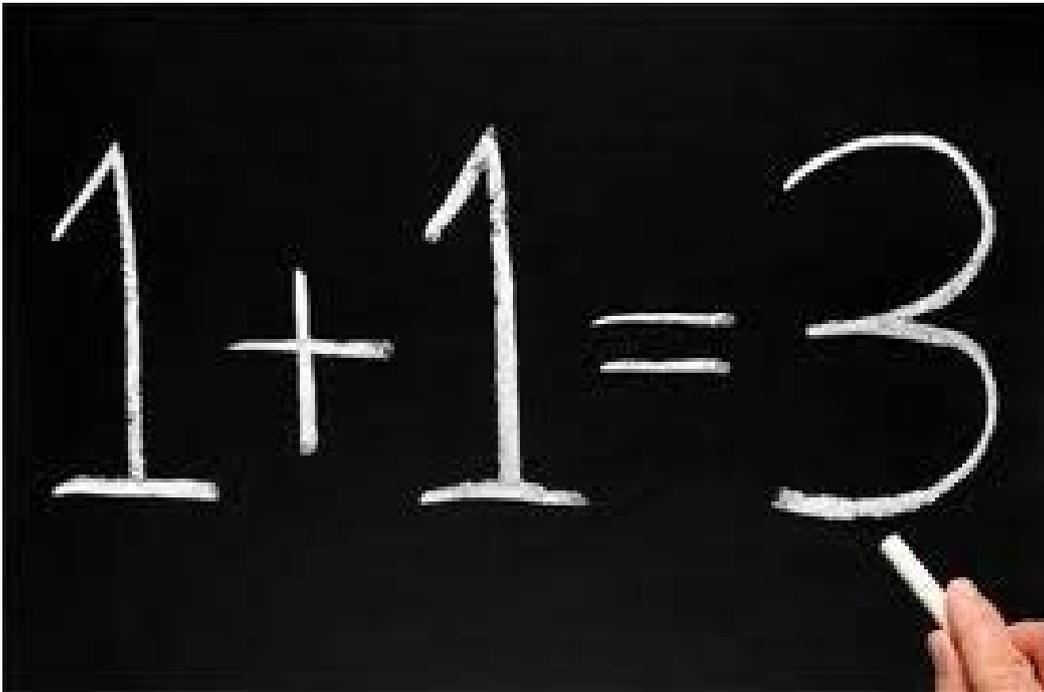


# Merging sales of Stihl Groningen and Stihl Zwolle



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Written in commission of:  
**Stihl Zwolle**  
External supervisor:  
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September 2011 – December 2011

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What should be taken into account when two sales departments will be merged?

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## Preface

This report was written for my final thesis of the study International Timber Trade at Larenstein university. In the four years of my study, the university gave me the opportunities and facilities to develop myself. I am confident that this education helps me in my further life.

The purpose of this research is to give Stihl an insight of all the things that have to be taken into account with a transition of a sales department, what are the consequences for the customers and the personnel. Stihl BV gave me the opportunity to work on the research in a professional environment. Working in such an environment was very educational for me and a great experience.

I would like to thank the employees of Stihl Groningen and Stihl Zwolle for their helpfulness, for providing me with information about the transition and for answering the survey. And for the good time I had during my thesis. I also want to thank the customers of Stihl Groningen and Stihl Zwolle for answering the survey.

Also a big 'thank you' belongs to John Raggars, my mentor on behalf of Larenstein. For his support during the study, and for his knowledge and advice during my final thesis.

Another word of special thanks is for Koos Sterenborg head of sales of Stihl Groningen & Zwolle. He was my mentor on behalf of Stihl BV and provided me with workplaces on the both departments. And with ins and outs and the latest information about the transition.

Zwolle, December 2011,

Ron de Groot

## Summary

The head office of Stihl B.V. decided to make their organization stronger. Now the product specialists of the northern region are spread over two establishments, this results in a longer communication time between the salesmen of the two establishments. Because the specialists are not in the same office the communication takes longer. This means that the knowledge of the product specialists is not always fast available, and customers have to wait. Stihl is introducing a new strategy, combining the sales departments on the distribution centers. It is very important for Stihl that transitions go smooth and not cause any big problems. Stihl does not want to lose his customers or his personnel, because that could result in a loss of profit. The new strategy ensures that the sales teams on the distribution centers are on full strength, all the knowledge is combined in one office. The salesmen know of each other what they are doing and can work more efficient.

Stihl needs to be prepared for the transition. The personnel needs to understand the goal of the transition. The differences between the two establishments need to be known. All these things are associated with communication. The importance of communication should therefore not be underestimated.

The transition has consequences for the customers, the consequences must be identified and must not lead to problems. The customers only must notice the positive points of the transition, and the level of service and support must not decline. The transition has of course also impact on the personnel, the distance between Groningen and Zwolle is quite big. It is good for Stihl to know how the personnel thinks about the transition.

Furthermore it is necessary for Stihl to look ahead for the financial consequences, so that it does not cause any problems or surprises in the future. When the transition is done the transition process is not yet over. Sales must be monitored. Also must be checked if the personnel is still satisfied on their new workplace.

This research will function as an advice for Stihl Zwolle. The goal of this research is to find out how Stihl can let the transition go as smooth as possible, without that there occur any problems for the customers and the personnel. With the information from the personnel, Stihl can take the wishes of the personnel in to account and can use it for a future transition. With the information from the customers, Stihl knows what the customers find important and knows how to keep them satisfied. The research gives Stihl also an image about the costs that are associated with a transition. It also contains an action plan for what Stihl has to do after a transition. The methodology for answering these problems differs. Information is provided by literature study. Surveys to the customers and the personnel obtained a lot of information about the service and support Stihl provides and about the personal opinion of the employees of Stihl Groningen. Additional information was provided by interviewing the head of sales and the commercial manager of Stihl Zwolle. Another method was observing, this was done by working on the both locations of Stihl.

It is recommended that Stihl postpones the transition. A transition needs a proper preparation, without it is almost impossible to have a successful transition. It is important that all the involved understand the new strategy. If the personnel does not want to make the move or does not understand the transition, a second opinion from the managers about the transfer would be good. Especially when it is about an internal transition and it involves only a few employees and the goal is not to save money. After the research there can be concluded that a transition not really has negative consequences for the customers, but almost only positive changes.

# Index

Preface.....	2
Summary .....	3
1. Introduction.....	5
1.1 Problem analysis.....	6
1.2 Goal .....	7
2. Methodology.....	8
2.1 Theory.....	9
3. Preparation of a transition .....	10
3.1 The role of communication .....	10
3.2 Defining the goal of transition.....	12
3.3 Differences between the establishments .....	13
3.4 Practical matters.....	15
4. Consequences of the transition for customers of Stiho.....	16
4.1 Why customers buy.....	16
4.2 What is important for the customers in terms of service and support .....	17
4.3 What does the transition mean for the customers of Stiho. ....	20
4.4 Positive and negative points for the customers.....	20
5. Consequences of the transition for the personnel of Stiho .....	22
5.1 Survey personnel of Stiho Groningen.....	22
5.2 What does a transfer mean for the personnel.....	24
6. The price tag of a transition .....	26
6.1 What kind of costs must or will occur by a transition .....	26
6.2 Does the transition cost or save money for Stiho .....	26
7. What has to happen after a transition .....	28
7.1 General action plan .....	28
7.2 How did the transition process go .....	29
8. Conclusion .....	30
9. Recommendations.....	32
10. References.....	33
Appendix 1 Practical matters.....	34
Appendix 2 List of companies.....	35
Appendix 3 Survey customers of Stiho.....	36
Appendix 4 Survey personnel Stiho Groningen.....	37

# 1. Introduction

This report is the result of a 5 month during final thesis fulfilled at Stiho Groningen Zwolle. It is made by an international timber trade student of the Van Hall Larenstein University of Applied Sciences.

