g., technology or processes, a BPO provider needs to be flexible to react to these requirements.

Drawing from the three described constituents of Arvato CRM and the retail analogy, one can identify three stakeholders in a BPO provider organization. Recalling the BPO chain (Fig. 3), one part of the provider is linked to the client, another to the customer and the third is located in the center. Applying this logic to the three aforementioned units of Arvato CRM and taking a perspective that is scoped on the essential task of the unit, Sales & Business Development targets clients and Operations is oriented towards customers. Distancing from Arvato terminology, one can name these two stakeholders simply *Sales* and *Operations*.

Unlike the previous units, it cannot be assumed that Portfolio Management & IT exists for every BPO provider. The central part of the BPO chain with two interfaces to the sides coordinates the provider organization and is therefore named *Management*. It encompasses activities that are subsumed under Portfolio Management & IT at Arvato, but more importantly strives for alignment across client businesses so that the provider organization as a whole and its interest are modeled in a stakeholder.

4.2 Use of a Reference Model for BPO Providers in CRM

The business model of CRM outsourcing providers impacts the use of a reference model in the domain. Overall goal of the provider is to produce services that improve the customer journey of their clients, which is the differentiating factor on the outsourcing market. Switching to an internal view of the organization, this service provision is done for multiple clients, so the organization has to cope with this kind of diversity. Each client has its own contract and different parts of customer service process outsourced. While in general the business objects or process steps apply to all clients, they will differ on detail level (e.g., Client A will have a different routing logic as Client B and Client C has routing still in-house and outsources only after this process step). Therefore flexibility is required in the provider organization, as a *one-size-fits-all* approach is expedient. The process differences between distinct clients motivates to provide adaptive aspects in the RM as described by Delfmann (2006). In a provider model the organization can config-

ure multiple client models based on the provided services that stay compatible and are linked with the provider model. By doing so, the provider model itself gets reference model characteristics, while it is an application of the domain model. Fig. 10 visualizes the model levels. The highlighted domain (reference) model is center of this work and covered in chapter 5. The case at Arvato is demonstrated as a provider model in chapter 6, while businesses of Arvato can be seen as client models.

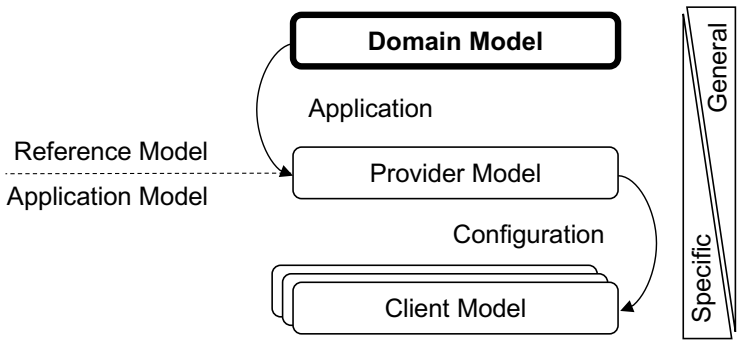


Figure 10 Model Levels

The distinction in application and reference model becomes complicated on provider level. The model is an application of the domain reference model, hence universal validity in the domain vanishes. However, in the provider's domain validity persists and the model has a recommending character as well. Provider with a sufficiently-large client base capture diversity of client businesses and therefore the universal applicability is existing to a certain extent. Arvato is seen as such a provider[15] and therefore a suitable candidate to evaluate an application of the reference model.

For the purpose of reference model construction, the provider model is seen as an application model. Arvato may see the provider model as *its reference model*.

Applying the aforementioned benefits of reference modeling (cf. 3.2) to the domain in combination with the three stakeholders, one can map these together as in Tab. 1. It is mandatory to reason the benefits for the different stakeholders in the organization. The interplay of provider and client model impacts benefits of reference modeling in several aspects and can be attributed mainly to the benefits for Management and Operations.

[15] Arvato is ranked the 6th largest BPO provider 2015 in terms of BPO revenue (Snowdon et al. 2016). Explicit numbers for the CRM section of Arvato are not published.

		Stakeholder		
		Sales	**Management**	**Operations**
Designer	Knowledge	Applicable only to researchers, not to stakeholders in the organization		
	Economic benefits from applications			
User	Cost reduction	Faster client approach	Reduced coordination effort	More efficient processes
	Profit aspects	Organized preparation of client meetings	Standardization facilitates better management	Usage of new concepts leads to improvement of operational processes
	Risk reduction	Lower risk of incorrect modeling through reference processes		
	Analysis	Customized offering for approached clients	Organization-wide benchmarking	Benchmarking
	Information Exchange	Structured communication of value proposition to client	Communication of best practices within organization	Exchange between client businesses

Table 1 Benefits of Reference Modelling for BPO-providers in CRM

BPO is partly cost-driven from a client perspective (Schewe and Kett 2007). For the BPO-provider low costs are therefore a necessity. Cost reduction refers to less effort in coordinating the organization through the used framework and economies of scale and scope across client businesses. For management processes in CRM this means that a reference process in operations management enables a more efficient general process on provider level, while on client level the savings are created. Client-facing processes reduce costs by having a best practice process in the provider model (e.g., run consultative engagements). Operational processes like inbound call handling are carried out for a specific client and are backbones of the BPO business. While allowing customization in client models, the compatibility to the provider model ensures the connection to reference processes.

Profit aspects often incorporate cost reduction aspects, but stand out through a significant improvement. Realization of up- and cross-selling potentials is one factor, as the necessary steps can be tightly knit into processes. Moreover, historically grown process structures both on client model level and on provider level can be identified. In the CRM domain, improved channel integration through adjusted reference processes benefits both

the provider's abilities towards omni-channel CRM and customer's perception toward the clients' customer service, when applied on client model level. As digital channels are becoming the dominant interaction channel, profits through analytics are more in reach by standardized implementations.

The analysis aspect expresses the ability to compare and benchmark the business in a new way. Consistent KPI definition enables management to compare across client models, while operations is enabled to improve the analysis of employee performance, as reference processes can cover calculation rules and procedures. As cost efficiency is a primary characteristic in the BPO field, reference modeling supports the provider's performance management and enables more sophisticated methods through process standardization, especially with respect to more integrated customer service across channels being on the rise.

The last aspect called information exchange phrases the ability to to communicate in a *shared language*, i.e. having the same business understanding in the organization. In the domain of BPO providers this is especially important, because clients vary in their terminology and beliefs of service delivery. A glossary is seen as an integral part of the reference model to effectively communicate meaning of business vocabulary. As different clients will show different terminology, a consistent management of a general accepted language in the provider's organization is necessary to ensure comparability. Also, terminology can vary per geographical scope, which adds further complexity and is particularly important for global or multi-national providers. A reference model can propose guidance on this level, while custom definitions in client models will be necessary. Towards client acquisition, the models themselves can be used as basis for discussion, as well as a vehicle to communicate offered services and understanding of CRM.

4.3 Design Science Research Application

Wilson states that three questions should be asked to research contributions: "Is it new? Is it true? Is it interesting?" (Wilson 2002, p. 168). As there is no research found that addresses processes of CRM BPO providers, one can consent the first question. The validity of the artifact, viz. the reference model, is evaluated on the case at Arvato and aligned with literature. Regarding the value of this research, the market volume can be used as a proxy for interest: BPO amounts approximately for 184 billion USD revenue per year today and CRM services grow above-average (Snowdon et al. 2016).

Gregor and Hevner define three levels of design science contribution types, that model the maturity of knowledge in artifacts (Gregor and Hevner 2013, p. 342). The first level refers to instantiations, i.e. situated implementations of an artifact. Level two generalizes

by designing constructs, that represent knowledge as operational principles or architecture. The highest level positions design theories that hold the most abstract, complete and mature knowledge. A research project can build artifacts on multiple levels and this work aims levels one and two.

As this research builds on the case at the research partner Arvato, an instantiation (level one), viz. application in reference modeling terminology, can be undertaken. This serves two purposes. First, it expresses company specifics in comparison to the domain reference model. Second, it evaluates the use and applicability of the domain reference model on a practical use case.

Level two relates to the domain reference model, that has a higher degree of abstraction. The thesis pursues its construction with priority over the instantiation at Arvato, because there is a unidirectional dependency between the two artifacts: The instantiation has to build on the reference model.

Furthermore, DSR contributions can be classified along application domain maturity and solution maturity (Gregor and Hevner 2013). Two classifications can fit to this thesis, which are exaptation and improvement. The former describes the extension of *known* solutions to *new* problems, while improvement develops *new* solutions for *known* problems. In this case, this work's main contribution is not to reference modeling itself, but using it as a means in the domain,e.g., to *improve* existing approaches to model CRM BPO.

In terms of the DSR process, this work covers the first five steps, starting in the following section.

4.3.1 Problem Identification

CRM is characterized by the components people, process and technology (Chen and Popovich 2003), hence BPO outsourcing in this domain needs to address these. Schewe and Kett (2007) see BPO as synthesis of outsourcing and process optimization. The latter necessitates coordination between provider and client, which would benefit from a common basis to build up on. In case of CRM, the distinctiveness of customer contact through the provider adds a challenge that is not typical for BPO in general.

Diversity in outsourcing contracts require an abstract view on processes, so that the organization can benefit from an appropriate model that enables use of synergies. In case of Arvato CRM, one challenge stems from a decentralized organization, that adds an additional organizational layer which conflicts with company-wide alignment. International clients also demand solutions across countries, which are hard to accomplish without a

common understanding. The challenge is rooted in the decentralized internal structure and intensified by complexity of the outsourcing domain (e.g., CRM).

The change to a digital society and with it the increase in contact channels, thereby requiring multi- and omni-channel management, makes an isolated view of channels impractical. IS need to be designed in order to handle, integrate and make use of diverse channel data for a better customer experience. As BPO providers cannot rely on single systems (cf. 3.1.3) which may provide a documented process tailored to the system, a more general representation is needed. Bringing together these aspects formulates a crucial problem for providers and identifies a research gap.

4.3.2 Solution Objectives

Based on identified problems, solution objectives outline requirements, that the reference model artifact should address. A morphological box helps to structure reference model attributes. This pattern draws from the work of Püster (2015) and **highlights** pursued characteristics in Tab. 2.

Attribute	Characteristic			
Reusability	**generic reference model**		non-generic reference model	
Purpose	**organizational design**		application system design	
Description level	**concept**	data processing concept	implementation	
Description type	**As-Is**		To-Be	
View	organization	data	functions	**process**
Knowledge generation	**induction**		**deduction**	

SOURCE: Adapted from (Püster 2015, p. 63), (vom Brocke 2003, p. 98), (Thomas 2006b, p. 248)

Table 2 Reference Model Requirements

In terms of reuseability, the reference model is intended to be generic, so that it is reusable for a class of companies. Here, these are providers of business process outsourcing in customer relationship management. With the previously discussed provider models, one can name a non-generic reference model. Distinguishing processes of the domain are prioritized in the construction, as their value contribution to the model is higher in comparison to generic processes, that do not differ significantly from other domains (accounting for instance).

The purpose of the model is seen in organizational design. Drawing on the listing of use cases given by (Rosemann et al. 2012, pp. 52–57), knowledge management and organizational documentation can be named in the first place.

The ARIS introduces three different conceptual levels with increasing IT-orientation. The reference model is seen on conceptual level, which facilitates comfortable communication with the business through abstraction from data processing or implementation.

Regarding the description type, one can separate into two model orientations. As-is aims to describe the current state of the domain, viz. showing common practices. To-be models a future state that incorporates wanted changes. In this case, the intention is to capture the current state of the domain.

The process view integrates the organizational, data and functional perspective. It is noted that the time-logical sequence of processes may be of subordinate importance, as an application probably causes reordering of process steps. Nevertheless, the process view is the medium for capturing aspects from other perspectives, while leaving room for individual adjustments without sacrificing model integrity.

As mentioned before, induction and deduction are employed for knowledge generation (cf. 2.1)[16].

General objectives

Combining these attributes relates to solution objectives.

> **Solution Objective 1**: Construction of a generic reference model that covers distinguishing processes for BPO-providers in CRM on concept level
>
> **Solution Objective 2**: The reference model can be applied for use at Arvato CRM.
>
> **Solution Objective 3**: The construction process is well-documented and builds on BPO and CRM theory.

The choice of the modeling language should not interfere with the intended use in the industry. As no studies regarding process modeling language use are available to the best knowledge of the author, the language should be transferable into popular candidates, e.g. BPMN and EPC. For reference modeling as such, there is neither a standard existing, but a trend towards use of existing languages exists (Fettke and Loos 2004).

The use of formalized languages helps to sustain syntactic and semantic quality in the model (Fettke and Loos 2004). By doing this, the model should be comprehensible with ease from members of the business and IT organization.

> **Solution Objective 4**: A syntactic and semantic formalized process modeling language is used, that is transferable to other languages.

[16] The epistemological framework also lists hermeneutic. Tab. **??** addresses requirements for the reference model, instead of the research process, which reasons the simplification.

Stakeholder-related objectives

Building on the discussion in 4.2, benefits of reference modeling in the domain are stated. Putting objectives of this work in direct relation to the three identified stakeholders is difficult, as the model represents the whole provider organization. The overall goal of increased alignment reasoned the decision to create this model at the research partner on board level. However, the stakeholder's benefits do not directly create objectives. The construction merely should consider realization of the identified benefits, by incorporating requirements for their realization. Consequently, these requirements are formulated as objectives.

The organization uses an application model (provider model) that draws from the reference model. Hence, stakeholder-related objectives are motivated by an application model and then mirrored towards the reference model. In this regard, the following paragraph uses the term model to express this ambiguity.

Regarding sales, one can focus on external use cases. Sales communicates with clients and the model is a means to do this more effectively. Their interest externally lies in a use as a statement of competence. This becomes necessary, as trust of the client towards the provider's competence is naturally decreasing with increasing complexity of the services. Consequently, providers need a way to communicate their approach in an understandable way. Complexity of services is linked to complexity of the domain, which is increasing by multi- and omni-channel developments. Hence, the trust is decreasing if no means are given to improve communication.

> **Solution Objective 5**: The model can be used as a statement of competence for sales activities towards clients.

The management uses it to encompass idiosyncrasies across client businesses and is thereby taking an internal view. It improves alignment, which is incorporated in the use of reference models for organizational design (cf. Tab. 2). The need for this is justified in best practice sharing and use of synergies inside the provider organization.

> **Solution Objective 6**: The model holds a process representation, which supports a common understanding across client businesses.

Operations is supported by the model to handle complexity of increasing channels and benefits from reference processes, as they enable standardized service delivery. As these processes are responsible for delivering value to the customer in form of superior services, they should enable a view that encompasses multiple channels. Diversity in system landscape demands a reasonable level of abstraction.

> **Solution Objective 7**: The model is able to represent an omni-channel environment.

4.4 Limitations

The title of this thesis expresses limitations in two ways. First, its research is *towards* a reference model. It is not intended to complete the model with this work. It lays a foundation for detailed investigation in its components. Processes are only partly described on the lowest level of abstraction. Also the focus is set on distinguishing processes in the domain, which neglects support and coordinating processes as defined in 3.1.1. The simplification in this thesis can be justified by the fact that the contribution to the knowledge base is insignificant for support and coordinating processes, as these are subject to publications beyond number.

Second, ***a*** reference model is meant, which signifies limitations in used data to evaluate the model. Apart from theoretic considerations, the primary data source is the research partner and its organization as an example of a BPO provider in CRM. One can object the dispensation of an investigation in other providers. However, due to the nature of the BPO business with multiple client businesses and the size of the research partner, diversity is captured to a certain extent.

While the taken process view includes aspects of the data, organizational and functional perspective, especially a dedicated data view would be beneficial for research in omnichannel CRM. The integration of data to identify customers across channels is an important, yet unsatisfactory explored research area. In this regard the process reference model helps to convey a perspective of activities from a time-logical order, to identify and structure moments that are important w.r.t. data availability, access or creation.

Regarding the structure of domain, provider and client model, it is noted that this proposal is only outlined in this work and not further described through generic reference modeling techniques, as discussed in Delfmann (2006); vom Brocke (2003).

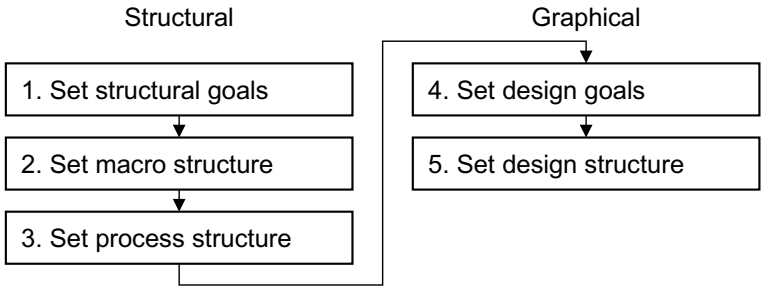
The thesis puts special emphasis of customer service processes (cf. 3.1.2, Fig. 6). Outsourcing CRM may also be leaned towards other operational processes of CRM, like marketing or sales, which are not in depth covered in this work. However, outsourcing customer service is seen as the most important application in the industry.

5 Reference Model Construction

This chapter conceptions the process reference model and is central part of this thesis. In order to discuss particular processes, the framework itself needs to be defined. What follows is the discussion of processes w.r.t. to the derived process structure.

5.1 Process Framework

Meise defines a framework as "an ordering of relevant elements and relationships on a high level of abstraction. [...] Purpose is to give an overview about an original and to support structuring of elements and relationships on lower detail levels" (Meise 2001, p. 62). Drawing further on his work, which especially targets framework design in process-oriented organizations, the proposed procedure for construction is adopted (Fig. 11). Differences to his approach arise, as the reference model displays an as-is state of the domain and does not follow goals of reorganization set by a specific company. Therefore, the *organization* represents a fictive BPO provider in CRM, that captures derived macro structural aspects. The construction is split into two components. The structural part first encompasses strategic and fundamental reflections, while the graphical component transfers these into a visual form that supports communication.



SOURCE: adapted from (Meise 2001, p. 122)

Figure 11 Procedure for Framework Construction

5.1.1 Set structural goals

Modeling is no end in itself and different purposes require different models. Previously identified problems (4.3.1) lead to objectives (3) which are to be faced with the process

reference model in general and its framework in particular. The existence of general (organizational) and stakeholder-related objectives (cf. Tab. **??**) requires the framework to bring together both ends.

No.	Solution Objective
1	Construction of a generic reference model that covers distinguishing processes for BPO-providers in CRM on concept level.
2	The reference model can be applied for use at Arvato CRM.
3	The construction process is well-documented, makes use of empirical research by induction, which is enriched by deduction from BPO and CRM theory.
4	A syntactic and semantic formalized process modeling language is used, that is transferable to other languages.
5	The model can be used as a statement of competence for sales activities towards clients.
6	The model holds a process representation, which supports a common understanding across client businesses.
7	The model is able to represent an omni-channel environment.

Table 3 Solution Objectives

5.1.2 Set Macro Structure

A framework incorporates concepts of strategy. One can name two perspectives, namely a market- or resource-based view of strategy, which are directed externally or internally, respectively. They are not independent of each other, but their interplay is seen as an important factor in strategic decision making and have to be considered in framework design.

The market-based view follow the structure-conduct-performance paradigm, that explains success of a company through external factors in the industry. Porter (1980) formulated the so called five-forces model, which describes bargaining power of suppliers (1), threat of substitutes (2), bargaining power of buyers (3), threats of new entrants (4) and industry rivalry (5) as determinants of competition. Applying these two the BPO domain, a trivial substitute (1) for outsourced services is the return of services inside the client organization. Further, the substitution of customer services through automation may render outsourcing obsolete. The bargaining power of suppliers and buyers (3) can be loosely mapped to clients and customers. While clients as suppliers clearly influence the provider directly, customers show less of this influence on the outsourcing provider. As the provider takes an intermediate position between client and customer (cf. Fig. 3), their acting is always in connection with the client. However, an assessment of outsourced service quality puts pressure on the provider, which in turn will be judged by the client. The

entry of new players on the market (4) can be tackled by barriers, that go back to competitive advantages of differentiation or cost-leadership. While the latter is especially causing fierce competition in low-wage regions that realize offshore-outsourcing, outsourcing players in CRM that feature more profound services lean towards a differentiation strategy. This can also be stated for Arvato. Lastly, industry rivalry (5) among players in the BPO CRM market is also influenced by the aforementioned generic strategies, to position established companies. A framework adopts market-based aspects through accounting for markets or segments therein. These are accompanied by business units or processes that relate to this external environment.

The resource-based view of strategy (Wernerfelt 1984) analyzes internal strengths and weaknesses. Resources are bundled to form capabilities and should be rare, inimitable, create value and be non-substitutable. Due to asymmetries of resources, competitive advantages are enabled. The identification of capabilities of CRM BPO providers (cf. 3.1.3) can only be done on a generic level for the reference model. Application necessitates specifying the framework to conform to company-specific capabilities. The operational capability should reflect the operational process component in CRM (cf. Fig. 6), and service delivery from the outsourcing side (cf. Appendix A.4). Business development, i.e. understanding and addressing client needs, misses a pendant in an isolated CRM view, but can be put in relation to delivery management in the outsourcing model.

Putting both views together emphasizes the client and customer market environment and two capabilities, that relate to these markets. Looking at the components of CRM, the people, process, technology split draws a line to the resource-based view, as these three resources need to be developed and captured to enable superior service provision for clients. Apart from the CRM view, these three also have their own meaning in BPO. The importance of processes in BPO is obvious. The people component can be interpreted here as the provision of manpower and their training for services; (information) technology as an enabler of outsourcing (cf. 3.1.1).

5.1.3 Set Process Structure

Given that the model shows processes, the structural split of people, processes and technology is hardly meaningful, as two aspects of CRM or BPO would be left out. Drawing from the BPO chain and the identified stakeholders (cf. Fig. 12) enables another categorization that leaves room for design choices, while capturing generic aspects of business processes within BPO. As BPO is the framing construct and CRM one use of it, this order is to be prioritized. The following briefly describes business processes, that are detailed in the remainder of this chapter.