Stiho B.V. is introducing a new strategy to make the organization stronger. Stiho wants to merge the sales departments of the different establishments on the distribution centers. The product specialists are than together in one strong sales team at one location. On this moment Stiho is working on the transition of the sales department of Stiho Groningen to the distribution center Stiho Zwolle.

In the past the sales teams did a lot of double work. The sales teams of the two establishments worked around each other. By centralizing the sales teams this can be prevented. The salesmen can work more effective.

There are a lot of competitors on the timber and building materials market. With the new strategy Stiho wants to be stronger than his competitors. The strength of the sales teams must keep the current customers and attract new customers. The change in strategy allows Stiho to help their customers better and faster. Because Stiho now starts with the mergers, they are ready to perform well after the crisis, with strong sales teams that have a lot of product specialists.

Stiho B.V. never did any research about the transition. That is why they asked me to do a research on this subject. Stiho wants to know how to let the transition go as smooth as possible, and what there is involved with a transition. The results of the research will be used for applying the new strategy and to implement the transition.

## Background of Stiho

The Stichtsche Houthandel was founded by Gerrit Sijbrand Pelt in 1926 in the centre of the city Utrecht. The Stichtsche Houthandel, later abbreviated to Stiho B.V. has a wide range of construction materials, wood and sheet materials. Stiho distinguishes itself from its larger peers, as an independent company owned by the employees and the founding family. In 1983 the company leaves the city and moves to the industrial area Laagraven te Nieuwegein, where its headquarters now is housed.

Stiho is a nationwide wholesaler selling building materials, wood and sheet material aimed at contractors. The great strength is that all possible materials can be supplied at the time and place that the customer wants. From stock within 24 hours from one of the regional distribution centers. For the customers that want to collect building materials themselves Stiho has 16 counter sales.

Customers are increasingly demanding pre-processed materials. This saves time and money. In the workshop of Stiho almost everything is possible with wood and sheet material, planning, sawing, milling and cutting. Other operations are provided by specialized partners. Stiho does it the way the customers want.

Stiho is part of the Stiho group, like the companies Giebels and Baars & Bloemhoff. The companies of the Stiho group supply materials, tools, services and advice to builders and to other professional wood, sheet and building material processors in the Netherlands. For each type of customer there is a specific assortment available. And on all the establishments there is plenty of knowledge available of materials and applications. The companies are physically located together on two locations under the umbrella Stiho Bouwplein.

Giebels is an expert and service orientated supplier of quality brands tools for construction. The wholesalers implement a broad range of tools, hardware, fasteners, machinery and personal protective equipment.

Baars & Bloemhoff is a supplier of decorative sheet and support materials for interior builders in the Netherlands.

## 1.1 Problem analysis

The head office of Stihl B.V. decided to make their organization stronger by introducing a new strategy. The sales teams will be combined on the distribution centers of Stihl. Now the product specialists of the northern region are spread over two establishments, this results in a longer communication time between the salesmen. Because the specialists are not in the same office the communication must be done by phone or mail. The specialists cannot see from each other if they are present at their work desk. This means that the knowledge of the product specialists is not always fast available, and customers or colleagues have to wait. With the new strategy Stihl creates new sales teams on the distribution centers, that are stronger and can work more efficient. In the past it occurred that the sales teams did double work, the salesmen made the same quotes for different customers. This happened without the salesmen knew this of each other. This is unnecessary double work and can be prevented when the salesmen are located in one office.

Because of the fierce competition Stihl needs to be better as his competitors. Stihl thinks to achieve this by using the new strategy. Stihl wants to have loyal customers, this means the customers not only buy because of a low price, but because they want to buy from Stihl. With the new strategy Stihl believes that they can achieve this. A stronger sales team that is well organized and offers a good level of service and support makes this possible. And this must lead in the future to a growth in profit.

The head of sales of the two departments is located in Zwolle. Because the head of sales doesn't see what happens in Groningen, it is hard to manage the two sales forces on the two locations. When the sales team is located on one place, the management can act better when problems or misunderstandings like double work occur.



Figure 1: Stihl Groningen



Figure 2: Stihl Zwolle

The transition has consequences for the customers and the personnel of the establishments. Stihl needs to know these consequences so that they can take them into account and make sure that the transition goes as smooth as possible.

In the past Stihl has combined two sales departments in the South of the Netherlands. This resulted in a loss of turnover in their sales area. Stihl lost the majority of his staff of the sales department that had to make the transfer. Of course Stihl does not want this to happen also with the transfer of the sales department Groningen to the distribution centre in Zwolle. See figure 1 & 2 for the establishments of Stihl.

The main problem Stihl faces is: how to let the transition from the sales department of Stihl Groningen to Stihl Zwolle go as smooth as possible, and what are the consequences of a transition for the customers and the personnel. These problems result in the research question: *What should be taken into account when two sales departments will be merged?*

This main question will be answered in this report. To get a good answer on the main question it is divided in five sub-questions:

- 1 What has to happen before a transition?
- 2 What does the transition mean for the customers of Stihl?
- 3 What are the consequences for the personnel?
- 4 What are the financial consequences of a transition?
- 5 What to do after a transition?

## **1.2 Goal**

This research will function as an advice for Stihl Zwolle. The goal of this research is to find out how Stihl can let the transition go as smooth as possible, without problems for the customers and the personnel. And Stihl knows what to take into account if they make a transition of the sales department.

With the information from the personnel, Stihl can take the wishes of the personnel in to account and can use it for a future transition. With the information from the customers, Stihl knows what the customers find important and knows how to keep them satisfied.

The research gives Stihl also an image about the costs that are associated with a transition. It also contains an action plan for what Stihl has to do after a transition.

## **Preconditions**

*These are the preconditions that Stihl sets.*

- This project focuses on the sales departments of Stihl Groningen and Stihl Zwolle.
- Cooperation of the employees of Stihl Groningen and Zwolle to obtain information.
- Not mention anything about the transition to the customers.
- The obtained information must be handled with care.
- Stihl will provide information and a workplace on both departments.
- How far does the scope of the project goes; the research has to lead to an advice that contains proposals to implement improvements in the process of a transition.

*The preconditions that are set by the Van Hall Larenstein University.*

- The time frame that is set.
- The research must be of sufficient quality.

## **Target audience**

This report is written for the Stihl BV and the Van Hall Larenstein University, but whoever is interested in transitions of departments inside a company, is welcome to read it.

## 2. Methodology

In this chapter the methodology of this research will be explained. A clear explanation will be given about the followed steps and theory of this research.

To reach the described goal, the main question will be answered. The main research question is divided in sub-questions. In this chapter the methodology will be described to answer each sub question.

### **What has to happen before a transition?**

Information will be obtained by interviewing personnel of Stiho. Especially the head of sales and the commercial manager of Stiho Zwolle. Additional information will be obtained by a literature study about communication.

### **What does a transition mean for the customers of Stiho?**

Information will be gathered by the answers from a survey to the customers.\* The survey about the level of service and support will be send to the salesmen of different construction companies. Also the head of sales and the commercial manager of Stiho Zwolle will be interviewed. Additional information about buying motives of the customers will be obtained by a literature study about buying motives, and publications on the internet.

### **What are the consequences for the personnel?**

Answers from the survey to the personnel will be used to get the information. Additional information will be gathered by interviewing the head of sales and the commercial manager of Stiho Zwolle.

### **What are the financial consequences of a transition?**

Information will be obtained by interviewing the head of sales and the commercial manager of Stiho Zwolle. Answers from the survey to the personnel will be used to get information about the financial consequences of the personnel.

### **What to do after the transition?**

Publications on the internet about finishing transitions and literature about fusions will be used to gather information. Furthermore information is obtained by interviewing the head of sales and the commercial manager of Stiho Zwolle

This report is written on the two establishments of Stiho in the North of the Netherlands. On this way there was also observation of the personnel, this also contributed to answering the sub questions.

\* It was not allowed by the direction of Stiho to ask customers about their opinion about the transition. This was because the direction did not want to scare customers away, and to pave the way for competitors to come up with bad rumors. Traditionally Stiho is very reluctant with approaching their customers. That's why the personnel of Stiho is asked what the consequences for the customers are.

## **2.1 Theory**

This chapter gives information about the applied techniques in this research. The explanation of the techniques helps to understand the research. The main idea behind these techniques is to collect data and order it in a suitable way.

### **Desk research**

Desk research is a systematic study based on scientific literature and other documents to answer a research question.

The desk research in this research has a few clear applications:

- Provide answers on the sub-questions.
- Provide a background for the field research
- Provide reliable sources

The desk research provides basic and reliable data where the further field research will be based on. The desk research needs to give answers on the theoretical part of the research. It is mainly used for the investigation on how to communicate, and what buying motives could be. These subjects consist mainly about theoretical and procedural information. Google's applications, like books.google.nl are a major tool in finding information on the internet. Reliable publications and websites provide information that contribute to this report.

### **Field research**

Field research is the conducting of investigations by direct contact or observation. This is to collect recent information from personnel and customers. The observation is done to get a clear view on the two establishments, and to detect the differences between the two establishments of Stiho. This also is useful to see the difference in habits.

The analysis of the opinion of the personnel and the customers is formed by the field research. This analysis helps to answer multiple sub questions.

### **Survey**

The survey to the personnel and the customers must give information about the opinions among them. The survey for the customers is about the level of service and support that Stiho provides. The survey for the personnel is about the transition to Stiho Zwolle. The answers can be systematically handled.

### 3. Preparation of a transition

In this chapter the sub question; what has to happen before a transition will be answered. For a good preparation of a transition it is important to know what the role of communication is in the process, is the goal clear and are there differences between the two Establishments. The answers are the results of a literature study about communication, and by interviewing personnel of Stihl.

#### 3.1 The role of communication

One of the most important things during a transition between two departments is communication. By good communication, many misunderstandings can be prevented. For a smooth transition the communication during the process is crucial. Communication contributes to change, within the change process, *it takes place between those involved in all stages; during the diagnosis, intervention, the appointment of the results and the articulation of the vision of the initiator*<sup>1</sup>. Another advantage of good communication with your personnel is that they are more willing to cooperate with a change, because they are involved in a certain process. When there is no communication with the personnel they don't feel involved.

*Beer (1980)*. Indicates that communication is a critical factor to create psychological ownership among the ones involved in making the change. All these perspectives emphasize communication as a tool to be used in addition to the actual change, as a means to make a substantial change possible.<sup>1</sup>

Through proper communication, the process can be better controlled. *Cozijnsen, A.J., Vrakking, W.J. (1995)* mentioned: Without control a change is like a 'runaway train' control is in a sense the glue between all the other components. (See figure 3 for the change control cycle) It does it all work and/or allows.

In the change control cycle three questions have to be answered, before the next phase can start.

1. Determination of the progress of change: What's all done, and what happens at this moment?
2. Reconsider the result of the change: Do we still want the same? Can we do the same?
3. Rescheduling of the change process: How do we continue?

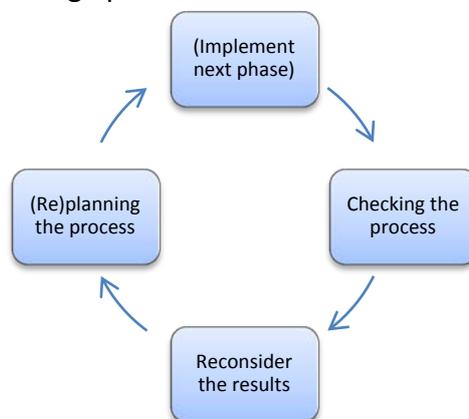


Figure 3: Control cycle, Cozijnsen, A.J., Vrakking, W.J. (1995)

<sup>1</sup> Caluwe, L. Vermaak, H. *Leren veranderen, een handboek voor de veranderkundige*. Kluwer Alphen aan de Rijn (1999)

If it is about communication in the change process, *Ford and Ford (1995)* made a manageable distinction between four types of conversations that roughly follow each other in a change process. In the beginning there are the 'initiative conversations' whereby means of a call, a proposal, a promise a movement is put in motion: 'we have to do something about the high turnover in our staff' or 'we will reduce the budget with a fourth.' If these conversation are omitted, than the way is free for rumors.

Next are the 'conversations for understanding' where information, arguments, convictions are exchanged. The goal is to increase participation and clarify the feasibility. This is also the time to make choices. If these conversations stay omitted, there will be a lack of a common understanding and vision. An initiator is by manner of speaking still on his own.

The third type of conversations are 'conversations for performance' wherein action is initiated. It is a period full of requests, promises, negotiations and agreements. Results, tasks, time limits are specified. At the end of the change process the 'conversations for closure' take place: they appoint it is over, set the facts straight, there is looked back and there is a bit of speculation about the future, there are moments to celebrate satisfaction, or the disappointment is handled. Many change processes end up as a fizzle because these conversations don't take place.

Internal communication can have different functions at a change process, in the change process and over the change process. Internal communication can be one of the most important tools for interactive policy within an organization. Internal communication plays a role in the process. By a good exchange of information and ideas it is possible to come up with a vision for the future.

Communication about the exchange ensures the correct perception for the need of change, the way the change happens and the desired results of the transition. Furthermore communication contributes to acceptance of the need, the way of changing and the results. Finally, communication helps to achieve the desired behavior needed to change;

Internal communication should be focused on:

- Make the reason of the change clear for all concerned. (for what problems is this the solution?)
- Clarify the new situation that occurs after the transition. (how does the structure looks like and how are the new lines between the organization units.)
- Uncertainty and discontent must be canalized (helpdesk, complain points) and where possible, bent it over in positive energy.