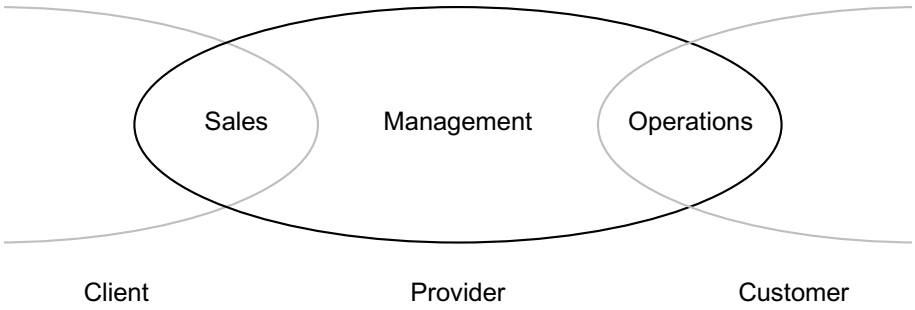


Figure 12 BPO Chain Provider Scope with Stakeholders

Sales-related

Sales-related business processes cover processes that have touchpoints with the client. These take place along a lifecycle, which starts with initial contact between provider and client, and hopefully advances through creation of an outsourcing contract, which is located in the SALES process. For this agreement, the BPO provider places its products in the client's requirements profile to create solutions for identified problems, noted as SOLUTION DESIGN. Also, the TRANSITION and setup of the outsourced business must take place. After completion, the client relationship is maintained.

Management-related

The management-related business processes bring together resources in the provider organization, so that the operations and business development capability are realized. Regarding the latter, it is important to have a products in place, which can be implemented as service solutions for clients. Schewe and Kett (2007) names this delivery management, but explicitly refers to its similarities with product development. In addition to the development, the management of existing products inside a product portfolio becomes important. These two processes shall be called PRODUCT DEVELOPMENT and PORTFOLIO MANAGEMENT.

Benefits through economies of scope are a question of offered services. The operations capability can be addressed by processes that enable economies of scale. These are realized by the increased output of services across client businesses, which in turn necessitates alignment in these services so that their output can be counted *together* (e.g. thereby enabling economies of scale). This alignment is facilitated through a product-view of ser-

vices and their underlying portfolio in the organization. Moreover, service quality must be assessed to assure conformity with client agreements, as well as in terms of internal improvement and benchmarking. This is represented in the Quality Management process.

In addition, people in the provider organization need to be trained in order to excel in their role as CSR. Their career path can be seen from a process perspective, so that a strong relationship is established with their employer. This aspect shall be called People Lifecycle Management[17].

Lastly, management of service delivery, especially scheduling, becomes critical in a business like customer service. The assurance of the right capacity at the right time to meet fluctuating demand with little waiting time is expected from the client. Therefore, efficient techniques to manage the complexity of multiple channels, different demand patterns and different skilled CSRs are necessary. This is encapsulated in Operations Management.

Operations-related

The last group of business processes target the service delivery in the words of Schewe and Kett. The processing of transactions with customers is in focus, which can be on numerous channels. In this case a transaction is a conversation, so that theories of communication (Shannon and Weaver 1949) shall be applied. A message is sent from a sender to a receiver through a medium. In case of customer service, both the customer or the CSR can start a conversation, that has a subject which relates to the client in some way. Reasons for contact may be separated by being related to a previous transaction. This transaction might be a purchase of a client's good or service. The communication channel increasingly varies and is intended to be no obstacle in an omni-channel environment, because it is strived for a seamless experience across channels. Hence, processes should be similar before going into technical details.

Communication can be asynchronous (e.g., e-mail) or synchronous (e.g., voice), which puts emphasis on temporal differences in the conversation. While the employed process definition encompasses the "time-logical sequence of activities", the value (viz. time between activities) does not impact the process logic itself, as this is a question of succession. General steps in inquiry handling from a business perspective will be similar independent of the (a)synchronous case. What becomes more important from a business perspective is the question concerning the contact initiator. A communication triggered by the customer (incoming) follows demand patterns that are inferred from historic data, while better planning of CSR opened contacts (outgoing) is possible, as the temporal de-

[17] The term people is preferred over agent or CSR, because it puts this process strongly in connection CRM. As the management-related processes are tried to be referential for BPO in general, this is not intended.

cision of contact lies at the business and not the customer. These two ways are represented by the INBOUND and OUTBOUND SERVICES.

Lastly, one has to differentiate in customer contact whether CSRs are involved in inquiry handling, which obviously has business implications. When customers use self-service to address their needs, software takes the CSR role, which saves resources. Providers can differentiate themselves through expertise in these systems. Clients save money by less volume that is processed by humans (employees of the outsourcing provider). At first sight, this may cannibalize outsourcing business, but the expertise of installing and running these self-service systems is likely not located in clients that outsource CRM. Consequently, providers can generate new business by accumulating know-how in SELF-SERVICES.

On the one hand, they design the customer-facing self-services in order to handle inquiries. On the other hand, the provider manages and maintains the knowledge base, that is located behind these automatons in the back-end. This does not only have implications on self-services, but also on other customer contacts, as the CSRs in the human-to-human communication also query the knowledge base to solve customer problems. The KNOWLEDGE MANAGEMENT process models these aspects.

It is desisted from the explicit modeling of a customer journey, because it encompasses components that cannot be part of a process model for providers. The model in this thesis is centered on the outsourcing provider. Modeling of a customer journey requires a customer-centric model, which then contains steps of the customer journey in a detailed way. Such a model should be a *playground* for identifying space for improvement in dialog with a client regarding its customer journey. In addition, it would benefit from avoiding the standards of process models, as its purpose is seen in the *design* of a journey through CRM components. Research from the field of marketing can be a starting point (Lemon and Verhoef 2016; Frow and Payne 2007).

5.1.4 Set Design Goals

The visual representation of the framework is linked to its cognition among viewers, therefore it needs to support the communication of the reference model's purpose. In contrast to language-processing, the process of perception is foregrounded, as the graphic is processed all at once and not sequentially. The model has to capture the fundamental characteristics of the domain of outsourcing at first glance. The sketched model level when applied (provider and client model) should be visually supported, as the reference model's framework is the blueprint to convey this hierarchy.

Design Goal 1: The framework has to visualize the business of BPO providers.

From a process perspective, as well as to reduce complexity, it helps to highlight important core processes over supporting or coordinating processes. By doing this, the viewer gets an impression about central parts of the model.

Design Goal 2: The framework has to distinguish core processes from other process types.

Furthermore, provisioned service types are to be shown. In order to gain an understanding of characteristics in CRM outsourcing, especially in an omni-channel context, the framework has to clearly communicate customer orientation. As it is the differentiating aspect towards BPO for other processes, this fact should be incorporated in design.

Design Goal 3: The framework has to cover the CRM-orientation in service provision.

A framework's purpose is to manage complexity by displaying relevant elements. In addition, the visual representation should be clear, consistent and structured to enable understanding on its own.

Design Goal 4: The framework has to be easily processable by viewers without further explanation.

5.1.5 Set design structure

The design of the reference model primarily addresses reference model users. However, its design will have large influence on the depiction of an application model. It is noted that the framework is designed independent of a process modeling language. The use of a reference design (model) can serve as a basis, as it includes benefits that have been previously discussed in context of reference models. The house reference design for example is used in the Retail-H (cf. 3.2.1).

Known patterns influence human perception (Kroeber-Riel and Weinberg 1997) and can transfer associations. In case of the house reference design, one can link solidity, stability and security (Meise 2001, p. 216) with it. It consists of three parts (roof, core, foundation), which can be used to visualize coordination, main and supporting processes, respectively. The foundation represents a basis on which the house is built. Its main part, biggest in size, stands in center and has the largest impact on the perception of the house's content. The roof brings together underlying elements and has an analogy towards an organizational hierarchy.

Framework composition

Adding the previously discussed process structure, supported by the BPO-chain design, one can convey this representation into the core area. Fig. 13 shows influences for the framework components. Meise proposes the use of a value chain representation with a chevron that enables linking of multiple elements, which is called a Value-Added Chain Diagrams (VACD). It communicates the input, transformation, output relation of a company, as the area on the left or right hand side of the house can be used to model supply or distribution markets. These two markets are existing in BPO with end-customer interaction, which brings together house reference design and BPO-chain.

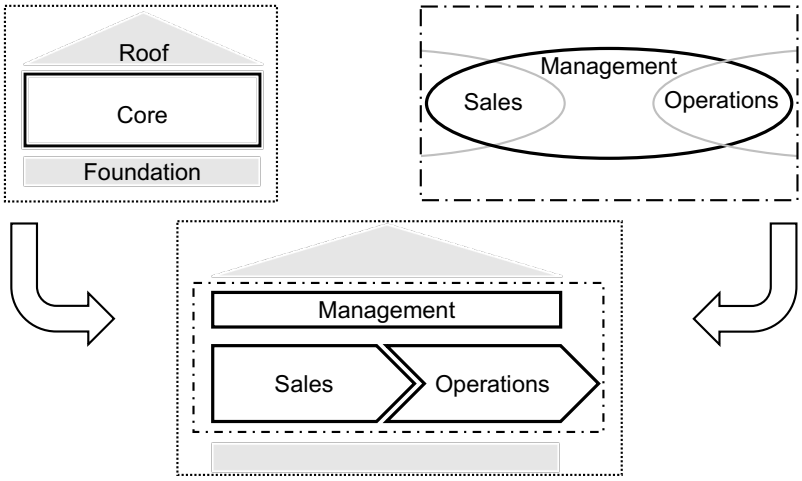


Figure 13 Framework Design Influences

The value chain can be represented by the exclusive use of chevrons that are linked together or it can have one starting element, which is a pentagon. This element is *closed* to the left side. Porter uses the *closed* variant, where the widened interface to the left side is emphasized. As the left side of the framework represents the client side, the strong link to the outsourcing partner shall be highlighted w.r.t. the customer-facing right hand side. Here, the interface to the customer shall be pointed for the following reasons. First, the interaction with a customer is intended to be independent of communication channel, so that the idea of omni-channel is conveyed (and with it the *one face to the customer*- and *one face of the company*- paradigm). Second, the customer's importance is communicated with this representation, as all action (complete height of the chain) is pinpointed towards one customer. The process structure consequently locates sales processes on the left and starting part of the value chain and connects the operations processes with it to address the two markets.

The management processes are located in the bar above the value chain. While it is part of the house's core, it does not have a VACD representation, as it has little contact

with clients or customers. However, it influences the complete part of business and is a indispensable part of the BPO provider business, hence it must be part of the core instead of the roof. Sales-related processes benefit from Product and Portfolio Management, while People Lifecylce Management and Operations Management are scoped towards service delivery and with it operations. Quality Management is expected by clients, but also important for the provider organization as a whole. Hence, it is located in the center of the upper management processes. Reason for locating the bar at the top of the VACD is that these processes include tactical to strategical aspects, that influence the underlying processes in the framework's core.

Framework details

Locating the identified processes on the framework needs to be done carefully, as their position and shape is important for the viewer's perception. The three areas of the framework's core narrow down positioning alternatives. Their size and shape is equal, to emphasize their main process feature. Customer facing processes vary slightly. Support and Coordination processes have a smaller boxes, font size and slimmer boarders to limit their attention. Fig. 14 shows the framework.

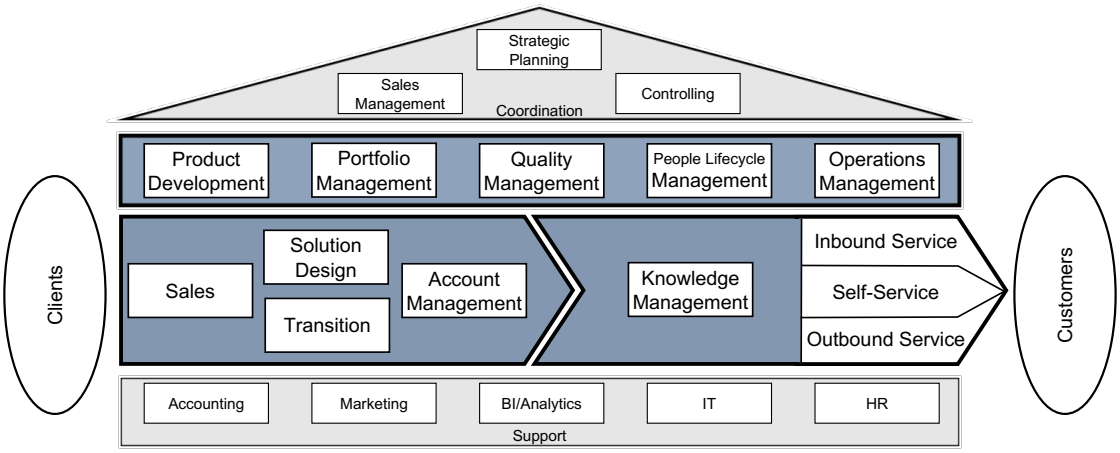


Figure 14 Framework

Starting with sales-related processes, the main processes Sales, Solution Design, Transition and Account Management have to be placed on the framework. As explained in 5.1.3, they follow a lifecycle, so that *Sales* leads to *Solution Design* and *Transition*, while existing clients relationships are cared in account management. This leads to a positioning of Sales as the leftmost and Account Management as the rightmost process within the sales area. Transition and Solution Design are processes that take between the previous

ones. They are both part of a client business setup and are hence located next to each other. todobpo lifecycles, wiederholung zu später

Operation-related processes have the peaked customer interface as starting point for locating processes. These are split into Inbound Service, Outbound Service and Self-Service as customer-facing processes, that are accompanied by Knowledge Management as a process that takes place in background. Consequently, Knowledge Management is located towards the center of the framework and not directed to the customer. The other three processes share their direct customer contact and are therefore in the right part of the chevron. To emphasize their role as the interface to the customer, their representation is adjusted to link to the customer. Furthermore, they are also located on the same height in the chains flow to highlight that these are alternatives of contact. By making no distinction of channels on framework level, their equality of treatment is represented.

Five management processes are located next to each other in their area on top of the VACD. The product and portfolio processes have higher connection to the client side, as these service products are sold to clients. The Product Development process has a stronger external relation, as new products should meet unsatisfied demands from the market. Portfolio Management on the other hand is an intra-organizational process that sets its focus on the provider. Quality Management is centered and subject to client businesses as well as internal management. The other two processes, namely People Lifecycle Management and Operations Management impact CSRs and service delivery. Their positioning can be reasoned through an higher impact of Operations Management on the service delivering activities through schedules, plans and forecasts of customer demand. People Lifecycle Management on the other hand is again oriented towards the provider organization, because management of human resources for service delivery is of direct interest for the provider, but not to the customer.

Support and coordination processes are not further specified in this thesis. Their elements are inspired by general processes that also play a role in BPO and other the retail-H reference model Becker and Schütte (2004). The *Accounting* process fulfills the task of keeping financial accounts. *Marketing* as a support process is narrowly defined as the positioning of the provider towards the client market for example by means of advertisements. Strategic and managerial aspects are captured in Sales Management.

Business Intelligence (BI) / Analytics captures the process of supporting the business through data-driven insights, as well as to provide decision-support for management on a tactical or strategic level. The latter emphasizes especially the BI aspect and would also make a positioning in the roof considerable. However, apart from the management reporting function, BI can also be seen on an operational level. Recently, the notion of

analytics become popular. No clear border between the two fields can be defined in the literature (Mertens 2002). Chen et al. (2012) suggest the term *BI & Analytics*, which is used here. Interpretation of the two notions will vary in an application, as it depends on the understanding in the target provider organization.

IT supports business through operation of systems (for instance in accounting, HR or for decision-support in management). *HR* manages people in the provider organization and is different from People Lifecycle Management, as it focuses on employees in operational service delivery, not personnel management in general.

Sales Management as a coordination process is subject to planning of client businesses and verticals. It is located on the left side of the roof to move it closer to the sales processes. *Strategic Planning* guides the provider organization as a whole with a long-term perspective. It is located highest in the roof to emphasize its importance for the strategic management of the organization. *Controlling* completes the coordinating processes by supplying the management with information and overseeing the client businesses.

Addressing Design Goals

No.	Design Goal
1	The framework has to visualize the business of BPO providers.
2	The framework has distinguish core processes from other process types.
3	The framework has to cover the CRM-orientation in service provision.
4	The framework has to be easily processable by viewers without further explanation.

Table 4 Design Goals

With the proposed framework shown in Fig. 14, the four design goals are achieved. Its fundamental structure with the VACD shows encapsulates the BPO business and by exchange of the right chevron, one can apply the model to other BPO domains than CRM. The relevance of core processes is highlighted through use of the house reference design and coloring. The right chevron is suited to represent service delivery in CRM through focus on customer contact, while abstracting from explicit processes for offered services (products). These are contained in the Product Development, Solution Design and Portfolio Management process without specifying of measures. Naming these would conflict with the intent of a reference model, as these will be different for companies in the domain. A minimalistic two dimensional representation without additional distracting features such as varying fonts supports effortless understanding of the framework. The different shapes are limited and the use of rectangles is preferred. Other elements, like the

VACD, are associated by the viewer and naturally convey the flow of the framework: the outsourcing client's CRM is given to the provider, who then adds the value to the chain and sends it to the customer. It is noted that application of the reference model results in differences in content, but also in design (to conform to corporate design for instance). However, a post-design evaluation of this framework design was not conducted, so these conclusions reflect the author's intentions.

The following dives into the process models below the framework. The icebricks language is used to meet solution objective 4 and hence the underlying structure below the main processes on the framework is composed of detail processes, which in turn have process building block underneath.

5.2 Customer Processes

This section describes the Inbound Service, Outbound Service, Self-Service and Knowledge Management process. They represent the operational transaction processing in outsourcing and are driven by the target domain (CRM).

There are several entities that encompass all means of contact to the outsourcing provider. First, every contact involves a customer asking for something or having a lack of information that is to be addressed. This lack is possibly related to a product[18] of the client (be it an actual purchase or solely the consideration), which is denoted as a transaction. Transactions also cover touch points like past customer service contacts or other events between the customer and the company. Together, these product-related and touch point-related transactions are determinants for forming a complete view of the customer. Transactions have a hierarchy, so that one transaction may have to a superior transaction.

Here, it is assumed that every transaction is related to a customer. Even considering a new customer, the act of contacting implies a previous touch point with the company. It is noted that this transaction might be not known to the company. A customer can have multiple transactions. The contact happens as an Inbound Service (customer contacts company), Outbound Service (company contacts customer) or Self-Service (customer reaches company without involvement of a CSR).

Knowledge bases accessible by the outsourcing provider contain knowledge which support addressing the customer's issue that is reason for contact. As these issues are classifiable, structuring them leads to business cases that describe the solution to a known customer problem. Examples can the cancellation of a booking, the termination of a contract or change of address. This listing reveals that business cases are very dependent

[18] Product here encompasses everything that is provided by the client to the market, i.e., services as well.

on the business of the client and hence are not a valid criterion for structuring customer contacts in a reference model. Not every customer contact needs to relate to a case. The ERM in Fig. 15 shows the described circumstances around the contact. It also reasons the structuring of the later described KNOWLEDGE MANAGEMENT process.

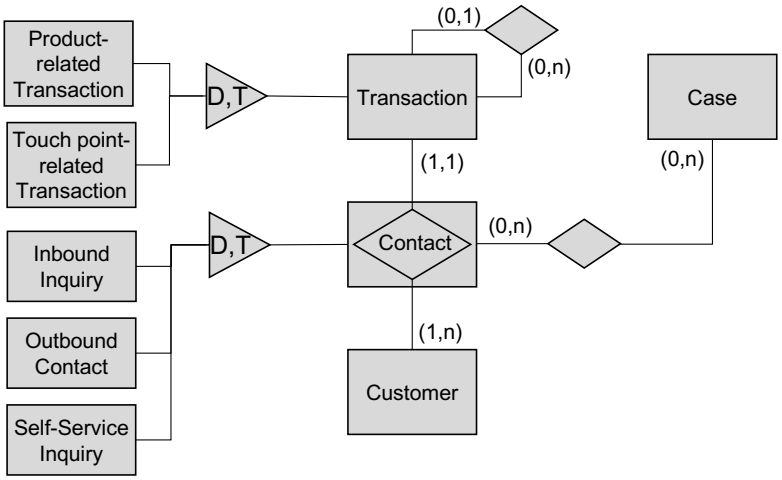


Figure 15 ERM of Customer-facing Services

5.2.1 Inbound Service

The associated object to this process in the *inquiry*[19]. It is preferred over *request* as it emphasizes an investigation in an issue over the politeness during asking. It is defined as an act of asking for information (Oxford Dictionary 2017c,h). In this case, it is the customer who is lacking information in some regard and contacts the company. A CSR of the outsourcing provider attends to the matter.

Reflections on the structure of the process become especially important in case of an omni-channel environment. There are multiple contact channels, asynchronous and synchronous communication and generic reasons that lead to the inquiry. Rationale behind omni-channel process modeling must be to keep the structure channel independent as long as possible to enable alignment. To capture the peculiarities of the channels, the concept of (detail process) variants is used on the lowest level to distinguish between mail, voice, direct messenger and social channels. Reasons for this split is that other discussed channels (video, website, app) can be included in others by means of a process view (video to voice) or are not a contact channel by means of inbound customer service. A website or app is a gateway to other channels (e.g., direct messenger) or to self-service, but do not offer direct engagement with a CSR. Variants can also be added, so that new channels can be integrated to the model without causing structural conflicts. While there are similarities

[19] inquiry is American English; enquiry is British English.

between (a)synchronous channels, using these as variants forecloses capturing of channel idiosyncrasies, because the underlying process building blocks would be the same for a variant.

Based on insights of the process modeling workshop, the detail processes are structured so that their steps apply to all channels and is shown in Fig. 16. First, the detail processes are described without going into details of their channel-variants, then each detail process is described w.r.t. the four variants.

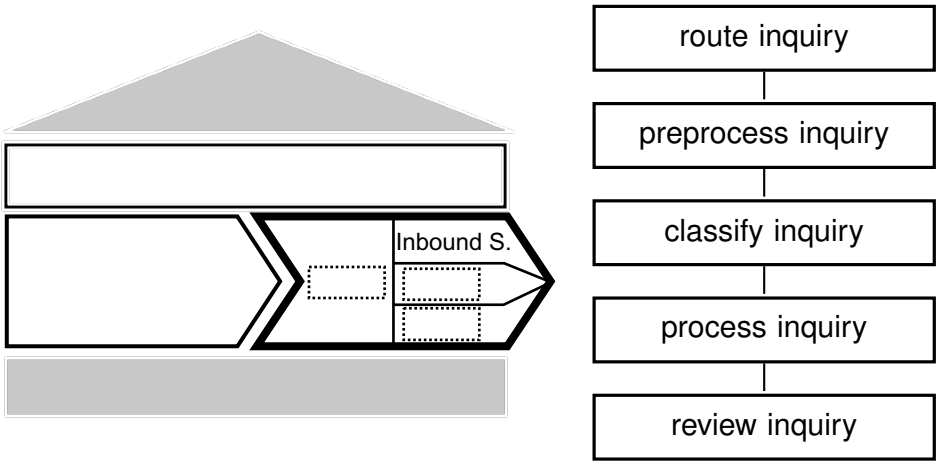
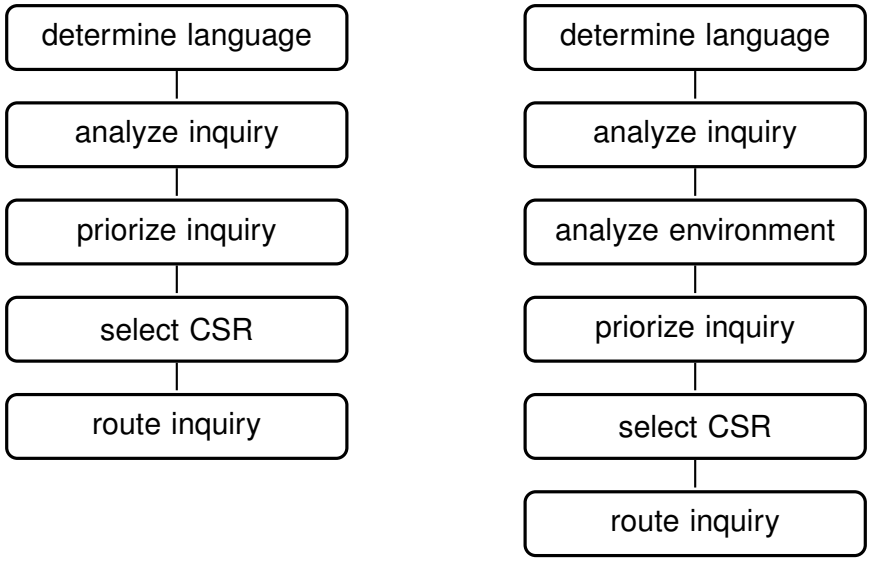


Figure 16 INBOUND SERVICE PROCESS

First, an inbound inquiry is initiated by a customer and the connection with the receiving end is established. Before an interaction starts, the inquiry needs to be guided to a CSR, which is known as routing in telecommunications. During this *routing* process, information from the customer is processed, so that part of his needs can be inferred before the employee starts the communication and time (and money) is consumed. Time that the customer spends in the system before the communication starts is not consuming resources from the provider, so the pre-extraction of information usable to address his problem is desirable. At the end of routing, a CSR is found that starts the communication with the customer. In the *preprocessing* step, the CSR takes on the inquiry and consumes the information that is available from routing, as well as transmitted by the customer. After this familiarization the CSR can *classify* the *inquiry*, so that it is known how to map the individual inquiry of the customer to a case (if existent). The *process inquiry* detail process engages the inquiry and ideally solves the problem. The last step involves a *review* and closes the interaction. It updates data related to the communication and stores it in the knowledge base. As every detail process in Fig. 16 has four variants, these are shown one by one in the following.

Route Inquiry

Going into the specifics of the route inquiry detail process, Fig. 17 shows its four variants consisting of process building blocks. One can observe similarities across all variants especially at the beginning and end. During routing, no CSR is actively involved.



(a) Mail Variant

(b) Social Variant

(c) Voice Variant

(d) Direct Messenger Variant

Figure 17 Route Inquiry Detail Process

A common language is a requirement for any communication and needs to be known to understand the content of the inquiry. While this is required across channels, differences arise in the following step: All variants except voice can analyze the inquiry. This analysis uses available information from the inquiry, i.e. its content or channel-specific data to identify the customer and infer the customer's need. In voice the inquiry itself is not existent at this point, as the customer has not expressed it verbally. However, Interactive

Voice Response (IVR) technology helps to extract information from the customer without active involvement of a CSR and is a typical technology in contact centers (Thomas et al. 2009). The distinction between voice and the other variants is reasoned by the fact that the other inquiries are text-based and therefore analyzable by common means. As IVR is a standard in customer service, the naming of a explicit technology does not create conflicts in terms of universal applicability. The amount of information processed varies: Simple systems might just record input from the customer typed in via the phone keypad (*if you have a question regarding X, please press 2*), while sophisticated systems do natural language processing.

The social variant includes an *analyze environment* building block, which emphasizes the importance of the network's context in social media. The verb *analyze* is again used to state automatism in this step.

Asynchronous channels (i.e., mail, social) have a *priorize inquiry* step, that work around simple First Come; First Served (FCFS) processing of inquiries. This step is not seen for synchronous channels, as the customer actively waits for a CSR to take care of the inquiry. However, *select CSR* can take several aspects into account that influences whether a suitable CSR is available: Requirements of the inquiry (i.e., language and to that point known content of the inquiry) and status of the customer (if known) are two examples .

Means to narrow down the variety content-wise is the availability of different contact channel instances. For example, there could be a dedicated mail address for reservations and another one for bookings. The fit of inquiry requirements to agent skills is known as skill-based routing. CSRs can be clustered in agent groups that are the right contact person for the inquiry, so that additional rerouting is avoided. The last process building block models the actual routing of the inquiry, as now the receiving CSR is known. This can be done with an Automatic Call Distribution (ACD) technology[20] which is able to take available client and agent information into account.

Preprocess Inquiry

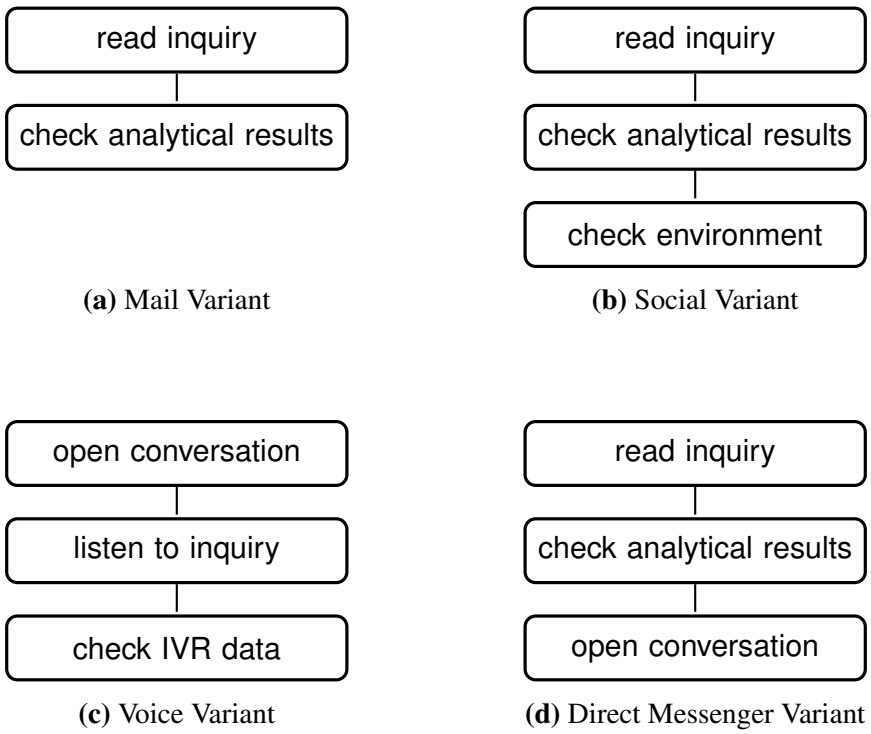
This detail process, shown in Fig. 18, begins with a CSR entering the process, that consumes the available information of the inquiry. This is not possible on the voice channel, as the CSR needs to open the conversation first, followed by the listening to the customer. Then, understanding of the problem is obtained and checks whether the data form the IVR is correct are performed. The other channels, analogous to the route inquiry detail pro-

[20] Despite its naming, the technology is able to route calls of other channels (Contact-Center-Network 2016)

cess, *check analytical results* so that there is consensus of manually read inquiry content and analytically derived aspects.

In the same way, the social variant includes a manual verification of the environment in the network. As elements can be skipped in icebricks if not applicable (i.e. no analytical system in place to check the environment in the social network), this building block may be interpreted as a first check of the environmental situation. Contextual factors (related posts with the same issue) on the facebook wall for instance may require a different approach towards the inquiry to ensure the appropriate reaction of the company in public.

The synchronous channels, i.e., Fig. 18c, 18d show time-logical differences. While the voice channel needs to open the conversation to know about the inquiry, a CSR in a direct messenger communication is able to do the preprocessing step beforehand and opens the conversation to the customer at the end.



(a) Mail Variant **(b)** Social Variant

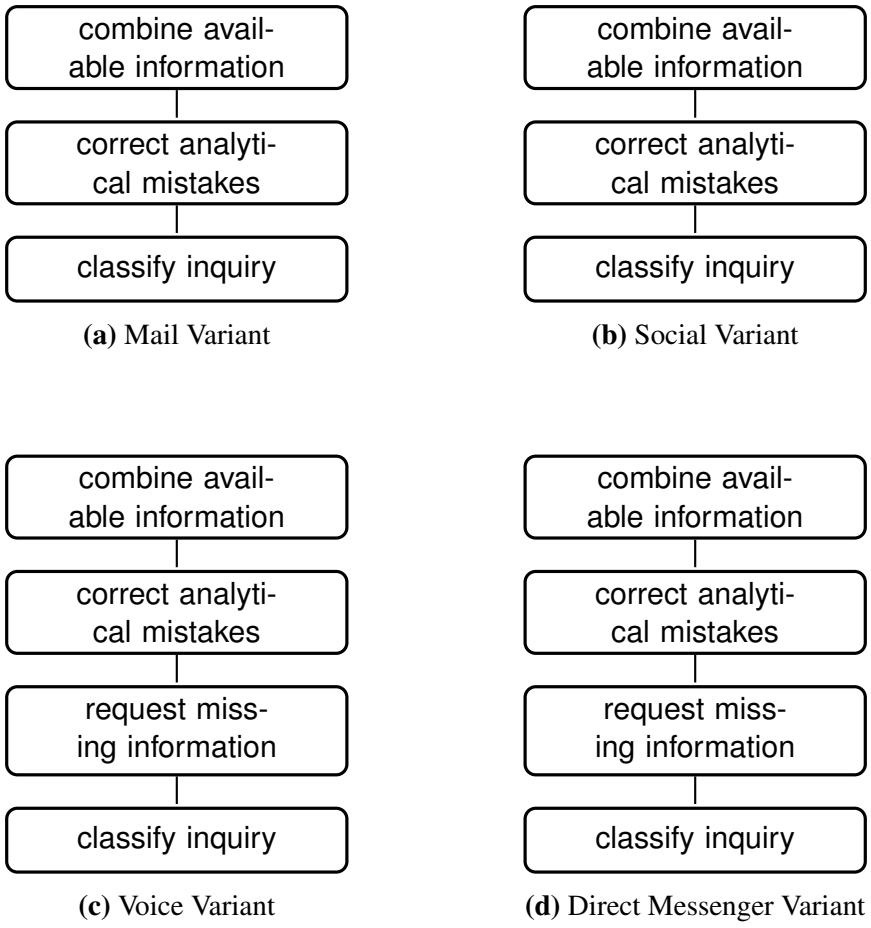
(c) Voice Variant **(d)** Direct Messenger Variant

Figure 18 Preprocess Inquiry Detail Process

Classify Inquiry

Fig. 19 shows the four variants for the third detail process of Inbound Service. One can see that there is no difference seen between asynchronous (top row) and synchronous (bottom row), so it is possible to shrink the representation down to two variants or even one variant, as the *request missing information* building block can be skipped if not appli-

cable. However, for the purpose of consistency across all detail processes, the four variant split is preserved.



(a) Mail Variant **(b)** Social Variant

(c) Voice Variant **(d)** Direct Messenger Variant

Figure 19 Classify Inquiry Detail Process

First, the available information of the inquiry and the analytical support from the two previous detail processes is combined to form one understanding of the inquiry for the CSR. Next, mistakes of the analytical support are corrected, so that the system gets feedback and may improve in future.

Third, the *classify inquiry* building block connects the inquiry (up to here seen as an instantiation of an unknown case) to a class. This class is a known construct in the mind of the Customer Service Representative (CSR) and ideally described in a knowledge base as a case. An example for this split is an inquiry by a customer, that expresses his wish to swap his ticket of x on day y to day z. The CSR can classify this inquiry as class *change of booking*. With this link being established, the problem is understood by the CSR and inquiry processing can be commenced.

Synchronous channels contain a *request additional information* building block, that enables the CSR to get additional information from the customer needed prior to classifica-

tion (a booking number is required for a change of booking and not known). This is put before classification, so that a class can have requirements that need to be fulfilled before assignment.

This classification of the inquiry, i.e., the mapping of the customers individually expressed needs to a modeled case on client/provider-side is seen as the essential task of the CSR. If the case was correctly modeled and identified, in theory its process could be adequately represented by IS and no human involvement from the customer service side would be necessary.

Process Inquiry

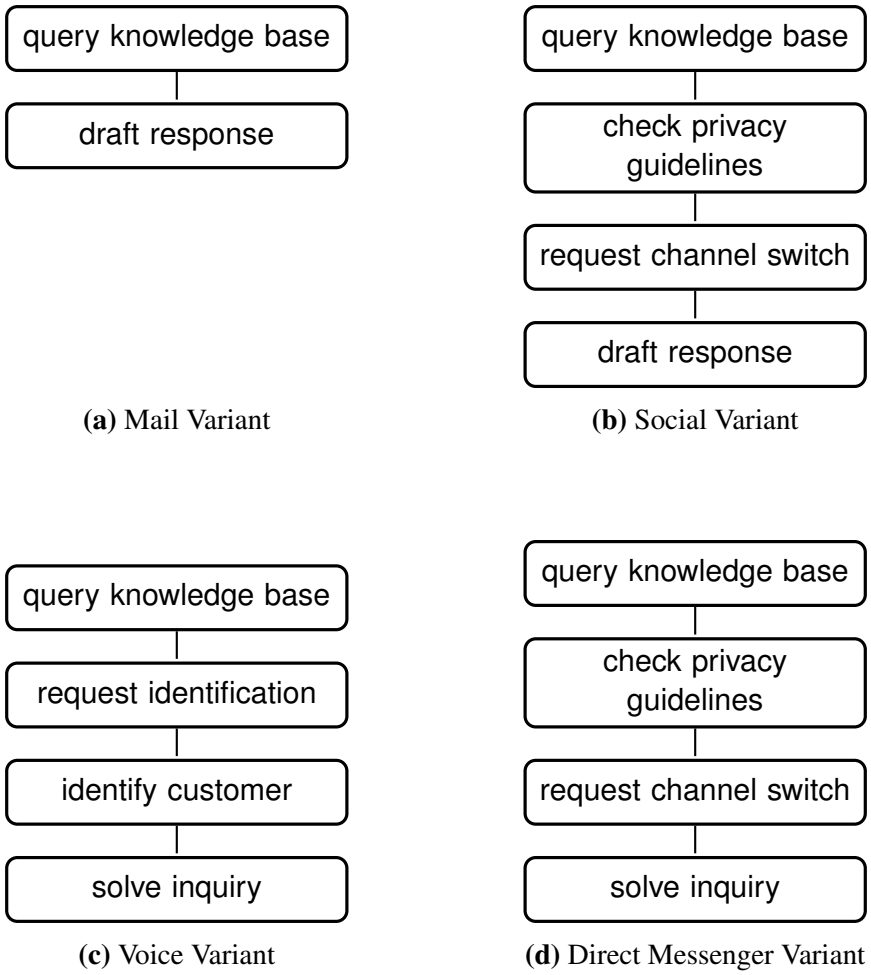
The process inquiry detail process is shown in Fig. 20. It represents addressing of a customer need, that was previously defined and classified. Similarities among all variants are the starting building block *query knowledge base*. This models the CSR's lookup of information related to the case at hand, either to give the requested information to the customer or to look up the process to solve the customer's issue.

Asynchronous channels, Fig. 20a, 20b, contain a *draft response* building block. Draft is used to enable the possibility of a following review step. Response represents the asynchronous property of the communication. The response to the inquiry does not necessarily solve the customer's problem, as no conversation is conducted that verifies the correct understanding of the problem. Synchronous channels are assumed to solve the inquiry within a CSR's means.

The models on the right side of Fig. 20 both contain a *check-privacy guidelines* and *request channel switch* building block. As direct messengers or social networks are often platforms, operated by other parties that may have a different understanding of data privacy, certain business cases cannot be processed on these channels. Hence, a channel switch becomes necessary and ends the process.

The voice channel additionally includes an identification segment, that represents the CSRs ability to verify the customer's identity during the conversation[21]. This does not represent the identification of a customer to an entry in the CRM database, but a legally binding statement, that may be required for certain business cases. Video communication (seen as an extension of voice) is a means for this and in use today. Other channels lack the ability to identify a customer, as everyone with access to the account can communicate on the customer's behalf.

[21] This represents knowledge at the time of writing based on current practice. In future, a legally binding identification over different channels might be possible, for example via social media profile.



(a) Mail Variant

(b) Social Variant

(c) Voice Variant

(d) Direct Messenger Variant

Figure 20 Process Inquiry Detail Process

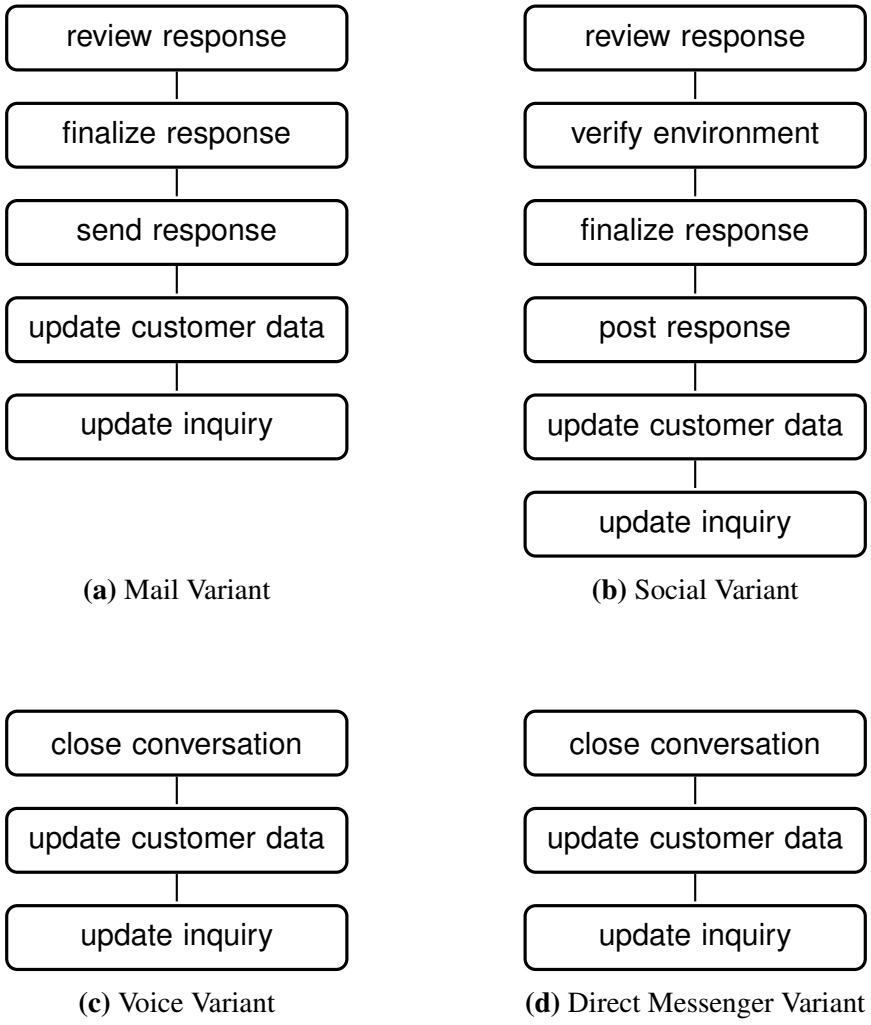
Review Inquiry

Review inquiry is the last detail process within Inbound Service. Its four variants can be inspected in Fig. 21. Two meanings of the notion of review (Oxford Dictionary 2017i) fit to explain the different variants. First, a review is a "formal assessment of something with the intention of instituting change if necessary". This definition fits to describe building blocks in asynchronous channels mail and social. A CSR might need to send a response to a supervisor for checking. The supervisor can change parts or approve it directly (called *finalize* here). In social networks, the environment should be checked again, as it could have changed since compilation of the draft. Also, the submission of the response is called *posting* to emphasize differences between public issuing to the network and private *sending* of mails.

Synchronous channels (cf. Fig. 21c, 21d) show the same components, that are again not aggregated into one variant for consistency reasons. As they solve the inquiry during the synchronous conversation, no review according to the given definition is possible.

However, second meaning of the term review explains the purpose of this step: “A report on or evaluation of a subject or past events.”

This justifies the last two process building blocks of all three variants, namely *update customer data* and *update inquiry*. As the interaction is completed at this point (viz. the response is sent, posted and the synchronous conversation is closed), information from the customer contact is to be stored. The customer contact, seen as a touch point and therefore a transaction, is connected to the customer in the CRM database. Additional data that might be revealed during the contact can also be stored to enrich the profile by the CSR. Furthermore, the inquiry itself can be updated to keep track of the customer’s issue if not solved entirely. Ticket systems are a concept to model this matter.