To achieve improvements, the organization must meet the following three conditions<sup>1</sup>:

- 1 A willingness to improve must be present. Widespread support is essential. Support for improvement is not only created by communication. Employees must personally experience the positive effects of the improvements. Within the organization must be known that putting time and effort in improvement processes is profitable. Employees that need to improve and change must have the feeling that they are rewarded and appreciated for that.
- 2 Within the organization there must be enough knowledge, experience, skills and the right attitude must be present. Especially the responsible manager plays a important role. Knowledge management and sharing knowledge are important for a successful improvement process.

- Men has to use improvement methodology where the organization has experience with. If that experience is not available, then confidence in the proposed approach is very important. Actually seeing a demonstrated approach can help people and convince them.

This means for Stihl that they must communicate well and often with the personnel that is involved in the transition. Good communication is the key for a smooth transition.

### 3.2 Defining the goal of transition

Change in strategy is a change in the direction of the organization. Change in strategy involves clarifying the new 'targets' and a new translation of abstract goals into concrete work situations of those involved: 'What does it mean for me?' Change in strategy is usually a fundamental innovation. In large organizations it is important to keep an eye on how much impact a change of strategy has for the employees in the lower divisions of the company. The repositioning of a company can have major consequences for the top while for production employees nothing changes. Good communication is necessary.<sup>2</sup>

Before the change in strategy it is useful to make a swot analysis. By observing Stihl Groningen and Zwolle the four characters of the swot could be completed. Also interviews with the personnel contributed to complete the swot analysis. With the swot analysis you get an overview of the strong and weak points of the strategy, it also makes clear what opportunities and threats there are<sup>3</sup>. The swot analysis can also be used by Stihl to get a better image of the transition of the sales department from Stihl Groningen to Stihl Zwolle. Further it can be used for making decisions and to position the direction and the strategy of a company. See figure 4.



Figure 4: Swot analysis of the transition

Stihl wants to make his organization stronger. Stihl wants to achieve this with a new strategy of centralizing the sales departments on the distribution centers. In this way Stihl has a strong sales team in each region, this sales team features all the product specialists.

<sup>2</sup> Koeleman, H. *Interne communicatie bij verandering. Van middelen en interventie denken* Kluwer Alphen aan de Rijn (2006)

<sup>3</sup> Solomon Michael R., Marshall Greg W., Stuart Elnora W., *Marketing, real people, real choices 2* Pearson educations (2009)

By combining the product specialists, all the knowledge is available in one office. On this way the knowledge is fast available and the customers can be helped better. And the personnel can work more efficient.

On this moment each establishment of Stihl has his own sales department. The distribution in the Northern region is already controlled from Zwolle. The salesmen from Groningen already have a lot of contact with the distribution centre in Zwolle. This takes time and if someone is absent the contact is sometimes very difficult.

If the sales team from Groningen moves to the distribution centre in Zwolle the contact lines will be much shorter, and they just can ask their colleagues if they need to know something. Another advantage is that they immediately see from one another if they are present. And finally the customers can be helped faster and better. Also the personnel can work more efficient because double work can be prevented.

To make the transition a success, everyone has to understand the goal and the underlying idea (strategy). Communication is very important in the process of making a success of the transition, and to keep everyone satisfied.

Employees are often critical when it comes to changes. They are also curious about the consideration and foundation of the plans. The purpose, benefits and pitfalls must be clear for everybody who is involved in the transition.

### **3.3 Differences between the establishments**

Before the transition it is good to monitor if there are clear and visible differences between the two departments. These differences could affect the transition in a bad way, and can cause for problems. When the differences in culture and habits are monitored, they can be taken into account. So that these differences don't cause problems after the transition. In the article of Herman Koning of the Hay Group several problems are mentioned and useful tips are given about things to take into account with a fusion.<sup>4</sup>

Most of the time the attention is on saving money, and the possible financial and juridical risks of a fusion. Usually there is not a good plan for the personnel. There is barely done a serious research.

Disregarding the soft side of fusions and transitions significantly reduces the success rate of the transition. What often happens is that the intended targets are not sufficiently realized. An example is that two companies put two sales departments together to reduce costs. And after a while they find out that customers stay away. The relation between buyer and seller appears to be more than only the product. Companies are finding that the intended effects are not realized or that everything takes much longer than expected. Two tips from Herman Koning for companies that want to start a transition are;

- When you make a plan (and start a research of the process) of a transition, put **very explicit** the terms; organization, people and culture on the agenda.
- Give a person or a group of people, responsibility for monitoring the fusion process. Someone who is constant on top and continuously checks of the desired results are achieved.

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<sup>4</sup> <http://www.penoactueel.nl/management/strategie/bedrijven-negeren-zachte-kant-bij-overnames-5117.html>

Stiho has 16 establishments, each of these establishments has his own company culture and habits. There also is a difference between Stihl Groningen and Stihl Zwolle. It is important that these differences are known. When the differences are identified, there must be checked whether it produces a problem, and what can be done about it.

There are a lot of differences between the two establishments, but of course not all the differences are of equal importance for a transition of the sales department. The most important differences are colored red, and the less important ones green, see figure 5 and figure 6. The differences that are colored red were mentioned by the personnel that filled in the survey. The red ones have more effect on the salesmen than the green ones. It is of course also a personal matter of the staff, but there are a few general things that the salesmen immediately will notice if they move to Zwolle. These differences could have influence on the way of working of the salesman that makes the transfer to the distribution centre in Zwolle.

Stihl Zwolle	Stihl Groningen
<ul style="list-style-type: none"> <li>•Stihl Zwolle is a distribution center</li> <li>•Contact with customers is mostly by telephone</li> <li>•Stihl Zwolle is bigger, more personnel</li> <li>•Busy at the office, noisy</li> <li>•Customers visit the office not so often</li> <li>•Not all the staff has contact with each other</li> <li>•Not everyone in the company thinks along</li> </ul>	<ul style="list-style-type: none"> <li>•Stihl Groningen is a pick up location</li> <li>• The contact with the customers is more personnel.</li> <li>•Stihl Groningen is smaller, less personnel</li> <li>•Quiet office</li> <li>•Customers visit the office more often</li> <li>•All the staff has contact with each other</li> <li>•Everyone thinks along with the company</li> </ul>

Figure 5: Important differences between Stihl Groningen and Stihl Zwolle

The main difference that the salesmen will notice is that it is more crowded at the office in Zwolle because there is more personnel, so there is more noise. The salesmen will also notice that the office in Zwolle is not often visited by customers.

Stihl Zwolle	Stihl Groningen
<ul style="list-style-type: none"> <li>•Only Stihl</li> <li>•Small shop</li> <li>•Old</li> <li>•Big workshop for all kinds of operations</li> <li>•No showroom for customers</li> </ul>	<ul style="list-style-type: none"> <li>•Also Baars &amp; Bloemhoff in the establishment</li> <li>•Big new shop</li> <li>•New</li> <li>•Small workshop limited number of operations</li> <li>•Big showroom for customers, with a big variety of products</li> </ul>

Figure 6: Less important differences between Stihl Groningen and Stihl Zwolle

The personnel of both establishments must be open for change. If they don't do that, they will never get along together. Where there's a will, there is a way

### **3.4 Practical matters**

When the sales team from Groningen starts working on the distribution center in Zwolle, the distribution centre in Zwolle must of course be ready, so that the staff can start right away. This means that new workstations (computers, accessories) must be realized.