(a) Mail Variant

(b) Social Variant

(c) Voice Variant

(d) Direct Messenger Variant

Figure 21 Review Inquiry Detail Process

5.2.2 Outbound Service

In contrast to inbound interactions that have an inquiry as central object of the process, Outbound Service does not necessarily target a customer's issue. Its root depends on the purpose of communication, which can be related to a previous interaction (call-back service in voice) or e-mail marketing (new offers via mail) for instance. Therefore, the general object *contact* is used and defined as "a meeting, communication, or relationship with someone" (Oxford Dictionary 2017b). The verb refers to the communication with someone.

Alike to inbound processing, omni-channel applicability is enabled by having a universal detail process, which has variants for each of the four contact channel categories. There is the necessity of knowing the identifier of a customer within a contact channel to reach him. This identifier is a phone number in voice, mail address or a social media account. Direct messengers may be designed to enable use without individual sign-up, which excludes the ability to reach the customer. However, using direct messenger platforms such as WhatsApp enables outgoing communications, as they work with identifiers.

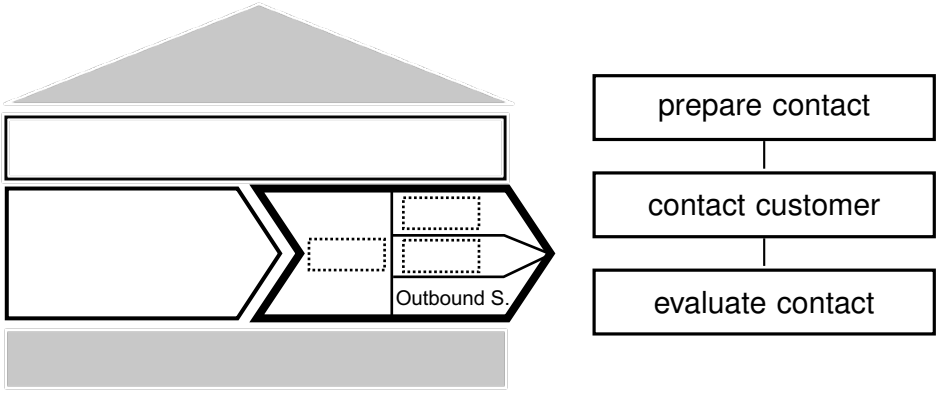


Figure 22 Outbound Service Process

A fundamental difference the Inbound and Outbound Service process is that outbound contact is proactive and needs more initial information to act on, whereas inbound contact is reactive (Dimension Data 2015). Fig. 22 shows the process, which is composed of three detail processes. Reflecting on the inbound process, *prepare contact* represents activities that take place prior to the activity that actually addresses the process object (route, preprocess, classify inquiry in Inbound Service). The following *contact customer* step expresses the active approach of the customer (contact) from the company side and can mirror the process inquiry step in Inbound Service. Lastly, the *evaluate contact* step contains subsequent efforts. Here the wording evaluate is chosen over review to put more

focus on an assessment of the contact and less on the intention to change parts if necessary (cf. 5.2.1). Furthermore, the company, as contact initiator, can perform a review at an earlier stage and does not need to react on a customer.

Prepare Contact

To actively approach a customer, there has to be a trigger or decision that lead to the initiation of the process, which is then assigned to the executing organizational unit, e.g., CSR. The information that captures the intention behind the contact is assumed to be stored in the knowledge base. The first step of this detail process (Fig. 23) is consequently a query to get the CSR informed, which is consistent over all channel variants. Next, the aforementioned reason for contact is processed by the CSR to enable the transfer of it towards the upcoming contact of the customer.

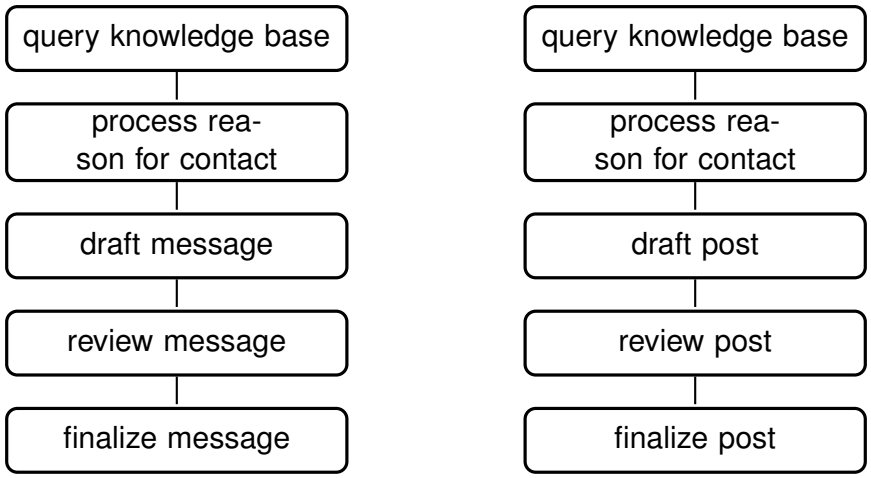
All channels except voice show three blocks, that also appear in the review inquiry inbound process variant (draft, review, finalize message/post). This early (optional) verification by a supervisor is possible because the communication is started by the company and the purpose is stored in the known reason for contact. Therefore, there is no processing of a customer inquiry necessary on which a response is formulated. Because of this, direct messengers can also have these components, even though it is a synchronous channel. In the voice variant, there is no review. The CSR is assumed to understand the reason for contact or resolve any issues with it in the *process reason for contact* step, as the scripting of a call is implausible.

The case of a proactive post of a company on a customer's social profile might seem less typical on platforms like facebook, but it cannot be foreclosed. In addition, it depends on the social behavior on the network that might change over time and varies across networks.

Contact Customer

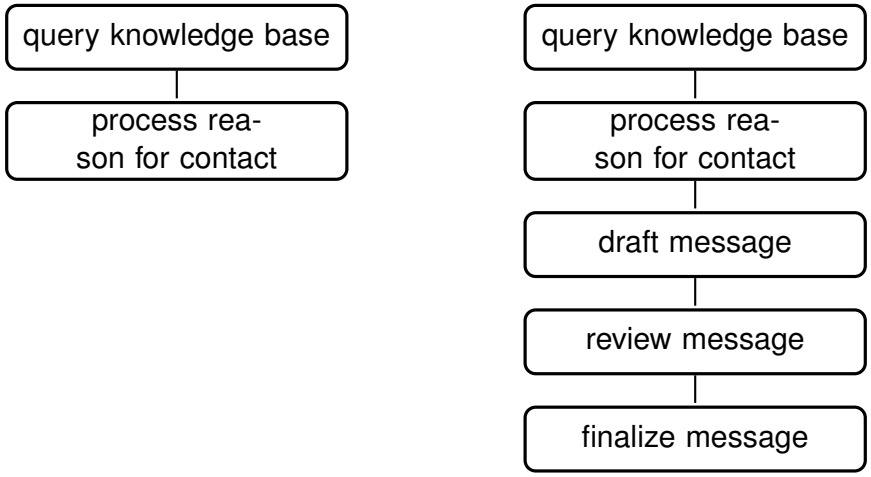
The second step of Outbound Service models the approach of the client (Fig. 24). The use of contact as a verb expresses that the customer is on the receiving end. (A)synchronous channels show a similar structure, respectively. As the message or post is already prepared, the select of the sending account and the actual transmission[22] is left. As previously justified, the variant in social media includes a verification step of the network environment.

[22] Theoretically, the second block in the social variant should be named *post post*. Considering writing style, the object is kept and the verb changed to send.



(a) Mail Variant

(b) Social Variant



(c) Voice Variant

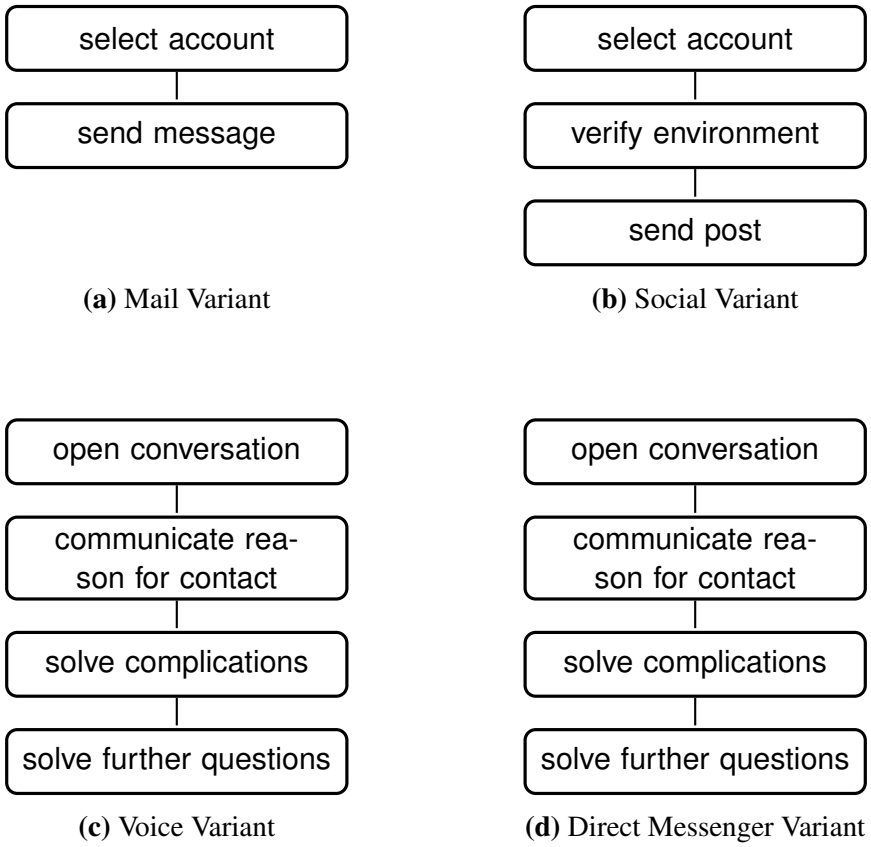
(d) Direct Messenger Variant

Figure 23 Prepare Contact Detail Process

Synchronous communication establishes a *conversation* with the customer on which is responded in a timely manner. It is noted that in contrast to the voice channel, a direct message does not require the customer to respond directly. With this open connection, the CSR is able to *communicate* the *reason of contact* to the customer.

As the contact is initiated by the company, the customer might not understand the reason for contact properly. In this case of synchronous communication, it is possible for the CSR to *solve complications* on the spot. The last block of the contact customer detail process encompasses the *solving* of *further questions*. Reason for this is that in the outbound case, there is object encapsulating the customer's need (as it is the inquiry in Inbound Service). Ergo, the customer can have additional unresolved questions which can, but not

necessarily have to, relate to the reason of contact. In analogy to the *solve inquiry* block in inbound processing, the verb solve is again used to emphasize the CSR's activity.



(a) Mail Variant

(b) Social Variant

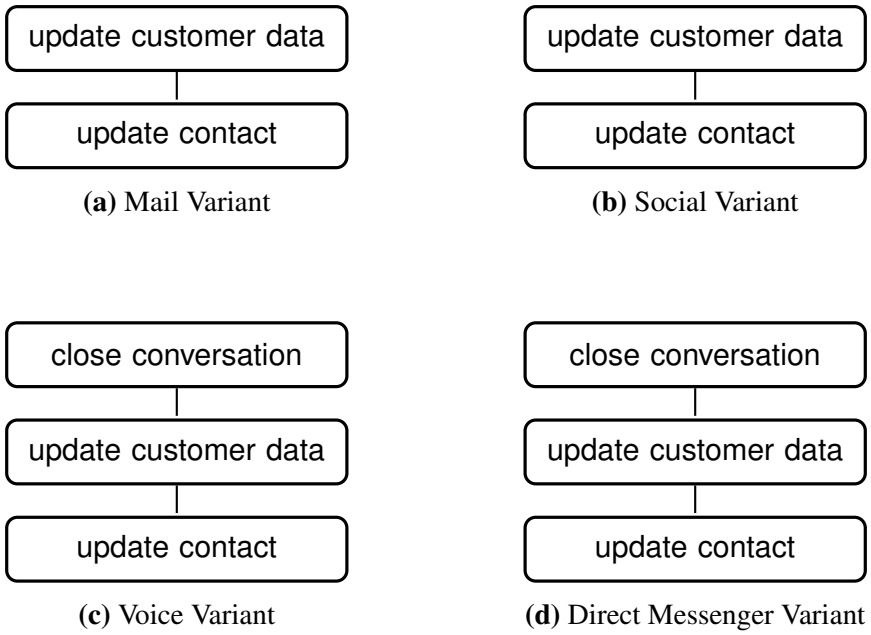
(c) Voice Variant

(d) Direct Messenger Variant

Figure 24 Contact Customer Detail Process

Evaluate Contact

This detail process step (Fig. 25) closes the synchronous conversation and represents closing activities that are related to the contact. Synchronous channels close the conversation at the beginning, while asynchronous channels are completed with sending. Mirrored from the inbound process, the process building blocks *update customer data* and *update contact* draw a line to the review inquiry detail process. Here, the inquiry object is replaced by the contact object.



(a) Mail Variant **(b)** Social Variant

(c) Voice Variant **(d)** Direct Messenger Variant

Figure 25 Evaluate Contact Detail Process

5.2.3 Self-Service

The third customer interaction process is not subject to inter-personal service (Thomas and Grandison 2008) and focuses on ways that enable the customer to be the main value-generating part in the service interaction. This is facilitated by a technological component which can relieve the customer of a varying extent of the problem. The following illustrates this continuum from a customer perspective: Simple self-services, like an FAQ section offer answers to questions, which the customer has to select from a list. The customer must express the need, map it to available information, select the appropriate answer and process its content. A more advanced self-service might be able to additionally support the customer at expression of the need and takes care of mapping through a textual input, which is a more natural way of communication. The textual input is analyzed and algorithmically mapped to the most appropriate resolution[23], which is then presented to the customer, who must consume its content and is hopefully satisfied. It is noted that both resolution address the customer's issue, but sophisticated IT increases usability by an easier interface to the customer's issue and a computed provision of a resolution. This addresses what Thomas and Grandison (2008) names a minimal skill set, viz. an increased usability decreases the minimal skill set that is required for use.

From literature (Meuter et al. 2000; Thomas and Grandison 2008; Thomas et al. 2009), one can identify characteristics of self-services, which need to be considered in a process. As the provider's perspective is shown, the process needs to hold aspects which are seen

[23] A *solution* is used in context of the provider's service products, which is why resolution is taken here.

from a system perspective. The previous example features the differences between simple and technological enhanced serf-services. In both cases, the system has to provide information, but simple self-services require the capability to express the need in the language of the service system, while the second allowes the customer to express it in natural language. The system perspective implies that the more active the customer takes the part in the process (i.e. the simpler the self-service is), the less parts of the process are carried out by the system.

Furthermore, a self-service can be seen as part of another customer service process. One can think it as support for a inter-personal contact, when it provides resolutions based on customer information. Examples for this are IVR or generated chat messages based on customer input.

Unlike inter-personal services, self-services cannot be structured w.r.t. a communication channel, as they can be part of a service within one or multiple channels, or stand-alone in a web-based setting. A process representation is chosen which models both a supporting self-service and a stand-alone implementation.

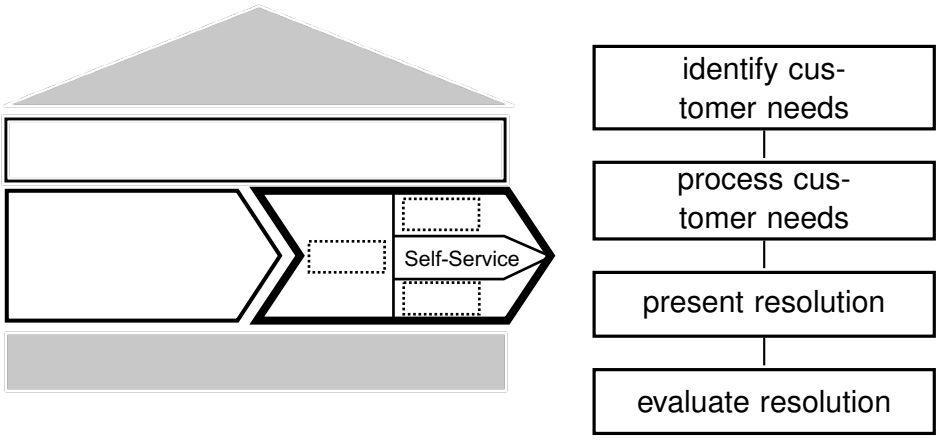


Figure 26 SELF-SERVICE Process

The process object *customer need* is chosen over inquiry. It is noted that a customer need is an abstract construct that is used to express the customer's intention of use. However, like the inbound process self-service gets input from a customer and tries to solve the issue. But as there is no CSR directly involved, there is less certainty that the system adequately addresses the "inquiry". Due to this lack of a human counterpart on provider side, the technological interface provided by the system to the customer takes an important part in *identifying customer needs*. As the capabilities of this interface vary drastically among different self-service scenarios, customer needs are chosen to emphasize the difference to inbound processing. *Process customer needs* then aims at mapping the identified need to a defined resolution in the knowledge base. After creation, *present resolution* communi-

cates the findings to the customer. Lastly, *evaluate resolution* represents post-processing activities. The process is shown in Fig. 26.

The building blocks of the four detail processes are summarized in Fig. 27, as their is no further split into variants. The following description emphasizes the differences in simple and advanced self-service scenarios.

Identify Customer Needs

The building blocks of *identfiy customer needs* (Fig. 27a) capture external circumstances, that might be processed by the system to have more data available for inferring the customer need. Environmental factors are implicitly collected, i.e. the customer does not need to state them. *Request information* models the input that the customer gives to the system. While active phrasing might fit to more advanced self-service systems better than to simple FAQs (as the latter hardly asks the customer for information), the step applies to the concept of self-services: in order to narrow down the customer needs, relevant information needs to be selected by the customer (in a simple self-service system) or demanded as input for the system (in the advanced case). The verb *infer* is used to describe the stochastic component of the system's attempt to understand the customer need. Again, the selection of a FAQ entry by the customer might minimize the system's influence, still it conceives the selection as an information input and infers that the customer is *needing* answers in this regard. An increased usability in the technological interface (arbitrary text input instead of a selection of options) also increases uncertainty in need identification, because the system has to select the fitting case by itself.

Process Customer Needs

After the customer needs are inferred and hence available in a manner that corresponds to the data available in the knowledge base, the *process customer needs* detail process (Fig. 27b) receives suitable information and creates a resolution that represents the appropriate response to the customer's need. This can be needed information, so that the need is completely addressed. Another option is that the self-service system can identify the need, but solving it requires personal-interaction. This expresses the limitations of service automation.

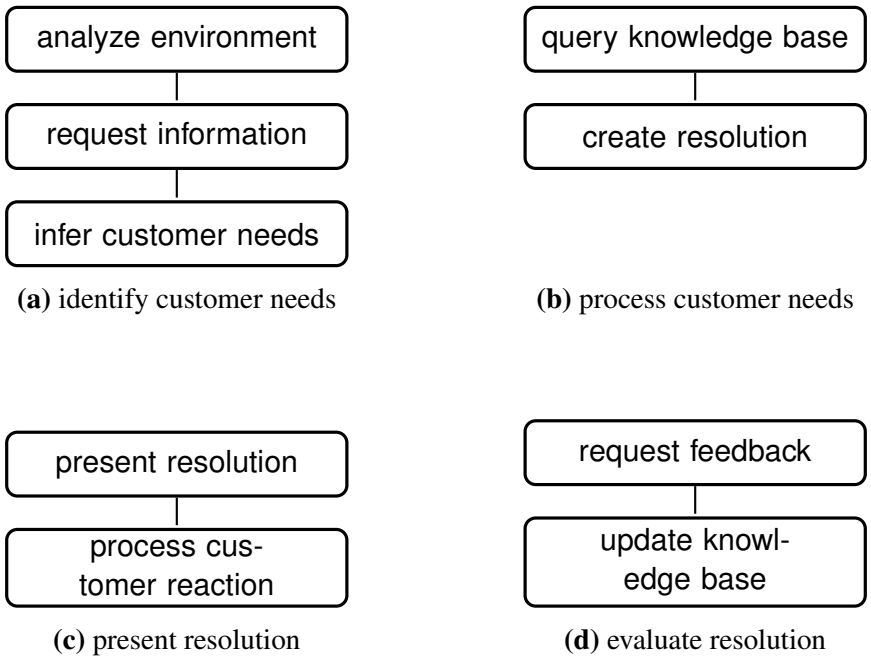
Present Solution

Present resolution (Fig. 27c) conveys the result to the customer. The resolution is presented by the system in response to the customer's input. The customer's reaction is an important indicator of satisfaction and captured during the presentation. As the identifi-

cation of a customer is not required for self-service use, these data needs to be stored in relation to the self-service input to further improve customer experience.

Evaluate Solution

The last detail process *evaluate resolution* (Fig. 27d) can include a request for feedback (*Did this solve your problem?*) and finally all relevant information is stored and hence updates knowledge base, similar to INBOUND and OUTBOUND SERVICES.



(a) identify customer needs **(b)** process customer needs

(c) present resolution **(d)** evaluate resolution

Figure 27 SELF-SERVICE Detail Processes

5.2.4 Knowledge Management

Knowledge management is a widely used term across different fields of academic research. Girard and Girard (2015) compile over 100 definitions and analyze their content. They propose to define it as "the process of creating, sharing, using and managing the knowledge and information used in an organization[24]"(Girard and Girard 2015, p. 14). It is noted that this definition can be criticized as too general, but chosen because it takes a process view and fits to the position in the framework: The interpretation as part of customer-facing processes emphasizes the role of KNOWLEDGE MANAGEMENT in operational business. Hence, this view on knowledge management limits its boundaries to a certain client business. Knowledge management for the provider organization is seen as an important aspect, yet it encompasses various areas which are separated into distinct management processes. Therefore it is desisted from the creation of an additional

[24] Organization refers to a client business in this case.

global knowledge management process. The importance of knowledge management in operations is stressed by its third rank regarding upcoming investments in contact centers (Contact-Center-Network 2016).

Building on the previously proposed ERM for customer-facing services (Fig. 15), a transaction, customer and case are entities that stand in relation to the customer contact. The latter represents the business object of the three services that form the interface to the customer. In these processes, the remaining transaction, customer and case entity become an integral component and shall be modeled as three variants of the main process KNOWLEGE MANAGEMENT.