Also the administration of the salesman has to be moved to Zwolle. So that all the resources that the salesman need to do his job, are available. If these matters are properly prepared, it makes a transfer going smooth, and easy for the moving personnel. More information about practical matters for a smooth transition can be found in appendix 1.

The office of Stihl Zwolle is on this moment quite full, it depends on the number of employees that make the transfer of a new layout of the office is necessary. With a new layout it is possible to create new and more workplaces.

#### **What do the involved need to know**

Everyone who is involved with the transition needs to be informed. It is important that the right information gets to the right persons. The consequences are for everyone different. There are the salesmen that have to make the transfer. The accountants that still are located in Groningen. There is the personnel that works in the shop of Stihl Groningen. And of course the personnel of Baars & Bloemhoff that also will stay in Groningen. For everyone the transfer means something else. That's why everyone needs to get the information they need. This means that the heads of the departments need to inform the involved ones about the transition. If everybody is informed well, it prevents unrest among the staff. And makes a transfer going smooth. On this way all the personnel knows what the consequences are for her or his job and activities.

#### **Difference in costs**

A good preparation means the costs of a transition or the profits of a transition are taken into account. In terms of costs there does not change a lot, there is no need to fire or to hire new personnel. The transition will have a price tag, this is further discussed in chapter 6.

## 4. Consequences of the transition for customers of Stihl

In this chapter the second sub question is answered. What changes for the customers if the sales departments merge and what are the positive and negative consequences. Does the service and support change? With a literature study information is obtained about buying motives of customers. With the use of a survey information is gathered about what customers find important about service and support.

### 4.1 Why customers buy

Why do customers buy their products at Stihl? If Stihl wants to keep his customers satisfied, it is necessary to keep up the level of service and support. That's why Stihl needs to know the buying motives of their customers. When you know the buying motives of your customers, you can adapt your services and support on that, and you can keep the consequences of the transition for the customers into account.

Buying motives differ from customer to customer, but there are a number of reasons that most customers consider important<sup>5</sup>:

- **Reliability:** Customers want certainty of a company, products must be of a good quality. The service must be good and the delivery time should not increase too much. All problems with ordering and with using the product are reducing the confidence in the company.
- **Comfort:** The company has to make it the customer as easy as possible, have a wide range of products provided in a warehouse, and deliver the products as fast as possible. The seller must also give useful explanation to the customer. And have a special after sales service that solves product problems.
- **Price:** The product should not cost too much. If it costs more than competing products, it must offer the customer a relevant advantage. The products should eventually earn themselves back by their efficiency and the more options it has in comparison with competing products.
- **Personal contact:** Many customers visit the sellers personal, to ask for the opinion of the seller about certain hypes or developments in the market. Or they just want to make a chat. They are more inclined to buy something from someone they find sympathetic and helpful than from a grumpy salesman. Do not overdo this: if a customer notice you play drama, they will not trust you anymore.
- **Status or influence:** Some products are especially popular because the status it creates for the buyer. If you sell these products you must maintain that image. It might be an advantage to keep the price high, because a high price is partly responsible for the status a product has. Just make sure that the price is justified by high reliability and good service.
- **Tension:** Some customers have a strong need for adventure. If your client has this profile, the product or service has to be special, exciting and stimulating.

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<sup>5</sup> Kweekel, P. *Waarom klanten wel bij mij kopen*. druk 1 SWP uitgevers (2006)

The most important buying motives for the customers of Stihl are *reliability, comfort, price* and *personal contact*. The assortment of Stihl is not suited for the other motives.

### ***Reliability***

Stihl offers their customers quality products. The delivery times are short, if you order before 12 o'clock you will have your products the next day. The service of Stihl is also good, they have a workshop where they can customize the products. The customers can rely on Stihl, they know what they can expect of Stihl. The transition has consequences for the reliability of Stihl, because the better utilization on the office in Zwolle, Stihl improves their reliability.

### ***Comfort***

Stihl has a wide range of products, and delivers their products as fast as possible. That is making it easy for the customers. The salesman have much knowledge about the products they sell. And can help their customers well. The after sales service is also well maintained, if the products are not good Stihl comes to pick up the wrong products and change them with the right materials. Because the knowledge of the sales force gets combined, the comfort for the customers will grow. The customers will be faster provided with more knowledge.

### ***Price***

The products that Stihl sells are not special. There are a lot of companies that sell these products (Jongeneel, Pontmeyer, Raab). So the price or the relevant advantage that the products or services from Stihl offer, is important for their customers. Of course a good and sharp price is important in these days in a market full with competitors. Being the cheapest is not always decisive, offering service and knowhow is getting more important for customers, you have to sell something extra. The transition does not change the pricing of the products of Stihl. But customers get more service and support for the same price.

### ***Personal contact***

This buying motive is not important for all the customers of Stihl. But there are also customers that appreciate the personal contact with the salesman. They can ask for advice or for developments in the market. Or they just visit the office for a chat. These customers want to do business with a person, not only by phone or mail. This is a small group, about 5% of the customers has real personal contact. The majority just uses the phone and order their materials, and in some cases pick it up. The personal contact with the salesman that make the transfer, will be hard to maintain, because the long distance between salesman and the customer. But the customers keep their own contact person and keep doing business with the same salesman. That is very important because the customers trust their own salesman.

## **4.2 What is important for the customers in terms of service and support**

Because the transition does not change much for the customers of Stihl. It is not necessary to inform the customers with the ins and outs of the transition. It would only create unrest. The customers don't have to go to the distribution center in Zwolle. For the customers it is important that the service and support stays at the same level or even gets better. It would be good to know about the levels of service and support they require. On this way Stihl knows the needs of his customers and can take them into account. To find out what the customers think is important, it is necessary to know the opinions of the customers. The questions below were answered by the customers of Stihl Groningen and Zwolle.

- 1 *What do you think is important in terms of service when you order your materials?*
- 2 *What do you expect from your suppliers in terms of service?*
- 3 *What do you think is important in terms of support from your suppliers?*
- 4 *What do you think of the (product)knowledge that is present at Stihl?*
- 5 *If you had to give Stihl a grade on terms of their service and support, what would it be?*

These questions were asked to the different customers that Stihl Groningen and Zwolle has, like construction factories that make prefabricated products, large contractors, small contractors, independent contractors and handyman's. See appendix 2 for a list of companies that answered the survey

Each branch has their own opinion and views about what good service and support is, because the different customers have different interests of Stihl and the materials that Stihl sells. See appendix 3 for the complete survey for customers of Stihl.

Below there is a summary of the answers on the questions from the customers of Stihl. The most customers had the same answers and opinions about the topics in the questions, that's why the answers are summarized. Although the grades that Stihl gets from his customers, and the opinions about the material knowledge differ.