CSRs need a source of information so that they can adequately perform the mapping of customer inquiries to organizational knowledge. When the cancellation of contract is requested by a customer, the CSR can look up whether a case exists that contains the knowledge to satisfy the customer, viz. instructions for performing the cancellation in relevant systems. In a self-service scenario, the knowledge base is largely defining the capabilities of the service.

Transactions capture events and are always connected to a customer. They relate to a product or a touch point and have a hierarchy: a purchase can be the result of a previous touch point (informing about product features for instance). This information is indispensable to uncover a customer journey and the more transactions are known, the better the CSR's understanding of the customer can be.

The customer as the focal point in CRM and may or may not be known during a contact. When an identification can be performed, the knowledge base provides information regarding master data and transactions assigned to the entity. In order to achieve an omnichannel CRM experience, the existence of a knowledge base about customers is critical for providing personalized services.

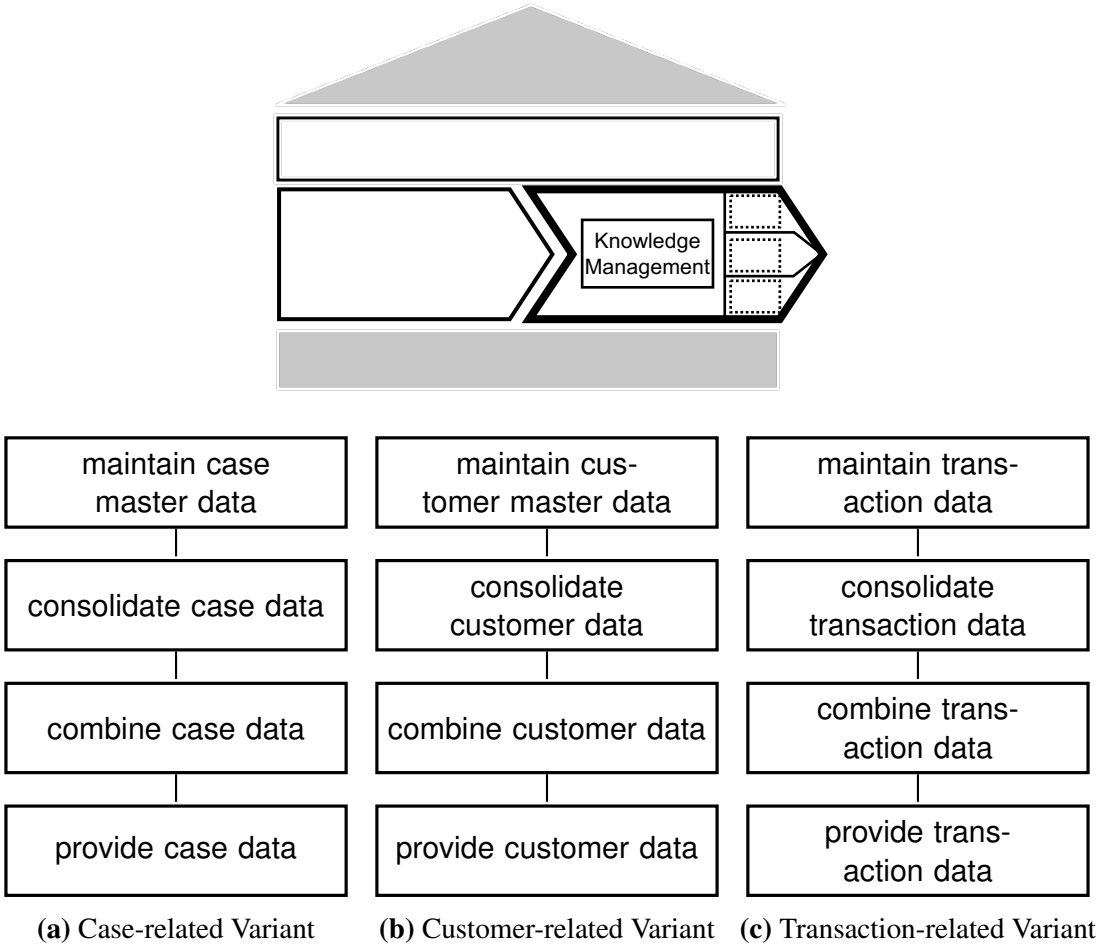
Myriad frameworks try to distillate the essence of knowledge management. Rubenstein-Montano et al. (2001) have examined various proposals and compared their similarities. Drawing on their analysis, activities in these frameworks serve as basis for the assessment of their applicability in the reference model. The omission of strategic frameworks narrows down the list. Frameworks that do not contain a procedural description are also excluded from further consideration. As several of the remaining frameworks show rather abstract and philosophical characteristics, the ones showing activities that can be understood from an IS perspective are selected. After evaluating the remaining four frameworks (cf. Appendix A.7), the work of van Heijst et al. (1997) is chosen as a basis.

Listed basic processes in the work of van Heijst et al. are knowledge development (1), combination (2), consolidation (3) and distribution (4). They refer to the knowledge cycle in (Wiig et al. 1997), where these are constituents of the *act*-phases[25]. This placement fits well into the operational interpretation that resides in the reference model's KNOWLEDGE MANAGEMENT process.

Development is seen here as the acquisition of new knowledge (van Heijst et al. 1997) and the maintenance of the knowledge base. Combination uses the connection of different knowledge sources as a lever, which especially gets important in the field of omni-channel CRM. Consolidating signifies the processing of knowledge data so that it is available and usable. This relates on the one hand to analytical activities so that decisions can be based on aggregated data (e.g., classification in self-services). On the other hand, indexing and structuring of knowledge is necessary to facilitate fast access. This is important in manual access through CSRs, as well as in the case of a self-service technology. Lastly, the distribution of knowledge describes the provision of knowledge to the organization. As the customer-facing processes show *query knowledge base* as the active part of requesting, its counterpart is seen in this last process of KNOWLEDGE MANAGEMENT.

In order to fit the three variants (case-related, customer-related, transaction-related) to these steps, the verbs *maintain*, *consolidate*, *combine* and *provide* are used to represent the four detail processes. The object in the main process variants corresponds to the information that stands in center of the variant(e.g., case data, customer data, transaction data), which reasons the split so that distinct process building blocks can be added. For this thesis, only the textual description of the processes shall represent their content. There is no explicit modeling of the lowest layer of the framework.

[25] The cycle contains four phases in total: conceptualize, reflect, act, review



(a) Case-related Variant **(b)** Customer-related Variant **(c)** Transaction-related Variant

Figure 28 KNOWLEDGE MANAGEMENT Main Process Variants

5.3 Client Processes

With respect to the other two process groups of the framework, the client processes show the smallest domain specificity, as the outsourcing process and the agreement between provider and client stands in focus. CRM encloses the services themselves, but it does not impact the B2B-relationship that forms around provider and client in order to establish the service transition. The outsourcing process is described in different frameworks in literature. Perunović and Pedersen (2007) investigate in outsourcing theories that cover the process as a whole and synthesize a five step process. It occurs that the greater part of frameworks take the outsourcing client's perspective, so that processes like *vendor selection* or the alike are often part of frameworks. Agarwal and Bajaj (2008) present a rather neutral framework that is not fit on the role of the client and names activities that are driven by client and provider. From a practitioner's perspective, Deloitte (2013) provide a comprehensive handbook for clients that is build around a six step process.

vielleicht in den framework part

As the provider's perspective is taken in this thesis, the presented frameworks need to examined in terms of their applicability. Activities prior to signing of an outsourcing contract are either driven by internal analysis in the client organization whether outsourcing is a beneficial means or an external analysis of the available providers (vendors) on the market (Franceschini et al. 2003). It is common practice to issue a Request for Proposal (RFP) to considered providers that mark the engagement of a relationship between the provider and the client. The following B2B-sales process ends with a signed contract between both parties that is followed by service realization. This is chosen to be modeled in a single Sales process (cf. Fig. 29), as the split into multiple components is motivated by (client)-internal steps prior to the approach of potential vendors. Providers can engage in pre-sales activities that may invoke the submission of a RFP in the first place, but this pro-active sales approach can be seen as an optional part at the beginning of Sales.

The realization of the outsourcing agreement can be split into two streams, as seen in (Agarwal and Bajaj 2008). On the hand there is the creation of the provider's solution that addresses the client's problem. The solution relates to the provider's product portfolio and its application. On the other hand, the client needs to pass over the existing in-house business to the provider in order to realize the outsourcing. These two aspects are separated into the two processes Solution Design and Transition. The former ends with the implementation of the service for the client, while the latter is completed with the takeover. The interdependency of these two is visualized by their parallel arrangement.

The last part of the examined outsourcing frameworks characterizes activities that take place after the transition is completed. From a provider perspective, this follow-up can be described as client relationship maintenance (Moncrief and Marshall 2005). However, this wording would lead to confusion, as the target of the outsourcing activity (viz. CRM) is not explicitly named on the framework. Due to this the related notion of Account Management is chosen to represent this process, which emphasizes the B2B-aspect.

absatz neu formulieren

Underlying process building blocks of client processes are not explicitly specified in this work, but suggestions for components are given in the textually.

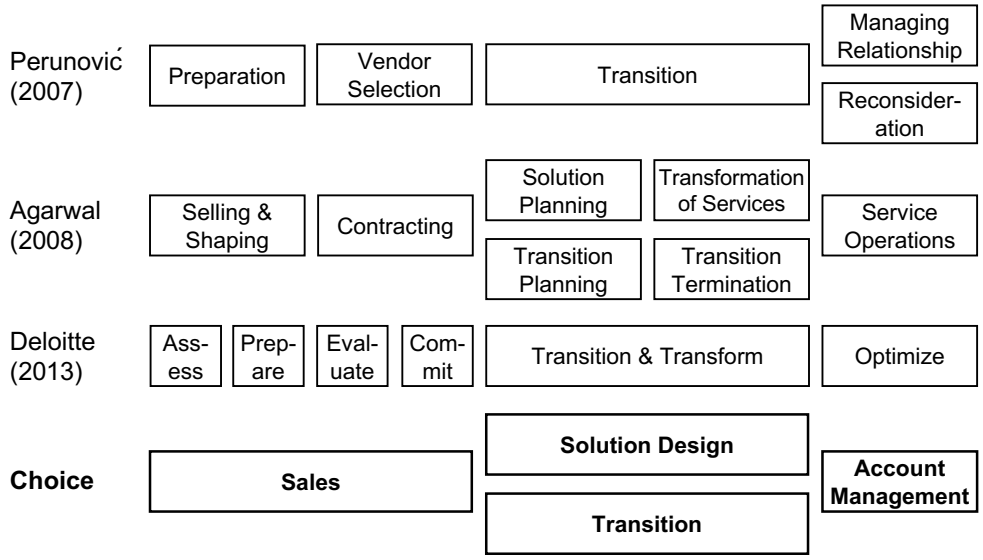


Figure 29 Outsourcing Process Framework Comparison

5.3.1 Sales

This process marks the starting point of an outsourcing lifecycle of a provider with a client. Building on a review existing paradigms for B2B-selling processes in the literature (Åge 2011), a linear process known as the "seven steps of selling" shall serve as a blueprint for the process structure here.

With roots in the 1920s, Moncrief and Marshall (2005) reviews the traditional seven steps and focuses on its applicability towards relationship selling, which aims at the "securing, building, and maintaining long-term relationships with profitable customers" (Moncrief and Marshall 2005, p. 13). The technological progress has impacted the steps significantly, which is why the wording is to be accepted with reservation. The steps are prospecting (1), preapproach (2), approach (3), presentation (4), overcoming objections (5), close (6), follow-up (7). In contrast to the initial intent, the steps do not need to be sequentially completed and multiple people are involved instead of a single sales person. Moreover, it is abstracted from the physical meaning of *approach* or *presentation* for instance.

Fig. 30 shows the SALES process and its detail processes are discussed in the following w.r.t. the seven steps of selling.

Identify Prospects

In order to enable a pro-active client approach in the selling process, the market has to be analyzed so that potential prospects can be targeted by the provider. It corresponds to

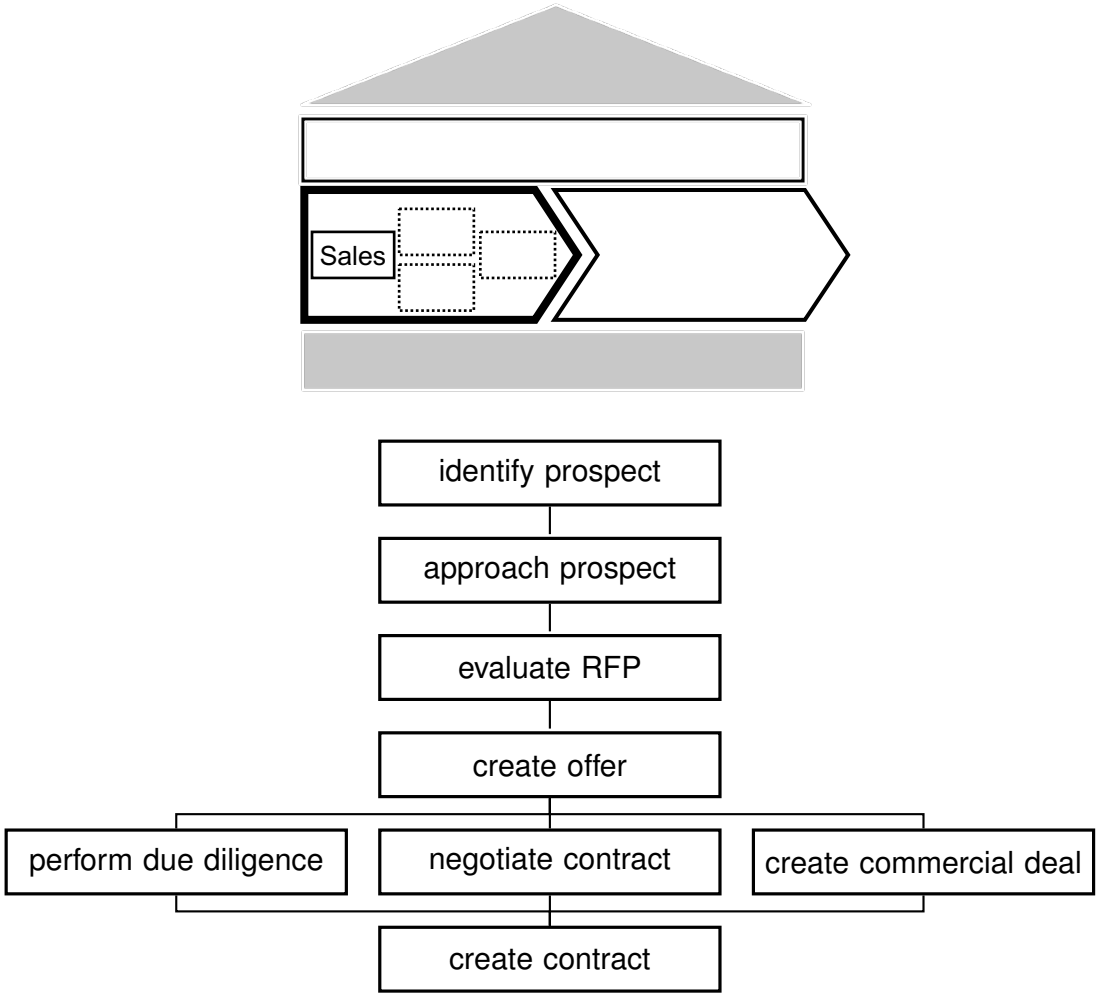


Figure 30 SALES Process

the first step of selling (Prospecting), while the efforts towards a specific prospect can be seen as part of the pre-approach. A prospect can be " regarded [...] as a potential customer, client, etc. " (Oxford Dictionary 2017f) and the provider's perception is that this organization can benefit from outsourcing processes. This activity requires the screening of in-house services, so that added-value for can be worked out. As there is no internal information (for example about costs) available at this point, this detail process is especially important in scenarios where the BPO provider sees its strengths in providing a better service over solely cost reduction. The prospect might not be aware of the efforts of the provider and might not consider outsourcing as an option. Hence, the provider can expand its market and bring itself in an advantageous position in the following contact with the client.

Approach Prospects

Building on the market analysis that brought out a prospect, this step describes the provider's *approach* towards the potential client, so that the provider can communicate its ideas. Clearly, this describes the third step of selling. The prospect can evaluate these and form a clearer picture of the circumstances, as the provider's ideas must base on assumptions due to lack of internal information. In the positive case, the prospect creates a bid, which represents the intent of a prospect to engage in outsourcing of a specified process. Considered providers are contacted and receive an RFP.

The hitherto described two detail processes of selling can be seen as optional. If a client contacts a provider self-motivated, the process starts with the evaluation of the RFP.

Evaluate RFP

The third detail process has no direct reference to selling process, but is important from the provider's perspective. RFP [26]. This is due to the fact that in the selling process, the willingness of the selling party is not in question. However, in the domain of outsourcing, a matching between client needs and offered services by the provider is necessary in order to establish a win-win situation. Furthermore, the action of issuing the RFP (initiated by the prospect) requires a *reaction* of the provider. This reaction needs to consider the requirements of the prospect internally in order to decide whether to participate in the bid. This evaluation examines the fit to the provider's service offerings, its sales strategy, but also macro-environmental factors of the bid. The PEST-framework (Fahey and Narayanan 1986) illustrates these as a mnemonic for political, economic, social and technological aspects that surround and influence the decision of a provider. When the provider decides to continue the sales activity, the following process step, namely the creation of an offer is started.

RFI nach vorne

Create Offer

The fourth detail process of sales describes the activities that are done to respond to the client's RFP by means of an offer. The corresponding fourth step in the selling (presentation), describes the presentation as the demonstration of the seller's products in terms of features, advantages and benefits (Moncrief and Marshall 2005). This can also be implicitly seen in the offer, only that the boundaries are given by the RFP. However, providers need to make assumptions in the process.

[26] Technically, there is a Request for Information (RFI) that is issued to a wider audience to receive first information from potential bidders (Kuhlmann 2008) . However, responding to a RFI does not show clear commitment from the provider.

As multiple providers receive an RFP, there is competition. It is common for RFP issuing companies to narrow down the candidates by creation of a *short list* after reviewing the responses to the RFP. This short list marks the next stage in the provider selection process, where more details are given to the remaining providers. In turn, these work in new information to further specify the offer. As the final selection of a provider is a decision by the prospect, it is not further modeled in this process.

The following fifth part of the process is split into three parts in order to emphasize their connection to the fifth part of the steps of selling (overcoming objections).

Negotiate Contract

As the client[27] and provider move closer to an outsourcing agreement, both need to discuss terms and conditions. To capture mutual understanding, documents like a Letter of Intent (LOI) or a Memorandum of Understanding (MOU) can be established. The contract is the legal formalization of the relationship between provider and the client (Franceschini et al. 2003). überleitungssat

A Service Level Agreement (SLA) describes "the performance level at which the service should be provided by the client" (Deloitte 2013, p. 32). The contract specifies these to align the operational objectives of both parties and to incentivize correct behavior. Related to SLAs is a credits regime, which specifies how performance below the SLA is treated.

Covered aspects can be the operating model, process and scope, technology and tools, people, change management, transition planning, location management, security & control, regulation or data privacy for instance (Deloitte 2013). Aim of this detail process is to find an agreement, so that both parties are willing to set up and sign the contract.

Perform Due DIligence

Outsourcing can involve the transfer of personnel, hardware, software, contracts or licensing agreements for instance. The decrease of information asymmetries between provider and prospect helps the provider to compile a more detailed offer. Goal of due diligence is the systematic determination of all contents and related processes with respect to the outsourced services, so that there is a foundation to assess the project and its measures (Kuhlmann 2008, p. 13). This act of collecting knowledge minimizes risk by depending less on assumptions and hence aims at including more information from the client side in the sales process.

[27] The contract describes a state where both parties have agreed to do outsourcing. Therefore, the term client is used instead of prospect from now on.

Create Commercial Deal

The provider needs to develop a commercial model for its services that are subject to this outsourcing project. Financial engineering of the provider leads to a pricing model that needs to be agreed on[28]. The reader is referred to Appendix A.8 for typical pricing model elements. The activity of defining a commercial model is oriented towards the provider organization, which is reason for its explicit modeling w.r.t. client-oriented due diligence and bilateral negotiation detail process.

Create Contract

The sixth step of selling (close) describes the agreement of selling and buying party. In BPO this document is represented by multiple contracts between provider and client. Previous negotiations, information from due diligence and the commercial deal are foundations for setup of the contracts. This detail process ends with the signing of the documents, which leads to the transition phase of the outsourcing lifecycle. Usually there are separate contracts for outsourcing and the transition project (Kuhlmann 2008).

The seventh step of selling (follow-up) is represented in the Account Management process that covers the development of an existing outsourcing relationship.

5.3.2 Transition

The objective of this process is to set the outsourcing into place by transition of work and resources. Transition[29] and transformation[30] are two dominant terms for this phase. The former seems to have more popularity in literature (Perunović and Pedersen 2007), as its defining change aspect underlines the shift from the client to the provider.

The process, shown in Fig. 31, is built around the transition plan object, which captures important steps during the transition project. It is noted that this plan needs to be conceptualized during contract negotiations and before signing the agreement, however Deloitte (2013) lists *develop transition plan* as part of the transition phase. This intersection of the sales and transition process reasons their separation. The responsibility for the business is given to the provider in the *transfer business* detail process, followed by knowledge transfer in the three dimensions of BPO.

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28 This agreement is reason for naming the object commercial deal instead of commercial model.

29 "The process or a period of changing from one state or condition to another." (Oxford Dictionary 2017j)

30 "A marked change in form, nature, or appearance." (Oxford Dictionary 2017g)

Three phases can be identified during the project (Kuhlmann 2008; Bravard and Morgan 2006). In the Present Mode of Operation (PMO) phase the business is continued in an as-is state, while the following Transition Mode of Operation (TMO) phase implements changes. The objective is to reach the Future Mode of Operation (FMO), that fulfills the requirements of the to-be state. However, this last phase is not part of the transition process, but normal operations.

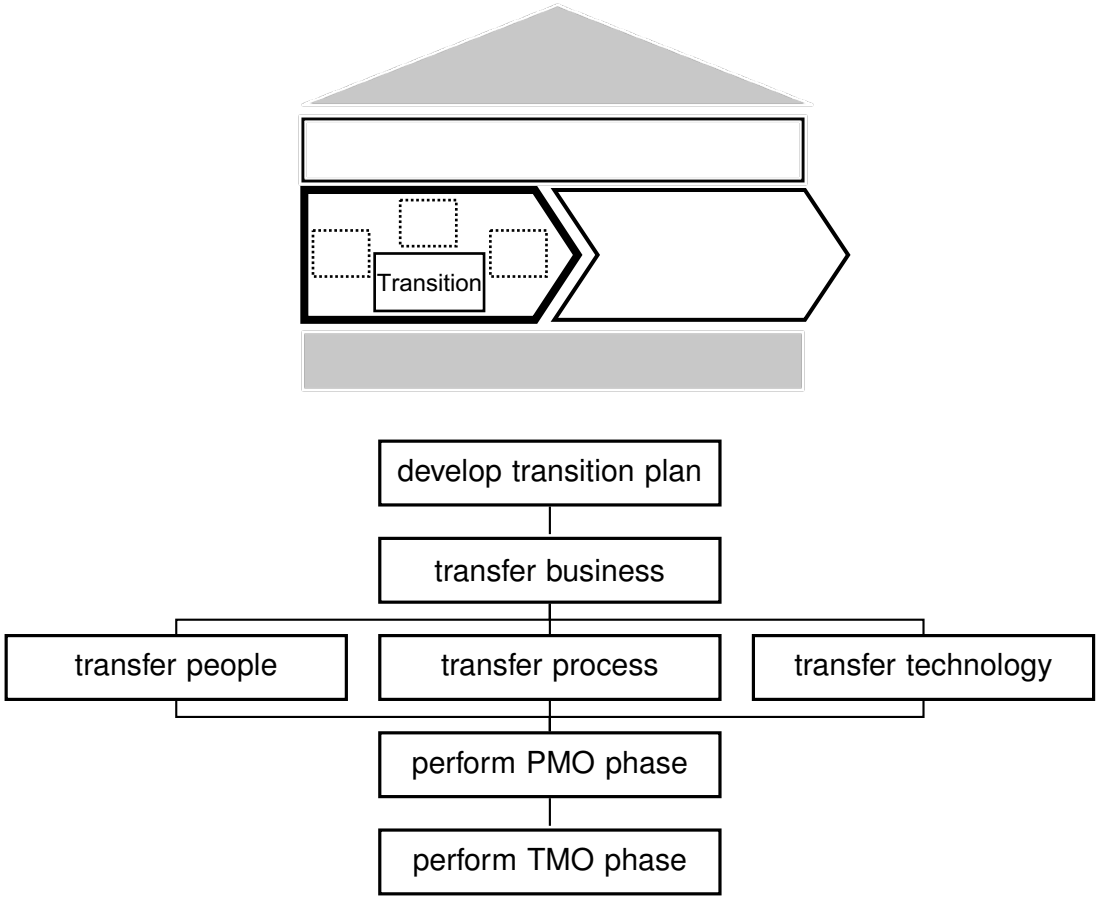


Figure 31 TRANSITION Process

Develop Transition Plan

Provider and client collaboratively develop a transition plan, that shows similarities to a project plan. A schedule, milestones and a work breakdown structure help to prepare both parties for the upcoming transition. Stakeholder commitment is important and a governance concept needs to be established for ensuring a frictionless course of action (IT Governance Institute 2005). The planning of work and especially knowledge transfer is another important aspect and linked to the project's success (Deloitte 2013).

The completion of the transition plan marks the end of this detail process. While this step can start before completion of the sales process, the following activities represent the con-

tract's execution and are consequently realized after an agreement of both parties. There is no explicit *implement transition plan* detail process, because all of the following detail processes can be subsumed under this wording and thereby make it hardly expressive.

Transfer Business

The transfer of the business has the objective to bring the provider into control. One can also argue that this detail process must take place after underlying components (i.e. people, process, technology) are transferred, so that details are specified before the provider is in charge. Another position can be that in order to orchestrate the components, knowledge about the entire business needs to be achieved. This perspective is preferred here and is reason for naming it the *objective* of the detail process to take over control, so that knowledge transfer can take place before the responsibilities change.

Knowledge transfer is an important aspect and implicitly included in this and the following detail processes. A separate knowledge transfer detail process is not modeled, because it is seen as too unspecific for the transition step. Instead, the use of the verb *transfer* shall emphasize its importance across the different dimensions.

The shift of the business to the outsourcing provider has to mind legal admissibility[31], that especially has implications on the transfer of staff. Moreover, the acquisition of tangible assets is to be handled.

Transfer People, Process, Technology

Building on the people, process, technology split discussed in context of BPO in CRM (cf. 4.3.1), each detail process emphasizes the respective aspect. In addition to the knowledge transfer that enables the provider to know *how* the client organization has worked in the past (Perunović and Pedersen 2007), the provider has to integrate its own resources that enable an improvement over the status-quo.

The training of existing staff towards new tasks or training of new personnel can be named in the *people* dimension. The *transfer process* step sets up new processes that are part of the service delivery. Lastly, *technology transfer* establishes the compatibility of existing and new systems for service delivery. The provider's solution is influencing at this point. While the design of the solution is located in a separate process, its outcome is integrated in this part of the transition process.

[31] In German law cf. §613a BGB

Perform PMO Phase

The PMO[32] phase starts with the transit of resources and responsibilities (Kuhlmann 2008). Its aim is to stabilize the business after shifting it to the provider. With respect to the transition plan, its duration is limited so that the intended changes can be performed shortly after in the TMO phase.

neu machen

Perform TMO Phase

After the as-is state is operating under the provider's responsibility, the implementation of changes can be initiated. The complexity of changes depend on the degree of innovation in the provided services w.r.t. as-is services. Reaching the FMO phase ends this phase. With the service solutions in place, the regular SLA and credit regime applies.

5.3.3 Account Management

An account can be defined as "a contract to do work for a client" (Oxford Dictionary 2017a). To emphasize its relation to an existing business, this notion is chosen over other wordings in outsourcing frameworks like *outsourcing management* (Franceschini et al. 2003) or *managing relationship* (Perunović and Pedersen 2007). In essence, it frames the relationship between provider and client after an outsourcing agreement is established. Consequently, it has elements of CRM with the client as subject. Taking a strategic perspective (cf. 3.1.2), this process aims at maximizing (client) value and corporate profitability (Payne and Frow 2004). An account is the corresponding business object to the process. Reinartz et al. (2004) name relationship initiation, maintenance and termination as temporal stages in the CRM process, which is used for structuring Account Management.

Build Client Relationship

The first detail process, based on to the relationship initiation phase, seeks to intensify the relationship between provider and client. It is in interest of both parties to establish a partnership instead of a mere customer / supplier relationship. Franceschini et al. (2003) structures four types of outsourcing relationships along the dimensions specificity and complexity. The aforementioned customer / supplier relationship involves no essential trust between parties and is driven by cheapness. Increasing the specificity builds trust in competencies and has the objective to improve them in the medium- or long-term. The transposed variant, namely high complexity but low specificity, creates a strategic union.

[32] Current Mode of Operation (CMO) is used synonymously.

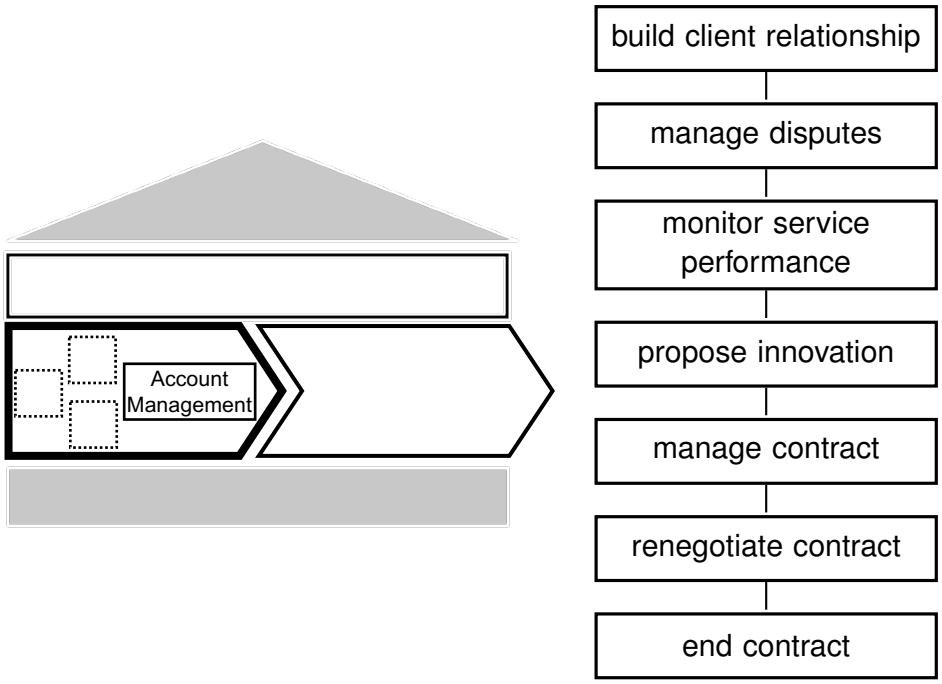


Figure 32 ACCOUNT MANAGEMENT PROCESS

Supplier and provider now have a win-win situation and establish joined value creation in the long-term. The last quadrant, described with high complexity and specificity seeks a better future market position, also builds a win-win situation and both parties share high trust.

The verb *build* is preffered over *create* to express a continuous enhancement, which is achieved by means of constant evaluation and communication between provider and client. Obstacles of cooperation need to be identified and are handled in the following detail process, which is mapped to the relationship maintenance phase.

Manage Disputes

Despite quantitative measures regarding the provider's performance (e.g. conforming to SLAs), dispute or issue management is a critical factor in the relationship. According to a survey, the reactive instead of proactive approach of providers is seen as the most important issue from the client's perspective (Deloitte 2014). This signifies the importance from the provider's perspective to actively consider this activity in their account management. Based on an identification of disputes, both parties should look for resolutions, discuss them and resolve the issue. Typically an escalation or enhanced governance processes are first steps taken by clients to resolve issues.

Monitor Service Performance

It is task of the provider to ensure service performance in the client business to conform to SLAs (Deloitte 2013). Again referring to Deloitte (2014), poor service quality is the highest issue that clients face with their providers. Monitoring is done across locations to get an internal overview of service delivery across the account. While reporting part of this data to the client will be part of the contract, the operative insights identify weak spots that can be addressed.

On the one hand, these weak spots can yield efficiency gains regarding the existing service delivery, that decrease the provider's efforts to conform to the SLAs. On the other hand, improvements regarding the overall service delivery can be proposed to the client as an innovation. This is captured in the following detail process, which builds on the previously gained insights from service performance monitoring.

Propose Innovation

It is a pitfall in outsourcing to focus on operational objectives, instead of improving the entire arrangement (Deloitte 2013). While providers heavily incorporate experience and skills in their outsourcing domain, lack of innovation is named the third most important issue from clients (Deloitte 2014). Especially in a IT-driven field as CRM, the provider, as a partner, must think outside the box to provide better solutions to the client that generate more value to the customer. The reader is referred to (Saren 1984) for a review of intra-firm innovation processes.

Manage Contract

Over time operational and contractual requirements involve and with respect to relationship maintenance, the contract management is seen as an important constituent in outsourcing (Franceschini et al. 2003; Perunović and Pedersen 2007). To illustrate activities considered non-optional in contract management, (Deloitte 2013, p. 49) list: managing and tracking client and provider obligations, managing contract compliance, maintaining a contract library for contractual documentation, provide contract interpretation and advice, signing of all key decisions and formal correspondence, identifying change requirements and managing the contact change process. A contract change can be necessary if it is not possible to handle an issue solely over the relationship.

Renegotiate Contract

A renegotiation of a contract puts both parties into the position of rethinking the outsourcing agreement. Consequently, it shows parallels to the initial contracting located in

the sales process. However, the relationship is established, information is exchanged and more details of the business are aware to both parties. This implies that there is less risk involved for the provider. The significance of contract renegotiations is seen as high in 43% and medium in 50% according to IT Governance Institute (2005). outcome?

End Contract

Reinartz et al. (2004) name the last phase of CRM *terminate relationship*. Here, it is deferred from the rather drastic term *terminate*, which implies an active role of the provider to bring the outsourcing agreement to an end. As both parties can choose to stop continuing the contract, the neutral word *end* is chosen. In this case the provider stops service delivery so that the provider restores the process in-house or looks for a new provider. (Tangible) assets that were part of the agreement have to be correctly handled w.r.t. the contractual requirements. Moreover, data is returned into clients hands. The complexity of the exit and hence the transition back to the client depends on the complexity of the outsourcing agreement. With respect to the intensity of the relationship, it is noted that the termination of a partnership will result in increased efforts, as the mutual trust of both parties implies more dependencies.

5.3.4 Solution Design

As the transition phase, the Solution Design process typically starts during the Sales process. Its purpose is the creation of a product-service-system that addresses the client's need. src There are two main reasons for introducing the term *solution* here, that link to literature and domain characteristics, respectively. First, with the trend "servitization" (Vandermerwe and Rada 1988) continuing the merge of classical products with immaterial services, outsourcing providers do not only provide a service, but also supply necessary CRM systems for instance. A change of paradigms in product and service development propagates that services are no longer built around products, but products and services integrated in an individual *solution* (Spath and Demuß 2006, p. 465). Second, with the approach of generic products for BPO providers and an connected portfolio being proposed in this thesis, these have to be *instantiated* in an individual client case. Consequently, a product needs to be configured in order to conform to the requirements by the client (especially from a process and IS-landscape perspective). This construct of a modularity is discussed in 5.4.1.

The creation of new services is roughly split into three philosophies: New Service Development (NSD) (Cowell 1988), service engineering (Schneider 2005) and service design[33]

[33] Service design is originating from design thinking

(Rowe 1987). NSD builds on new product development and emphasizes the entire process that is linked to launching a new product, which for instance includes activities like market assessment, financial analysis and market launch (Cooper 1988). Service engineering, as the name suggests, seeks to include engineering know-how from product development into service development. Service design puts the service artifact into the center of development and focuses on the problem solving aspect by including users deeply into the design process.

As client and provider collaborate closely in the creation of an individual solution and the solution itself stands in center of the process, the service design approach is adapted for this process. The modular approach of products and solutions adapts aspects from service engineering. The Double Diamond Design Process (DDDP) (Design Council 2005) is used in the following, which consists of four phases: discover, define, develop and deliver.

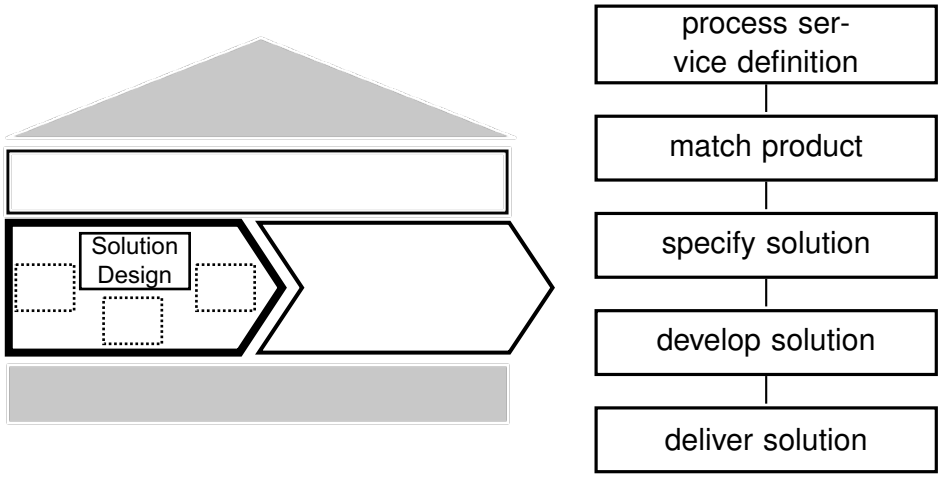


Figure 33 SOLUTION DESIGN Process

Process Service Definition

The first two detail processes represent the *discover* phase of the double diamond process. Its purpose is to identify the problem or needs to be addressed through design. In this case, the client's service definition object originates from the SALES process and holds requirements. However, these requirements will define the solution space, but not the concrete service (solution). The DDDP proposes tools like customer journey maps to understand and discover the problem. This tool is seen as a very helpful means, as in context of omni-channel the customer experience can be mapped across different contact channels. Outcome of this detail process is the client's problem that is used in the following detail process.

Match Product

Products of the service provider are managed in the portfolio. In this detail process, the identified problem is used to match an existing product. Requirements regarding used systems in the provider's setting need to be included into this selection process. If no applicable product is found and the identified problem is deemed a reasonable addition to the portfolio (i.e. it addresses a market demand), the PRODUCT DEVELOPMENT process can be initiated.

Specify Solution

This detail process relates to the *define* phase of the DDDP. The matched product is now fitted to the problem, which results in a limited number of preliminary solutions. The idea is to get an estimate of the product's application in the client context, so that an offer can be created in the SALES process. As the outsourcing deal is not closed at this point in time, the concrete implementation is not taking place in this detail process.

Develop Solution

The development necessitates a commitment of the client, so that the efforts of implementing the solution are not in vain. Taking the process, people and technology perspective of CRM, these aspects do also apply on a solution. The importance of the different aspects may vary, as self-service solutions do require more focus on technology, while staffing is driving solutions with direct CSR involvement. Outcome of this detail process is a detailed design of the solution's components.

Deliver Solution

The last detail process finalizes the solution and eventually integrates it into the transition. A feedback mechanism to the portfolio shares insights of the product application to improve further use. Final testing, evaluation and approval are required before completing the SOLUTION DESIGN process. Its naming relates to the fourth phase of the DDDP.

5.4 Management Processes

The third group of processes is located in the upper bar of the framework that represents their managerial aspect across the organization. The first two processes, PRODUCT DEVELOPMENT andPORTFOLIO MANAGEMENT work closely together with SOLUTION DESIGN and are hence oriented towards the client market.

Quality Management monitors operational service delivery for two purposes. On the one hand, it benchmarks processes across client businesses and ensures that the provider's operational capability is sustained. On the other hand, it represents reporting of service quality to existing client businesses.

As BPO is a labor intensive field, People Lifecycle Management fosters the provider's relationship to customer service representatives. Their individual development is of interest and center of the process thereby contrasting the Tayloristic control-oriented view of work. Operations Management complements this view by the business perspective that features planning and control of service delivery, which justifies their positioning towards customer processes.

Underlying process building blocks of management processes are not explicitly specified in this work, but suggestions for components are given in the textually.

5.4.1 Product Development

As discussed in 5.3.4, BPO providers offer an integration of product and services for their clients, which are called solutions. In order to industrialize these customized solutions, the concept of modular service architectures from service engineering (Böhmann and Krcmar 2006) can be applied to structure into three levels: service architecture, service product and service configuration. These are represented in the framework through the portfolio (management process), product (development process) and solution (design process), respectively. Fig. 34 represents their interplay as an ERM.

The service architecture assures that service products or configurations are performing efficiently by maintaining their modular constituents, which are products and components. The service product puts together modules of the service architecture and targets specific markets. These are then configured towards a client, which is called a solution in this thesis.

Core of this process is to create new products that address a market need w.r.t. the existing portfolio. The defining object of this process is the product. In contrast to Solution Design, this process starts with a market perspective and therefore justifies the selection of a new product/service development perspective. /todoreihenfolge von den beiden absätzen?

Servitization makes clear boundaries between the traditional interpretations of services and products blurry. Like a solution, a product is always composed of both parts. The term product is used here to emphasize the orientation towards markets and therefore a

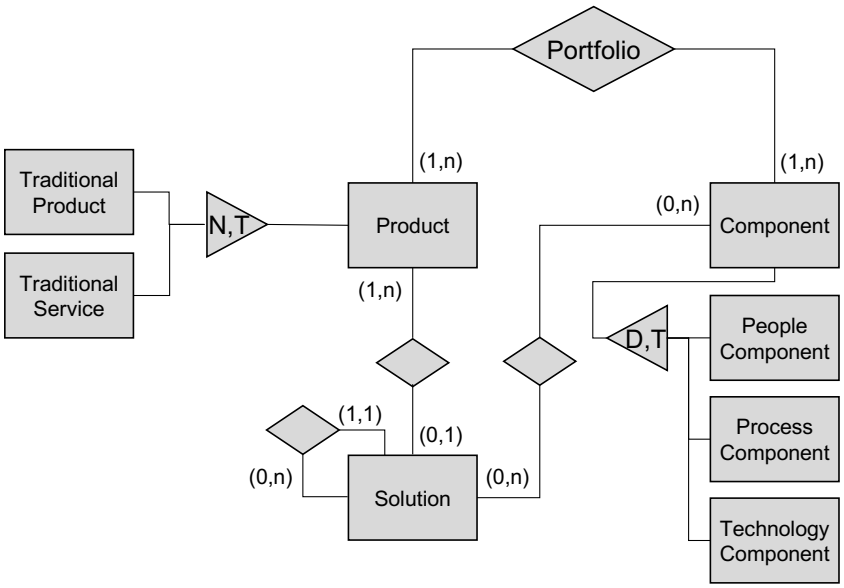


Figure 34 Solution-Product-Portfolio Structure

standardization, which is not given for client-specific solutions. However, BPO providers do not manufacture a good, which is why a service-dominant perspective must be taken.

A plethora of product development processes, activities and frameworks exist in literature. The work of Cooper (1988) is seen as very influential in new product development. Adaptions for service development are existing (Edgett 1996). Moreover, a dedicated framework for new service development is presented in (Cowell 1988). A tabular comparison of their constituents is located in Appendix A.9 and serves as basis for the process structure.

Product Development starts with an idea. As idea generation can take place in various ways and is creative in its nature, the benefits of including it in a process model can be questioned. However, the screening of ideas can be structured more clearly, because a process that enables a standardized way of *evaluating ideas* is meaningful. The complete process is shown in Fig. 35 and continues with a market and technical assessment as proposed by (Edgett 1996), which subsumes the third section in A.9. The following detail processes are based on (Cowell 1988).