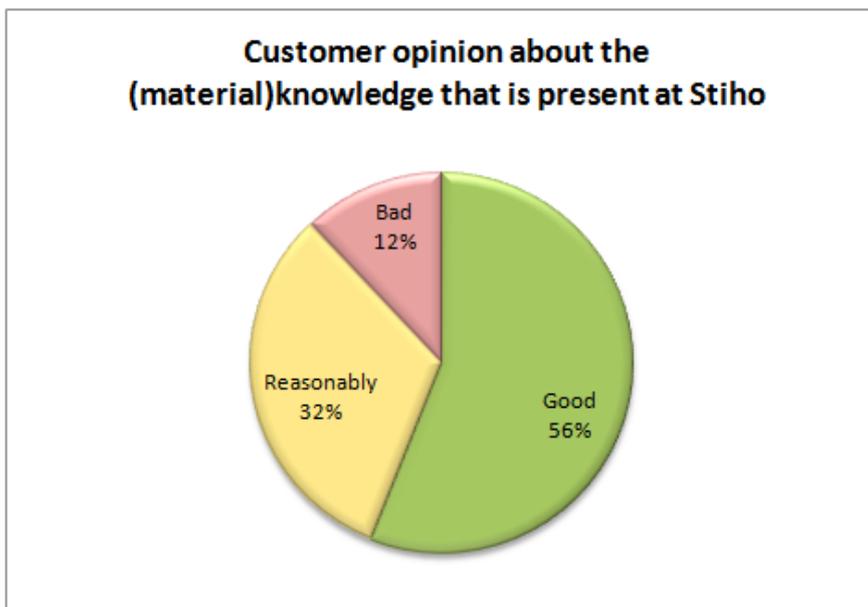
- 1 The customers indicated that they want to be treated pleasant and on a professional way. The salesman must keep their promises. For customers it is important that the materials are packed well and are undamaged. The delivery must be on the right time and place and as fast as possible. And if the delivery cannot be on time, this must be mentioned on time. For customers it also important that materials with different sizes are in stock.
- 2 Important services for the customers are; that salesmen think along about alternative products, time of delivery and involve advice of the manufacturer. Customers want proper invoices, offers must be on time, and the salesmen must be available. For customers it is important that their suggestions or complaints are taken serious. If something is wrong or not as agreed this must be solved quickly. Customers want to be helped quickly. Customers appreciate it when backorders come fast. Customers appreciate it when Stihl is flexible with the payment period in hard economical times. A part of the customers indicated that appreciate it when an order changes, that delivery date does not change.
- 3 The customers want bill that are correct. Customers want to be helped quickly this means that the salesmen are fast accessible. Customers appreciate it when samples are available and the like allusion of projects by Stihl. If there are new materials on the market customers wanted to be informed by their salesmen. Customers indicate that the agents must have enough knowledge and have to the customers on a regular base. Customers appreciate advice about certifications (FSC/PEFC/CE). They want to be informed about temporary actions of Stihl. Customers expect from their salesmen that they come up with cheaper alternatives and think along about the order times of materials during a project. Customer appreciate it when Stihl is able to deliver materials with abnormal specifications.
- 4 The customers find the knowledge in the field of wood and sheet materials very good, the knowledge about the other building materials could be improved.

Customers indicated that the knowledge differs per salesman. The firm in total has a lot of knowledge. The customers appreciate it that the knowledge is up to date and the fact that Stihl is able to do all kind of applications with their materials, like planing and milling.

- 5 The average grade that Stihl gets from their customers about the service and support is a 7,3

*Graph 1 shows that almost 55% of the customers of Stihl Groningen and Zwolle say that the product knowledge is good. More than 30 % of the customers has the opinion that the product knowledge is sufficient. About 10% thinks that the knowledge is not sufficient and could be better.*

*The results are of course opinions from the customers. The disadvantage from opinions is that they easily can change. And can be based on the last order or phone call to Stihl. And therefore could give an aberrant answer. Almost 90% of the customers indicated that they are satisfied with the product knowledge.*



**Graph 1, Opinion from the customers about the material knowledge**

*The customers were also asked to give Stihl a grade on terms of their service and support, this means delivery time, knowhow about materials etc. The outcomes are very satisfying for Stihl, the average grade is a 7,3. This means that the majority of the customers think that the service and support is good. This is good to know for Stihl, because the transition of the sales department to Zwolle ensures a stronger team, so that Stihl is even able to help the customers better than now. There is no reason to think that customers get less satisfied because the transition of the sales department. Because they still can do business with their own salesman, that benefits of the combined knowledge. And is able the help their customer faster and better and provide him with more information.*

*The grades could also change fast if a customer gets unsatisfied, the grade is most likely linked to the last orders that a certain customer made. If something goes wrong, there is a part of the customers that forget the previous orders that were good. Therefore it is necessary to keep the level of service and support as high as possible.*

### **4.3 What does the transition mean for the customers of Stihl.**

It sounds strange but the transition does not have big consequences for the customers of Stihl. There are no big changes for the customers. The phone calls that normally arrive at Stihl Groningen are diverted to the office of Stihl Zwolle. The phone calls will be answered by the same salesman when possible. Of course it is possible that somebody else answers the phone, when the related salesman is not available. The biggest change for the customers is that the personnel contact with the salesman on the location of Stihl in Groningen is no longer possible. But the customers benefit from the concentration of knowledge on the office in Zwolle.

### **4.4 Positive and negative points for the customers**

The knowledge of all the salespeople will be bundled at one location, on the distribution center in Zwolle. This means that if one salesman needs to know something from another salesman this can quickly be done by an internal call, or they can walk along each other. Because the salesman are located in one office they can immediately see who is present and who is not, this saves time and means that customers can be helped faster and better. The level of service will be higher after the transition. Nowadays it is not possible for the salesmen from Groningen to see if the personnel in Zwolle is on their work desk, or vice versa. There are techniques available to see this, but that is not the best solution for Stihl. The salesmen are often away from their work desk because they are visited by the account manager or by a representative of a supplier. It also happens that the salesmen are helping a customer or that they are on the yard checking materials. Or they have to visit the sawmill to give explanation about a certain order. On all these moments the salesman is not available for customers or colleagues. The colleagues in Zwolle can see this, but the colleagues in Groningen don't. If the personnel from Groningen is also located in Zwolle these problems will not happen anymore.

Stihl Zwolle has always been a real traditional timber trader, that's why the product specialists in Zwolle have a lot of knowledge about: softwood, hardwood, and sheet material. This are also the products that Stihl Zwolle sells the most.

Stihl Groningen is also more focused on building materials like; bricks, cement etc. Because the product specialists come together in Zwolle, they also can learn a lot from each other. By sharing this knowledge the product specialists also can help their customers better and provide information faster. On this way it is not necessary for Stihl to organize workshops about the building materials. Which cost money and valuable time of the salesmen

The knowledge from Groningen could also ensure that in Zwolle more building materials are sold. The salesmen can use their new knowledge to sell more products from the assortment of Stihl. Stihl Zwolle now sells mostly timber (softwood, hardwood and sheet material) for other building materials the customers of Stihl go to other suppliers.

This new knowledge can potentially encourages that Stihl Zwolle sells a full range of building materials. This would be easy for the customers and could mean an increase of the sales for Stihl. If there is no knowledge available at the sales force about certain materials it is hard to sell these products to the customers.

The transfer of the sales team from Groningen to Zwolle means that there is less personnel present on the establishment in Groningen. This automatically means a lower occupation, some customers could perceive this as negative.

Stiho Groningen is a drive-in establishment, this means that customers arrive with their car, drive through the warehouse, load in their materials and then drive to the job.

Sometimes these customers also visit the office for a cup of coffee or a chat. Occasionally they also ask for advice from the product specialists of Stihl Groningen. This will no longer be possible because the specialists are now in Zwolle. This would mean that these customers have to call to Stihl Zwolle (which they have to do anyway if they want to order something). For some customers from Stihl Groningen this could be a problem, because they prefer to do business in their own region, or they prefer personal advice.

If customers want to order something at Stihl Groningen they are automatically redirected to the distribution center in Zwolle. It is possible that they get someone on the phone that they don't know. Some customers may experience this as unpleasant. Because they prefer to do business in their own region with people they know.

It is also important that the personnel in Zwolle feels responsible for the 'new' customers from Groningen. And the sales team from Groningen must feel responsible for the customers that already do business with Stihl Zwolle. If the sales force does that, they are able to keep the 'old en new' customers satisfied.

Because the customers barely notice the negative effects of the transition of the sales department. Stihl doesn't find it necessary to inform the customers. Stihl is always very reticent with informing their customers about changes inside the company, because they are afraid to scare their customers away with internal changes, and create unrest among their customers.

The phone lines to Stihl Groningen will be diverted to Stihl Zwolle. On this way the customers are able to keep in touch with their own salesman. Of course it could happen that customers have to deal with another salesman, but this is already the case when the lines are busy or when a salesman is not present. But this is not a reason for Stihl to inform their customers about the transition.

The transition of the sales team will create more knowledge, so that the product knowledge even gets better. Because the knowhow of timber is combined with knowhow of building materials. The transition could be negative for the customers that want personal contact. They still can do business with same salesman, but not face to face anymore.

## 5. Consequences of the transition for the personnel of Stihl

In this chapter the consequences of the transition for the personnel will be discussed. To find out what the employees think about the transfer, they filled in a survey. The answers from the survey contributed to answering this sub question.

Additional to the survey, the head of sales and the commercial manager of Stihl Zwolle were also interviewed.

### 5.1 Survey personnel of Stihl Groningen

To make the transfer to Zwolle go as smooth as possible and pleasant for the staff of Stihl Groningen, it is good to know the personal opinion of the staff that is involved in the transfer. The transfer also affects the other employees of Stihl Groningen. It is also useful to know their opinions. The more information Stihl has about the transition, the better for the progress of the transition. And the more chance there is to keep the personal satisfied. Below are the questions of the survey for the personnel of Stihl Groningen. See appendix 4 for the complete survey that is answered by the personnel of Stihl Groningen.

#### Questionnaire for the personnel of Stihl Groningen.

- 1 How did you become aware about the transition?
- 2 What do you think about the way you are informed out about the transition?
- 3 For a smooth transition a good preparation is of course important. Do you think this is the case?
- 4 Has the transition consequences for your work?
- 5 Did you want to be more involved in the process of the transition?
- 6 What do you think about the strategy of combining the sales departments on the distribution centers ?
- 7 Would you want to make the transfer if your job was involved with the transition?
- 8 Do you think it has consequences for the customers of Stihl Groningen? Positive or negative.
- 9 What do you think about the time frame in which everything has to be done?
- 10 What do you think of the transition? Do you have any comments or suggestions about the transition of the sales department of Stihl Groningen to the distribution center of Stihl Zwolle.

#### Answers and comments on the survey for the personnel of Stihl Groningen.

The answers of the survey are below, and some negative and positive comments of the personnel of Stihl Groningen is added.

- 1 All the personnel of Stihl Groningen is informed on the same way. They were informed by three managers or by the headquarter: There were already rumors.
- 2 About 60 % of the participants that filled in the survey agree that the communication could be better: There were long silences. It should have been better. A medium positive reaction was; the way of informing was good, but I don't understand the philosophy behind it.
- 3 The personnel of Groningen is of the opinion that the preparation was not good: There is not thought about the consequences and impact that a transition has for the personnel. What about the moving of the personnel and the related costs. What about the utilization of the Stihl establishment in Groningen. Colleagues don't know

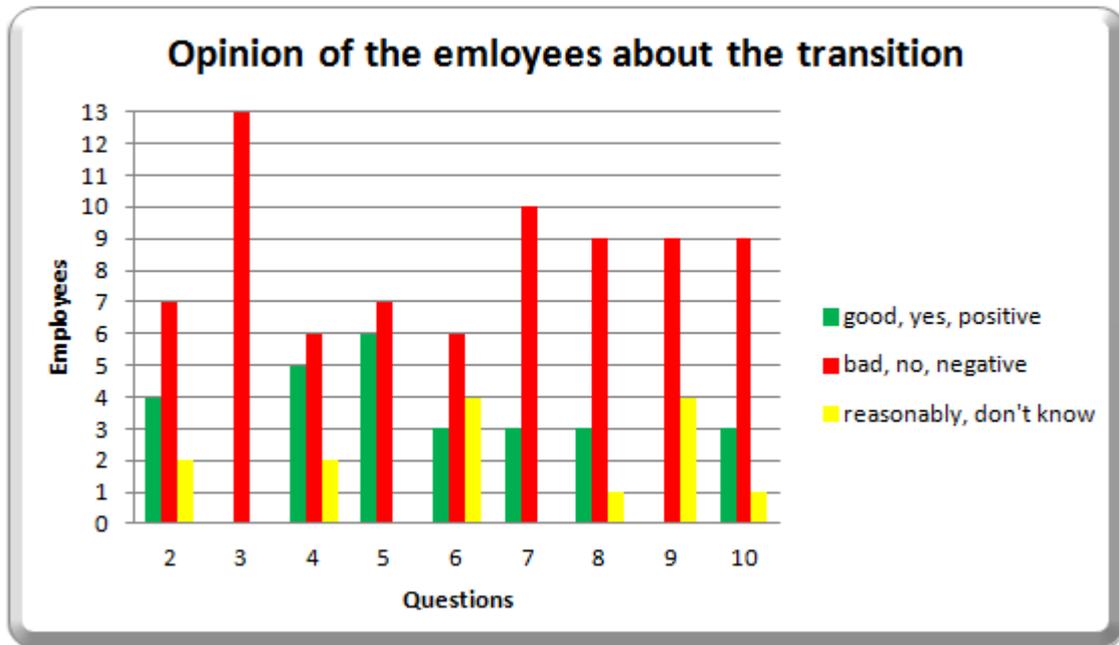
where they stand. There must be taken decisive action. Preparation, there was no preparation. The deadline has been moved three times this testifies the poor preparation.