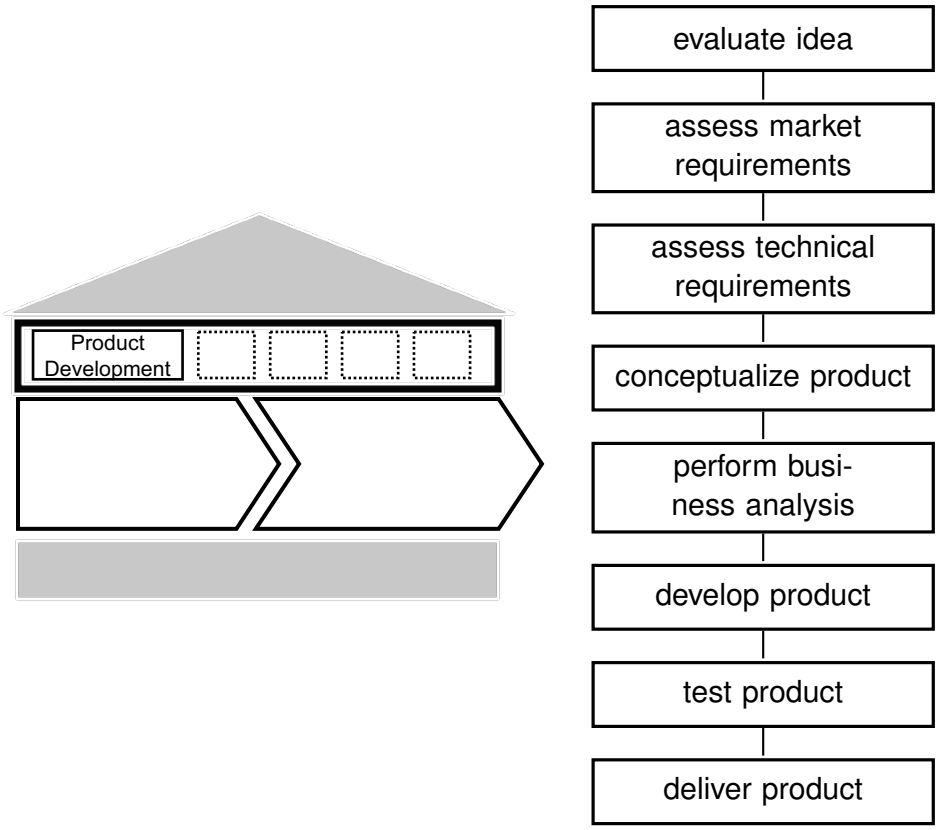


Figure 35 PRODUCT DEVELOPMENT PROCESS

Evaluate Idea

This first detail process has the aim to give decision support for an initial go/no go decision w.r.t. an idea for a new product, i.e. whether to allocate resources for a deeper analysis. The formulation of evaluation criteria is an important step, with need to be aligned with business objectives and with respect to the portfolio. A product idea that solves a problem that is already addressed by another product in the portfolio might not be continued. outcome

Assess Market Requirements

With an initial go decision being made, an investigation into market requirements is performed to evaluate whether a demand exists. (Edgett 1996) splits this step further into a preliminary, nonscientific assessment and market research, which are both seen as part of this detail process. With respect to the domain, market requirements can originate from a client or customer perspective.

Assess Technical Requirements

This detail process investigates into the question *how* a product must be constituted to perform its task. The aspects people, process and technology can instance this from a CRM point of view. In terms of technology, a product may be more or less limited to certain systems that provide required functionality. People, i.e., CSRs, may need a certain skill set. Lastly, requirements regarding processes can play a role for quality standards, regarding legal issues or for realization of efficiency gains.

Conceptualize Product

The translation of requirements into a product concept is captured in this detail process. It brings together market and technical requirements in order to create a preliminary design, which is more detailed than the idea in the beginning. It enables a more thorough reflection on the portfolio in two ways. On the one hand, its fit can be compared to existing products, i.e., towards the provider's offerings for clients. On the other hand, the concept can be assessed regarding its components and therefore its fit in the service architecture.

concept of such portfolio?

Perform Business Analysis

After a concept is existing, a detailed analysis leads to a final go/no go decision ahead of the actual product development. Aspects can include the attractiveness of the product concept, its chances of failure, required resources, costing or the response of competitors (Cowell 1988, p. 302). Insights of the concept's fit regarding the service architecture provide data for cost estimation and its practicability.

+portfolio

Develop Product

Analogous to the *develop solution* detail process, the transformation of the concept into a marketable product is constituting this step. As a product is developed without aiming at a specific client business, it needs to utilize abstraction as a means for enabling an application in different scenarios. However, the degree of abstraction depends on the product's integration into other CRM systems, i.e., its ability to work stand-alone. The trade-off between implementation effort in a solution and abstraction needs to be considered: the more abstract a product, the less simple is its application in a solution.

Test Product

The reason for modeling an explicit testing detail process in Product Development in contrast to Solution Design is seen in the fact that a product is always the basis of a

solution. Consequently, a product needs to be assessed for its quality, reliability and performance in a rigorous manner as there is no related data existing. Testing of a solution can build on the product testing.

+testing literature ref

Deliver Product

Reusing the terminology of Solution Design, the final detail process passes the final product into the portfolio. In addition to the actual product, marketing material and documentation needs to be created that enables use in the Sales and Solution Design process, respectively.

5.4.2 Portfolio Management

Drawing on the structure of solutions, products and components presented in Fig. 34, the portfolio joins together products and components. It is the defining objective of the process and manages resource allocation so that existing products are aligned to the provider's business and technology objectives. In order to raise synergies across client businesses, the reuse of components becomes important.

Cooper et al. (1999) names four reasons why portfolio management is vital to business performance. First, portfolio management has a strategic component, as it operationalizes business strategy through the products and technologies that are chosen to be in focus. Second, these choices affect the future development and positioning of the company,e.g., enabling the addressing of omni-channel developments as a trend in CRM. Third, Portfolio Management helps to allocate scarce resources like R&D. Finally, a balancing of resources between products and components assures the right size and focus of the portfolio.

With respect to service engineering, the portfolio realizes a service architecture (Böhmann and Krcmar 2006) by holding components that form products. The management of components serves internal purposes, so that reuse and combination increases efficiency. The management of products serves external purposes towards the client market.

The extensive definition of portfolio management (Cooper et al. 1999, p. 335) serves as a foundation for the process model in Fig. 36.

Maintain Product

Products are one of two entities that compose the portfolio. While the Product Development process describes the creation of new products and its components with respect to

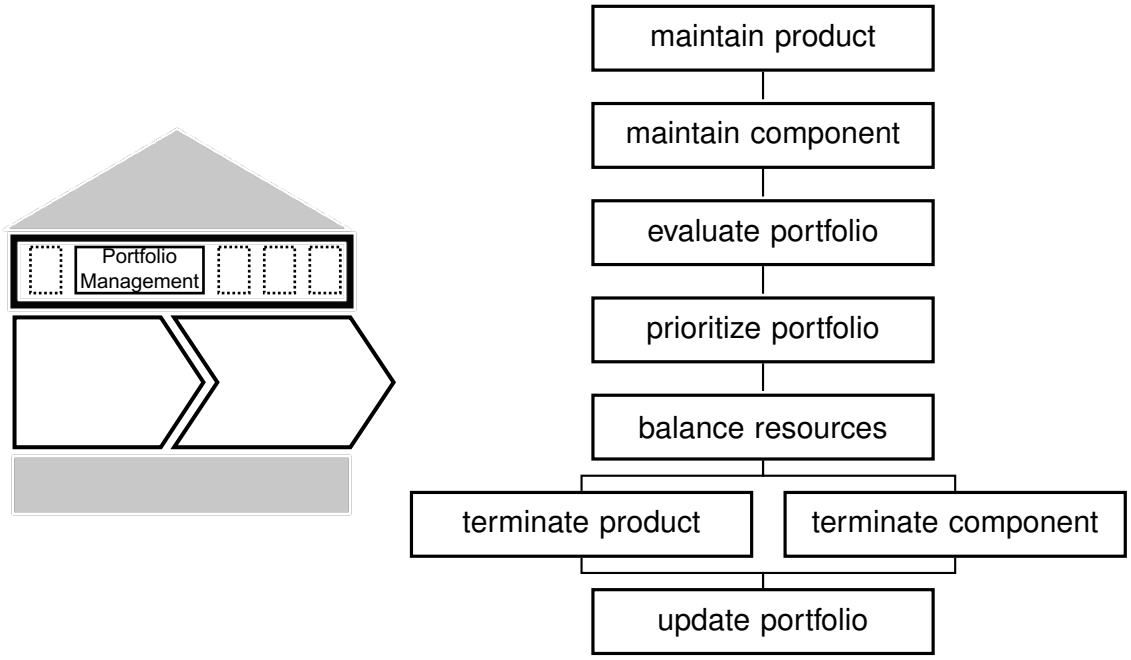


Figure 36 PORTFOLIO MANAGEMENT PROCESS

the portfolio, updates of existing products are captured in this detail process. Feedback from solutions can be one trigger to update a product, as well as changes in its assignment of components.

The reason for locating the maintenance of product and components in a sequence lies in their relationship to each other. Correspondent to manufacturing, the product can be seen as the final item, while it is made out of parts and assemblies (components). The planning[34] of sold items is made first and then the requirements of assemblies and parts is derived, because the former is market-oriented unlike the latter.

Maintain Component

Three distinct types of components are defined. Updates of existing technological components may be invoked by new versions of CRM systems. Also the creation of new components is possible apart from PRODUCT DEVELOPMENT when a new process component is created **that enables a modular variation to form a product.** The components regarding people represent the requirements w.r.t. service employees like skill set that may change due to automation. Maintaining the usage of a component in products is another aspect of this step.

rewrite

[34] It is noted that planning and maintaining are different activities. However, both activities have implications on products.

Objective of these first two detail processes is the guarantee of correct and complete information in the portfolio.

Evaluate Portfolio

There are different methods available to assess the quality of a portfolio and especially its constituents. It is desisted from explicitly splitting the evaluation for products and components, as the portfolio as a whole needs to be examined. In the study of Cooper et al. (1999) the adoption of different methods is assessed. Dominating are financial methods, utilizing business strategy, scoring models, bubble diagrams and checklists. A typical business relies on 2.4 methods for managing their portfolio. The financial method use profitability, return or net present value for scoring entities and is used in 77.3% of cases. The alignment with business strategy determines the score in the second case and is used in 64.8% of cases. Bubble diagrams utilize a plot with different measures of interest to structure their ratings in 40.6%. Scoring models create various scales that form together one value for an entity and make up 37.9%. Lastly, the checklist method accounts for 20.9% and states a list of yes/no questions to be filled out for every entity.

Different employed methods imply different process details, but all methods have the goal to derive measures that can be used for prioritization. Outcome of this detail process are scores for the portfolio's constituents.

Prioritize Portfolio

Building on the prior evaluation, this step "determines the order for dealing with a series of items according to their relative importance" (Oxford Dictionary 2017e). With respect to the two entities, products and components need to be prioritized separately and the interchangeability of components has to be taken into account.

outcome, necessary?

Balance Resources

By definition, a business has to operate under scarce resources (e.g., time, capital, human resources). With respect to the portfolio and the prioritization. of its constituents, these resources are allocated to products and components. This limits the number of products that can be part of the portfolio, as well as components that make up these products. When a component or product is not able to allocate the required resources, it cannot be sustained in the portfolio.

This decision leads to the termination of the respective entity, which is why its connections need to be considered in advance.

...

Terminate Product, Component

The exclusion of a product or component from the portfolio triggers its removal in operations. The termination is not possible instantaneously w.r.t. components, as replacements need to be found and adapted. However, products do not have a superordinate element and can therefore be removed from the provider's offering with less interdependencies. As solutions do not necessarily depend on products (cf. Fig. 34), they can persist even when their parent product is terminated.

Update Portfolio

The termination of products and components is likely requiring updates in the portfolio, especially with respect to the assignment between the two entities. Furthermore, this final detail process covers the communication of the updated portfolio to its stakeholders.

abgrenzung zu maintain? ablauf ist zusammentragen, ändern, NEUEN zustand kommunizieren

5.4.3 Quality Management

Quality management is an important issue in outsourcing. Poor service quality is the second highest ranked reason for clients having dispute with providers (Deloitte 2014). Investments in quality monitoring are seen as most important a recent study among contact centers (Contact-Center-Network 2016). Providers need to ensure their quality in service provision to stay competitive. From an internal perspective, a global quality management ensures comparability between and facilitates improvement across client businesses. Externally, the reporting of service quality in terms of SLA is a focal requirement for providers. While this would also reason locating it in the client-oriented processes, internal quality management is seen as the paramount purpose of the purpose.

Considering quality management philosophies, one can name six sigma and TQM and lean management (Andersson et al. 2006). All are originating from manufacturing but have increasingly been adopted for service businesses (Antony et al. 2007). It is not intention of the reference model to dictate the management approach, that goes hand in hand with selection of one of these concepts. Therefore, no recommendation to choose one philosophy over the other is made. However, the different methodologies in these are compared to derive a process structure applicable to the reference model.

TQM proposes a split into four phases: plan (1), do (2), check (3), act(4). Six sigma lists define (1), measure (2), analyze (3), improve (4) and control (5). Shorthands are PDCA and DMIAC, respectively. Lean management does not provide such phases, which reasons its disqualification regarding process structuring. Both PDCA and DMIAC are designed as cycles.

Planning of the initiative in TQM is important in order to identify objectives and potentials for improvement. *Doing* represents a small scale testing of changes, which are *checked* in the following phase. **Act** describes the large-scale implementation of improvements that have previously been identified and starts the next cycle.

Six sigma contains a more granular view. First, the scope and objectives are *defined*. Next, *measuring* establishes the current baseline quality level, which is not explicitly part of the TQM methodology. *Analysis* of the data identifies roots and causes of problems, which are then *improved* in the fourth phase. As there is no equivalent to the small-scale doing and checking of TQM in six sigma, an own PDCA cycle can be a methodology for testing improvements in six sigma (Pyzdek and Keller 2014). The last phase, *control*, sustains the quality gains and has a monitoring function.

icebricks process structure dictates that a main process (Quality Management) is made of detail processes, which consist of process building blocks. Consequently two layers of abstraction are left to be defined. A detail process structuring according to TQM would result in rather abstract steps that then would have to be detailed completely on process building block level. However, using DMIAC on detail process level conveys more details that can be specified on the lowest level. Therefore Quality Management is structured according to DMIAC.

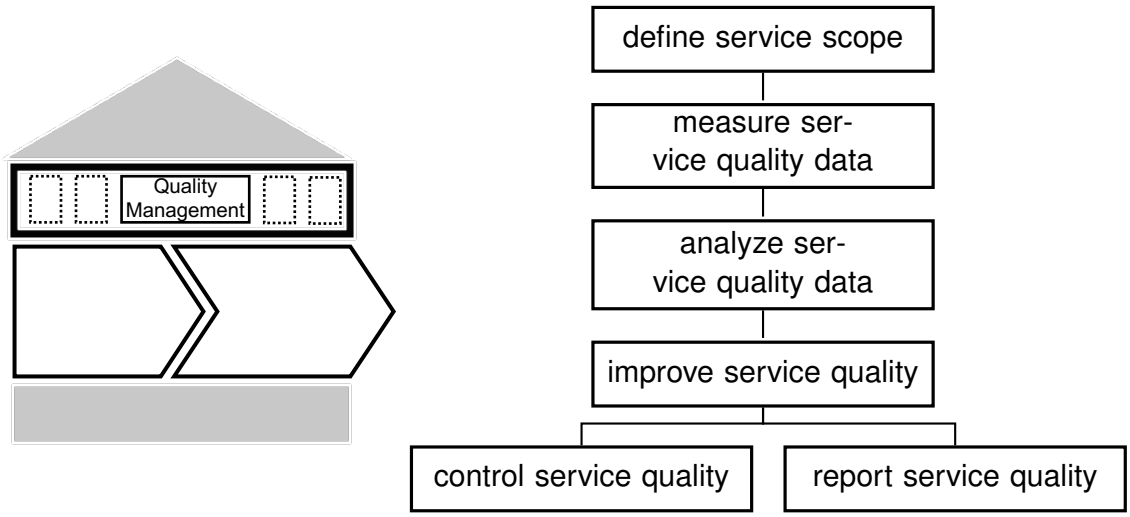


Figure 37 Quality Management Process

Define Service Scope

The first detail process has the purpose to frame the carried out activities by selecting a service process (or part thereof), measures (KPIs) that are used to assess the quality and objectives to be achieved. These characteristics are seen as parts of the service scope,

which justifies its selection as an umbrella term. For reporting of service quality an organizational dimension can be added (entire client business, a certain location, a certain channel).

Measure Service Quality Data

After setting the scene, operative data needs to be captured in order to gain insights into the as-is performance. A common misconception in utilizing quality management approaches in services is that their origin in manufacturing limits their applicability in services due to *noise* during service delivery (Antony et al. 2007). While the statement that manufacturing services are more structured and less influenced by an uncontrollable factor is affirmed, especially outsourced services imply a degree of standardization that renders this fear misplaced.

Service quality data can be seen in explicit feedback by the customer or closed tickets. Calculations of KPIs like Average Handling Time (AHT) are a common aggregated measure to express the time required to solve a customer inquiry. In addition to these measures, information from systems and users (CSRs) needs to be gathered for the upcoming analysis, because the identification of causes requires process details. It has to be noted that despite this performance CSRs is common practice, but also cause for dissatisfaction, stress and burnout (Aksin et al. 2009, p. 678 f.), which reasons the necessity of People Lifecycle Management.

Analyze Service Quality Data

With the service quality data being available, its analysis can serve two purposes. First, it consolidates the information into a desirable format or structure (for example through aggregation to a contact center-level). Second, internal quality improvement requires the investigation in records or parts to identify problems, which does not necessarily have to be performed in service quality reporting.

Improve Service Quality

Building on the analysis, this step can be seen as optional in case of service quality reporting to clients. Goal is to conduct a change so that the selected quality measure changes to the better. It might be necessary to discuss these changes with the client beforehand. The global perspective of Quality Management demands an abstraction and sharing of gains with the organization, so that other client businesses can benefit. This requires a standardized service delivery process for which this reference model is a means.

As previously mentioned, the PDCA-methodology can be used on process building block level to test and evaluate improvements. Outcome of this detail process is the changed process employing the *optimal* configuration w.r.t. collected service quality data.

Control & Report Service Quality

These detail processes complete Quality Management with emphasis on the internal or external perspective. Controlling keeps the internal perspective by managing consequences from service improvement (for example training of staff). Furthermore the monitoring of service quality is necessary to ensure the adoption of changes as new standards and their impact on overall performance. The completion of the process in external use is seen in the reporting of service quality to the respective client.

5.4.4 People Lifecycle Management

Research on dissatisfaction, stress and illness (especially burnout) among CSRs[35] is an established research field (Aksin et al. 2009, p. 678 f.). Reasons for this can be seen in taking a Tayloristic control-oriented view of work. However, an organizational behavior perspective can be taken to center the employee in the process. This benefits not only the human resources, but also benefits contact center performance through ways that are not taken into account in operations management.

People Lifecycle Management is seen as a management-related process, as the relationship towards service delivering employees across client business should be aligned to develop the operational capability of the provider. However, as they are working in context of a specific client business, special characteristics need to be considered (e.g., in job requirements and recruiting). Investments in HR development are seen as the second most important investment in contact centers (Contact-Center-Network 2016).

Contact centers facing burnout suffer from higher turnover, absenteeism and low performance (Tuten and Neidermeyer 2004). Economically speaking, turnover increases hiring costs and negatively impacts performance levels and new employees need to pass through a learning curve. Absenteeism causes under-staffing and therefore damages service quality through increased waiting times. Lastly, stressed employees inevitably show less performance over time, as the relationship between stress and performance may be visualized as an inverted-U (Tuten and Neidermeyer 2004, p. 27).

Traditional, control-oriented, HR strategies do not adequately address this issues. Commitment strategies (Batt 2002; Batt and Moynihan 2002), featuring high-involvement

[35] In the following, the term service employee is used to abstract from a contact center scenario.

practices towards employees, take a different perspective that is expressed in People Lifecycle Management. Selective hiring, extensive training, ongoing learning, incentives through training, job security and high pay levels and trust building measures are named as characteristics of a commitment strategy (Batt 2002).

Interpreting the belonging of an employee as a lifecycle process, one can identify a time-logical sequence. First, the company(i.e., provider) needs to *attract employee talent*. This is followed by a *recruiting* process that eventually finds and hires a new employee. In order to emphasize the social and technical aspect of starting a new job, *training* and social *integration* is modeled in two distinct and concurrent detail processes. Human resource *development* accompanies the employee towards maturity in the lifecycle analogy. The company needs to give *incentives* to continuously create firm-specific human capital and foster employee satisfaction, e.g., through job security, ongoing learning, compensations and trust-building performance management. As the relationship between employer and employee proceeds, *employee retention* the trade-off between the senior employee's high performance and the firm's dependency on tacit knowledge. The lifecycle ends with the termination of the employment contract.

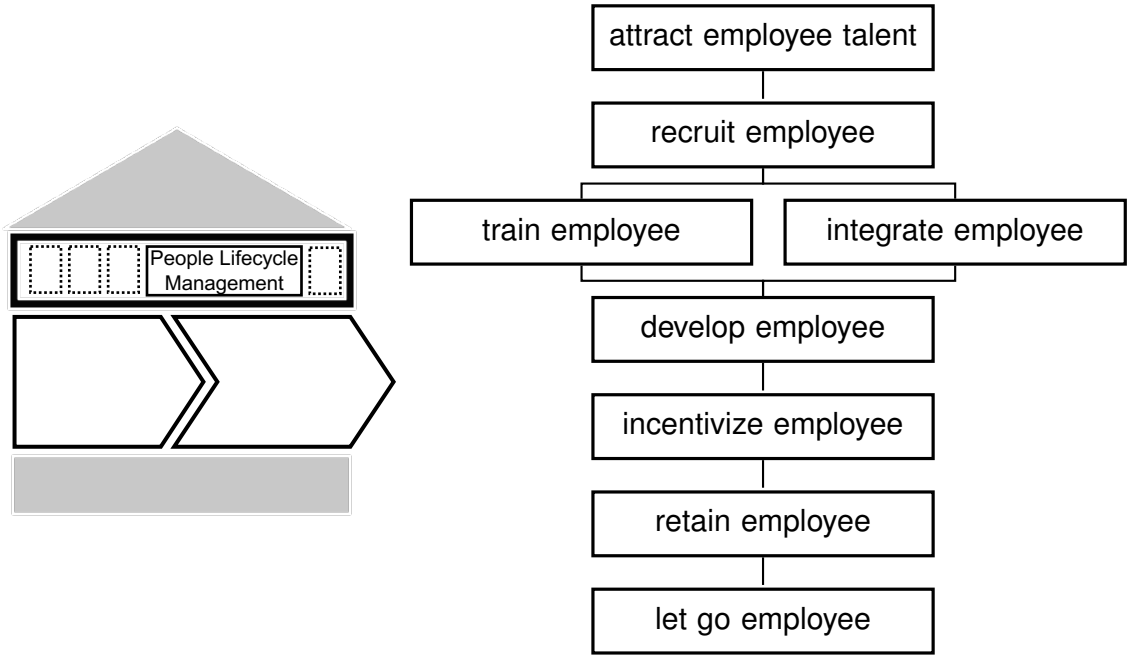


Figure 38 People Lifecycle Management Process

Attract Employee Talent

Selective hiring is named by Batt (2002) in context of high-involvement HR practices and Pfeffer (1998) as one out of seven *practices of successful* organizations. This approach has implications on the first two detail processes. Related to the detail process at hand,

the applicant pool needs to be large enough, so that a thorough selection can take place in recruiting. The generation of this large application pool requires an attractive image towards potential employees to trigger generation of applications. *Employee talent* as the process object signifies that the company should state clearly what attributes and skills are required for the job. In BPO these are specified by the targeted client business. The resulting volume in applications is input to the recruitment detail process.

Recruit Employee

A rigorous recruitment process serves two purposes (Pfeffer 1998, p. 101). One the one hand, it ensures that the employee's fit towards the requirements is broadly assessed through tests and interviews. On the other hand, it proves the employee's commitment to the job offer. In addition, cultural fit and attitude needs to be considered, as these factors cannot be trained afterwards. It is also pointed out that hiring "the best and brightest" might not be the best choice for every job, as being overqualified has consequences in terms of retaining the employee the required time to reach break-even w.r.t. initial training and hiring costs. This detail process yields a new employee for the scoped client business.

Train Employee

An extensive training is necessary to ensure the required service quality expected from the employees as well as to lift the individual capacity to an average level. It can be seen as an upfront investment by the company. In customer service, proficiency in hard and soft skills is required to meet customer's expectations.

Integrate Employee

Being seen as the second detail process of the *onboarding* part of People Lifecycle Management, it represents the social integration of the employee. Reason for this is to express the importance of the employee's relationship to peers, as well as the provider and client organization. Social integration addresses the employee's binding with the organization. Teams with a collaborative environment show better knowledge sharing capabilities that lead to better service (Batt and Moynihan 2002). Especially self-managed teams and decentralization are pointed out by Pfeffer (1998) as an effective principle.

Develop Employee

After the employee reaches an operational performance level, a learning process starts. It is seen as a focal part of high-involvement HR to enable ongoing learning through collab-

oration with other employees (Batt 2002) (which necessitates the integration beforehand). In contrast to initial training, the acquisition of new skills benefits the employee and the provider through increased human capital. These can be formalized from individual skills into skill sets and be used to enable skill-based routing in service delivery.

Incentivize Employee

Incentives act as a stimulus for employee motivation. Being one main aspect of high-involvement HR, job securities, promotions and fair payment are means provided by the company. Performance measurements can also be used to motivate the employee, while aiming for higher efficiency.

Retain Employee

Turnover is an important issue in labor intensive services like CRM BPO (Gross et al. 2006, p. 98). It is a management objective to find the right turnover rate, which depends on the knowledge of the employees: When turnover rate is too low, knowledge can reside in employees which puts the company into dependency. An excessive turnover rate causes additional costs in recruiting and training, as the employee's individual return on investment decreases. **?** analyzes the relationship between employee retention on contact center performance. Higher satisfaction results to better retention, which leads to higher experience levels that positively impact performance.

Consequently, this detail process typifies the company's strive for satisfied employees while limiting tacit knowledge. Exemplary activities are an evaluation of the employee's needs and knowledge.

Let Go Employee

The final detail process describes the separation of employee and company, which can be initiated by both sides. Knowledge transfer is important, because the provider must be able to adequately replace the position. Furthermore, feedback helps the organization to continuously improve its People Lifecycle Management.

5.4.5 Operations Management

Operations management is the "activity of managing the resources which are devoted to the production and delivery of products and services" (Slack et al. 2007, p. 4). In this process, especially the activity planning and controlling the production is emphasized. In

the following, a comparison of production planning[36] and control[37] (Chapman 2005) to its counterparts in CRM service delivery, signifies similarities between both fields. The latter is in this case especially shaped by characteristics of contact centers. Aksin et al. (2009) provides a literature review from an operations management perspective.

In production planning, a master production schedule is created based on forecasts to outline the amount of end items required to meet market requirements. Transferring this to service provision requires forecasts of volume (demand) that needs to be addressed by the service employees. In contrast to manufacturing, service capacity needs to be available concurrent to demand.

A master production schedule is broken down into a material requirements plan, which specifies parts that are needed to assembly an end item. Mirroring to services, service volume can be specified regarding channels, arrival distributions and service time distributions (Aksin et al. 2009). It is noted that available literature focuses on classic call centers (i.e., voice channel only), which is abstracted from in this case.

Is an additional layer of complexity, CSRs must be seen as a different kind of operational resource in comparison to machinery in manufacturing. Individual skills, shift plans and employment law are only three factors that need to be considered in addition. Aksin et al. (2009) lists staffing problems (1) and shift scheduling and rostering (2) in this regard. Ad (1), different queuing and simulation models are utilized to estimate targeted staffing levels *for a period*, so that a cost minimal CSR schedule that fulfills SLAs can be derived. (2) takes the results from staffing problems as inputs and seeks to create a detailed schedule on an interval basis. Rostering problems target the combination of shifts into rosters to match them with CSRs. Academic literature provides extensive research in this field (Gans et al. 2003; Ernst et al. 2004).

As forecasts are never correct and services are heterogeneous in nature (**?**), a deviation between plan and reality will take place, which is taken care of on *control* level. Here, sudden events must be managed and so that operational performance is sustained.

The structure of the Operations Management process is oriented towards production planning and control systems (Chapman 2005) so that detail level increases and time horizon decreases over time, viz. as the process progresses. It is located in the top bar of the framework, because standardization of this fundamental and complex task in operations

[36] A plan refers to "a formalization of something that is intended to happen in future"(Slack et al. 2011, p. 225).

[37] Control is defined as "the adjustments which allow the operation to achieve the objectives that the plan has set, even when the assumptions on which the plan was based do not hold true." (Slack et al. 2011, p. 225).

across client businesses is seen as a great potential. Expert knowledge must be allocated at an overarching level in the provider organization.

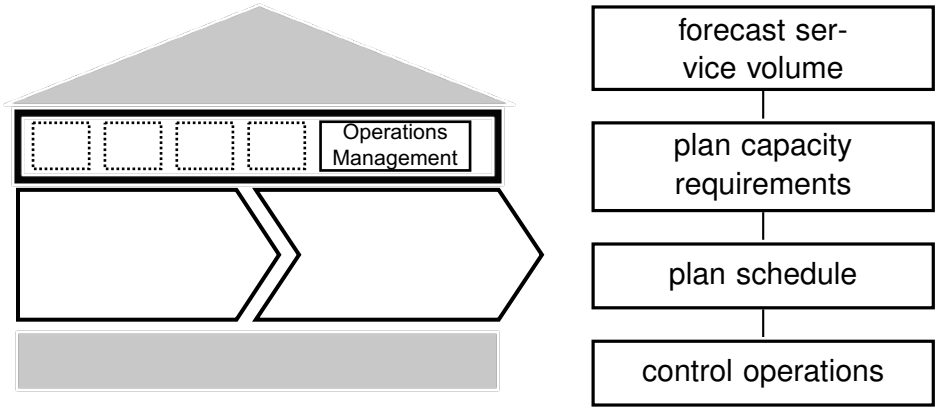


Figure 39 OPERATIONS MANAGEMENT PROCESS

Forecast Service Volume

Different methods can be employed for creating predictions (Russell et al. 2010). Time-series forecasts can be one tool for predicting an outcome (volume) from time as the single dependent variable. Defining characteristic of this detail process is that the granularity of these forecasts is covering up to weekly forecasts. Increased granularity is subject to the following detail processes, that build on the forecasts being the output of this step. In outsourcing, these forecasts might be supplied by the client. *Forecasting* as an activity is used to emphasize that this detail processes captures external demand and shows less connection to the actual planning of the operative business (cf. following detail processes).

Plan Capacity Requirements

The breakdown of service volume is basis for planning of capacity requirements. Capacity expresses the amount of services that can be produced in a period. Capacity requirements record how many Full Time Employees (FTEs) are needed and refer to a more granular view of service volume that takes into account service time and arrival distributions. Drawing on the staffing problem, this detail step encompasses the activities necessary to determine the capacity requirements. The problem's complexity can increase by dropping assumptions such as homogeneous agents and only one type of service, which has been addressed recently in literature (Aksin et al. 2009, p. 699 f.). These requirements are necessary input for the next detail process.

Plan Schedule

This detail processes encompasses addressing the scheduling and rostering problem. As there are a plethora of different methods and their discussion is beyond scope of this thesis, the reader is referred to (Aksin et al. 2009, p. 670 f.). As the traditional split between scheduling and rostering problem is rejected in methods, there is no further separation within the OPERATIONS MANAGEMENT process. Result of this step is a plan that brings together staffed CSRs on an intra-day schedule.

Control Operations

The execution of plans results in deviations that OPERATIONS MANAGEMENT must cope with. Drawing on the preceding scheduling, their adjustments on a real-time basis are an issue that has been addressed in literature (Hur et al. 2009; Easton and Goodale 2005; Mehrotra et al. 2009). Over- and under-staffing situations result in excessive operational costs or violations of SLAs due to customers waiting times.

While planning activities offer a higher potential of standardization across the organization, the execution and control is likely to be dependent on the business and location at hand.

6 Demonstration

dfdfd

- Approach from Case advanced to the model itself
- ECIS model schemata
- type / instance : hybride leistungsbündel

messbarkeit problem meise 129

6.1 Process Framework

- meise 2001

6.2 Internal Services

6.2.1 ...

6.3 Client Services

6.3.1 ...

6.4 Customer Services

Self Service: Servitization paper 1988!

6.4.1 ...

7 Evaluation

dfdfd

- Approach from Case advanced to the model itself
- ECIS model schemata
- type / instance : hybride leistungsbündel

messbarkeit problem meise 129

7.1 Process Framework

- meise 2001

7.2 Internal Services

7.2.1 ...

7.3 Client Services

7.3.1 ...

7.4 Customer Services

Self Service: Servitization paper 1988!

7.4.1 ...

8 Conclusion

Appendix

A Customer relationship management

A.1 CRM Notions

brenneckes crm defs und so Appendices provide only two structural levels, viz., `\section`, and `\subsection`.

Search on scopus, queries are column headings searched in title, abstract and keywords.

Year	"CRM"	"Customer relationship management"	"Customer Management"
2016	211	34	8
2015	198	32	5
2014	178	35	4
2013	193	37	2
2012	166	40	5
2011	138	44	7
2010	131	32	1
2009	133	27	6
2008	99	22	2
2007	118	26	1
2006	111	19	1

Table 5 CRM Publication Comparison

A.2 Multi- and Omni-Channel Publications

The search is done on scopus and queries are “TITLE-ABS-KEY ((omnichannel OR omni-channel) AND (crm OR management OR retail) AND customer)” and “TITLE-ABS-KEY ((multichannel OR multi-channel) AND (crm OR management OR retail) AND customer)”, respectively.

Year	"Multi-channel"	"Omni-channel"
2016	32	15
2015	33	10
2014	30	7
2013	17	1
2012	24	1
2011	24	
2010	25	
2009	34	
2008	29	
2007	23	
2006	29	

Table 6 Multi- and Omni-Channel Publication Comparison

A.3 Multi- and Omnichannel Separation

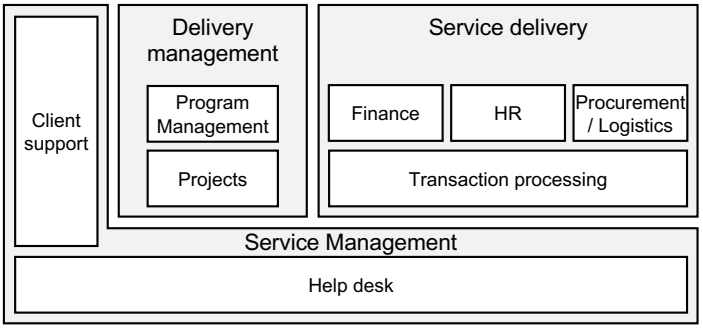
Separating multi-channel from omni-channel is difficult, as the latter formed as an amplification of the former. Verhoef et al. (2015) try a distinction shown in Table 7, which is here masked from the retail domain. Aspects in channel focus and scope can be criticized in this juxtaposition. It is questionable that channels are excluded from multi-channel management, because in essence the distinction is seen in the relationship *between* channels and not the channels themselves. The excluded channels from multi-channel management (viz., mass communication) go back to the channel definition of Neslin et al. (2006), which emphasizes interaction between customer and company. From this, Verhoef et al. infer that solely two-way communication channels can be part of multi-channel management. The understanding in this work is different and makes no difference in possible channel focus and scope among omni- and multi-channel management. As Verhoef et al. describe multi- and omni-channel as “phases”, they put mobile channels and social media as additions from multi- to omni-channel. This view might be reasoned in the publication time, because multi-channel publications in the early 2000s could not predict the impact of smart phones and tablets on marketing, as the more recent omni-channel publications. Appendix A.2 holds an overview about publications over time regarding omni- and multi-channel management and proves the greater impact of multi-channel management over omni-channel management in the literature.

	Multi-channel management	**Omni-channel management**
Channel focus	*Interactive channels only*	*Interactive and mass-communication channels*
Channes scope	*Store, online website and direct marketing*	*In addition mobile channels (i.e., smart phone, tablets, apps), social media*
Separation of channels	Separate channels with no overlap	Integrated channels providing seamless customer experiences
Brand versus channel customer relationship focus	Customer - channel focus	Customer - channel - brand focus
Channel management	Per channel	Cross-channel
Objectives	Channel objectives (i.e. sales per channel, experience per channel)	Cross channel objectives (i.e., overall customer experience, total sales over channels)

SOURCE: adapted from (Verhoef et al. 2015, p. 176)

Table 7 Multi- and Omni-Channel Comparison

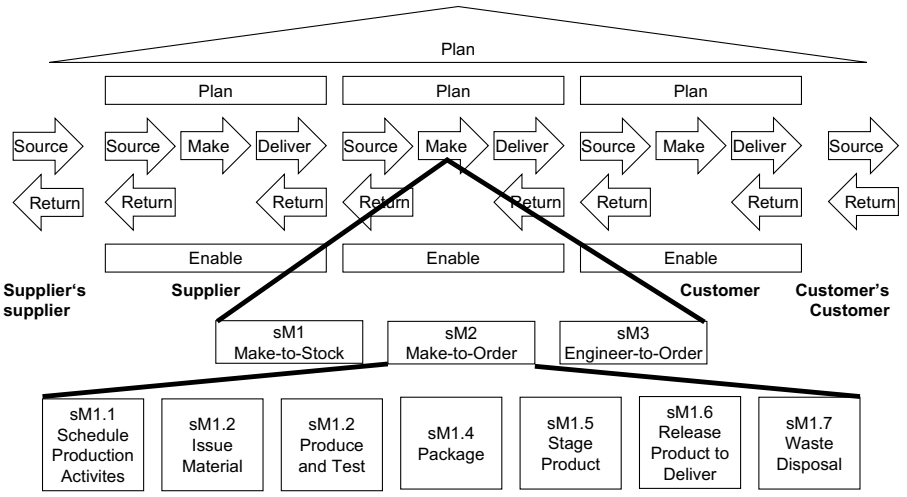
A.4 Outsourcing Provider Processes



SOURCE: (Schewe and Kett 2007, p. 98)

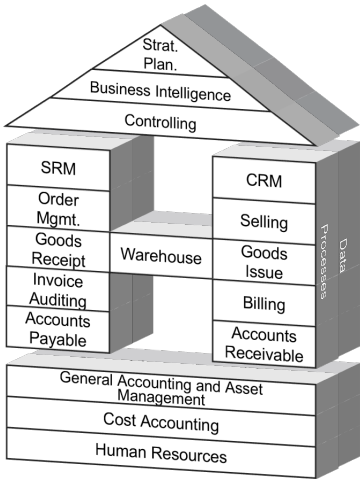
Figure 40 Outsourcing Provider Processes

A.5 Selected Reference Models



SOURCE: (APICS 2015)

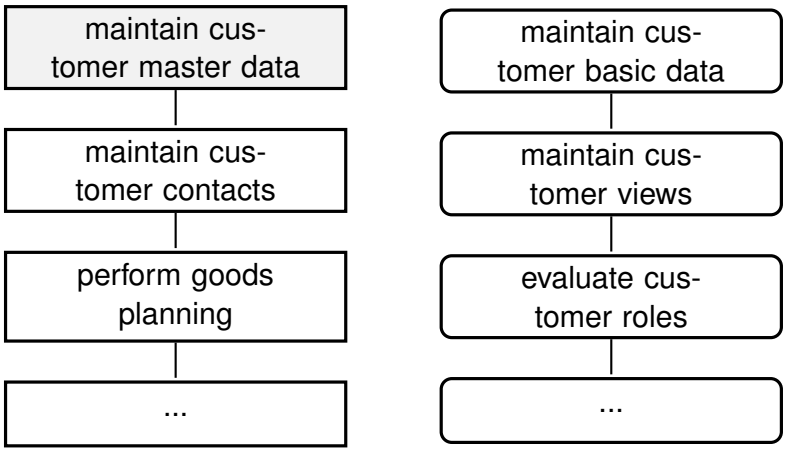
Figure 41 SCOR Model



SOURCE: (Becker and Schütte 2004)

Figure 42 Retail-H

A.6 icebricks Example



(a) Selection of CRM Process Components (Detail Processes)

(b) Selection of Maintain Customer Master Data: Process Building Blocks

Figure 43 icebricks Process Structure Example: Retail-H CRM Process

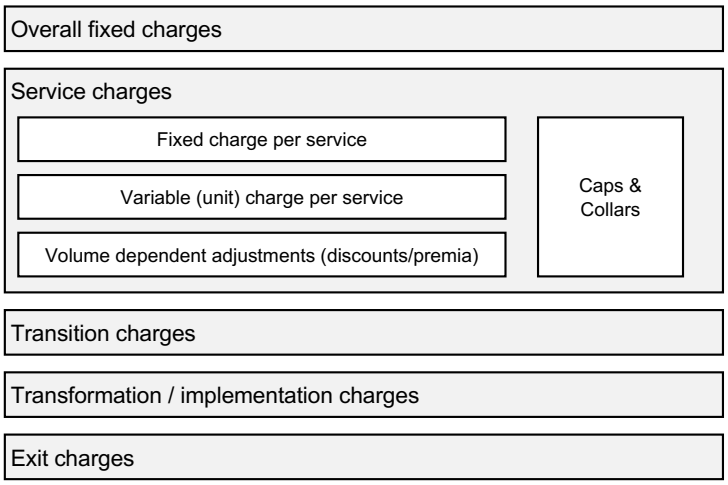
A.7 Knowledge Management frameworks

Year	Author	Type	Decision	Activities
2000	Andersen Consulting	Technical Report	X URL not found	Acquire, Create, Synthesize, Share, Use to Achieve
1999	Knowledge Associates	Technical Report	X URL not found	Acquire, Develop, Retain, Share
1997	Van Heijst et al.	Paper	✓	Development, Consolidation, Distribution, Combination
1996	Marquardt	Book	X Book not available	Acquisition, Creation, Transfer & Utilization, Storage

SOURCE: adapted from (Rubenstein-Montano et al. 2001, p. 8 f.)

Table 8 Knowledge Management Framework Options

A.8 Financial Engineering in the Outsourcing Deal



SOURCE: (Deloitte 2013, p. 32)

Figure 44 Financial Engineering in the Outsourcing Deal

A.9 Frameworks for the Product Development process

Cowell (1988)	**Edgett (1996)** adapted from Cooper (1988)	**Process in thesis**
idea generation		
idea screening	idea screening	evaluate idea
	• preliminary market assessment • preliminary technical assessment • detailed market study / market research	assess market requirements assess technical requirements
concept development and testing		conceptualize product
business analysis	business/financial analysis	perform business analysis
development	• product development • process procedures • system design & testing • personell training	develop product
testing	test market / trial sell	test product
	pre-commercialization business analysis	
commercialization	full-scale launch	deliver product
	post-launch review & analysis	

SOURCE: adapted from (Edgett 1996; Cowell 1988)

Table 9 Product Development Process Derivation

A.10 Some Appendix Subsection

Suspendisse vitae elit. Aliquam arcu neque, ornare in, ullamcorper quis, commodo eu, libero. Fusce sagittis erat at erat tristique mollis. Maecenas sapien libero, molestie et, lobortis in, sodales eget, dui. Morbi ultrices rutrum lorem. Nam elementum ullamcorper leo. Morbi dui. Aliquam sagittis. Nunc placerat. Pellentesque tristique sodales est. Maecenas imperdiet lacinia velit. Cras non urna. Morbi eros pede, suscipit ac, varius vel, egestas non, eros. Praesent malesuada, diam id pretium elementum, eros sem dictum tortor, vel consectetuer odio sem sed wisi.

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