- 4 The reaction on this question differs from each other. For some personnel the transition has consequences for their jobs, and for some personnel not, and some don't know, it is wait and see how many customers still contact Stihl Groningen directly. Some think that they lose knowledge in the department of Stihl Groningen. As an account manager barely, only the short line to the office is gone. A positive answer was that they will have more tasks and see it as a challenge.
- 5 A part of the personnel wanted to be more involved in the transition and a part not. It is almost fifty-fifty.
- 6 The opinions of the personnel about the new strategy is also divided. Some believe in the new strategy of Stihl but the most think that it is not a good step for Stihl: They believe in personnel contact with the customers. Keep the sales point near the customers. It will have adverse effect for the relation with the customers. Stihl Groningen has now customers that have abandoned competitors because there was no personal contact. It is not necessary with the modern technologies. It could work good for the establishments in the west of Netherland, but the customers of Stihl Groningen are in a relative big area, without coffering of other Stihl establishments. A positive reaction was that the customers get their own contact person inside. A good combination of the right people can have a positive impact on the organization.
- 7 About 75% of the personnel indicates that they don't want to move to Zwolle. The main reason for this is the distance and they don't want to move to another place and they don't want to travel. Another reason is that living in Zwolle is much more expensive than living in Groningen. The average price of a house in the region Zwolle is 20% more expensive than a house in Groningen. I don't support the new policy, that makes it hard to make that step. 25% of the employees say, they want to work in Zwolle but that is only if their jobs would be at risk. It is also not the best time on the house market, it is hard to sell your house for a decent price.
- 8 Almost all the personnel thinks that a transition has negative consequences for the customers. There is no direct contact with customers, is the main reason for the personnel. Some also think that it takes longer to make offers and orders and that is of course negative for the customers. There goes a bit of knowledge away from the counter sales. The distance is too big. Some of them said, there are customers that want to buy at a company in the north.  
A positive reaction is that it is a matter of getting used to. It depends how the clients are served in Zwolle. They think also it is not negative if customers get the same salesman on the line.
- 9 The opinions about the timeframe are almost all the same: Almost everyone thinks it takes too long. Also the timing in combination with the new computer system is bad. The time of the transition is often shifted. That's not good for those involved. It creates uncertainty and unrest among the personnel. Another opinion is that first the right people have to be placed on the right place, before the transition is carried out. In the beginning it was clear, then it is constantly moved. In the timeframe wherein everything happens is shameful. This is due to the lack of a roadmap.
- 10 The general opinion of the personnel about the transition is; that the personnel does not see the need of it. It takes too long. It seems that the communication within the

Stiho is not that good. And the personnel of Stihol Groningen is a bit disappointed because a transition is bad for the atmosphere at Stihol Groningen. Customers that order by phone cannot quickly drop by in Groningen for a chat an explanation or for an instruction of the products etc. In the context of the new working, it is not a good action.

Almost a quarter of the personnel understands the strategy and thinks a change in strategy of Stihol would be good. See graph 2 for the results of the survey.

*Question 1 is not mentioned in the graph because the answers from the survey on question 1 are not measurable in good, bad or reasonably.*



Graph 2: Opinion of the employees about the transition

## 5.2 What does a transfer mean for the personnel

The salesmen can work more efficient and consult each other faster because they are in one office. And the salesmen know of each other what they are doing. Because all the product specialist are now in one office, the salesmen can learn from each other, and are able to help their customers better.

Another positive point is that better guidance can be given from the head of sales. Better guidance leads to better results. The head of sales has now all his personnel together in his office. This means that he can respond better and faster if problems occur. When the head of sales is in Zwolle and a part of his sales force is in Groningen it is hard for him to give guidance to them because the simple fact that he can't see all his personnel. There were not a lot of positive answers from the personnel. The positive points came up in a interview with the head of sales, and the commercial manager.

A transition will mean a new workplace for the involved personnel from Stihol Groningen. There is a distance of 110 kilometer between Groningen and Zwolle, this means that if personnel from the department from Groningen moves to the distribution center in Zwolle they have a longer travel time. It is also possible that the staff moves to the region Zwolle.

This would have a huge impact on the social life, and it could be that a part of the staff does not want to move away from the region Groningen. Living in Zwolle is more expensive than in Groningen, especially the house prices are higher.

The transition could affect the connections from the salesmen and their customers. Some customers that order materials in Groningen pick it up on the department in Groningen and drink a cup of coffee with the salesman or ask for advice. This does not happen anymore when the salesman are located in Zwolle. Some customers are very sensitive for personal contact and it could be a reason to stop doing business with Stihl.

In graph 2 can be seen that the majority of the personnel reacted negative about the transition. The negative reactions are not a real surprise, employees and people in general are often critical when it comes to change. But the bad result does not lie. It would not be good for Stihl to continue on this way with the transition.

These reactions can also be expected at future transitions of sales departments to the distribution centers. But can be significantly reduced or be prevented by better communication and by involving the personnel more in the process.

The final results can also be used at a future transition. With the results you can prove that the new strategy works. And that personnel don't has to be afraid for a loss of knowhow. And that they are still able to do their job.

There is also the possibility that the personnel that first was negative gets positive after a while. Because they still can do their job and are able to develop themselves and see that everybody has profit of the transition. If other establishments of Stihl see that the transition finally brings success, the personnel is less suspicious of the idea of merging the sales departments. And there will probably be less resistance with future mergers.

## **6. The price tag of a transition**

A transition will have financial consequences, Costs have to be made costs for a smooth transition. It is good to know if the costs are worth a transition. In this chapter the financial consequences of a transition are discussed. This information is obtained by interviewing personnel of Stiho.

### **6.1 What kind of costs must or will occur by a transition**

A transition of the two departments will cost money. New work places have to be realized in Zwolle so that the personnel of Stiho Groningen immediately gets to work. The personnel of Stiho Groningen has to commute to Stiho Zwolle. The distance between the two establishments is 110 kilometers, so 220 km. a day and 1100km. a week. The personnel must be compensated for the kilometers they have to drive. Over an entire year that are a lot of kilometers. Also the depreciation of the car must be compensated. Another option could be that the personnel drives in their work time. But this would cost Stiho also a lot of money, because the productive hours shrink a lot. When the personnel eventually moves to the region Zwolle these travel costs will be drastically reduced.

It is also possible that Stiho provides the personnel that has to commute with a pool car. This pool car is only for business rides, and is not for private use. On this way the personnel does not have the extra costs of traveling from Groningen to Zwolle and back.

For the rest there are no big expenses, for the personnel that makes the transfer there must be a computer and a workplace available. But that is not a problem, in the office of Stiho Zwolle there are enough computers and workplaces available.

### **6.2 Does the transition cost or save money for Stiho**

An affect of the transition is also that the department in Groningen now has workplaces over and is not fully occupied. Perhaps these workplaces can be used in the future but that is not yet an issue. The overhead costs per employee at Stiho Groningen will rise.

Prior the transition there are a lot of meetings. These meetings are necessary to let the transition go as smooth as possible. The meetings cost a lot of time and effort of those involved. The people involved in the meetings also lose a lot of time for their regular activities. These costs are difficult to express in monetary, but they are certainly costs.

Stiho is not saving money with the transition. The department in Groningen stays, only the sales team goes to Zwolle. So the overhead costs will not drop, and costs are made with the purchase of a pool car, or by compensating the travel costs.

Indirectly the new strategy could provide a profit in sales. But it will be difficult to say if it is because the change of strategy and the transition of the salesmen or because changes in the market. The turnover for the building industry has also dropped, this has of course also consequences for a timber and building material trader as Stiho.

### **Financial consequences for the personnel**

Moving from the region Groningen to the region Zwolle is financially not really attractive for the personnel, because the price for a house in Zwolle is on average 20% more expensive than a house in Groningen. Which means a higher mortgage, therefore higher expenses for the personnel.

The further away from Zwolle the more the house prices will drop. And the difference in price is reduced to 10%. But it is just what the personnel wants. It is nowadays also hard to sell your own house, this is also not in favor for the personnel that has to make the transition. Maybe the personnel must be compensated for moving by an one-time compensation. So that a move is encouraged. And the travel costs are not so high anymore.

### **What will the costs be in comparison with the current costs**

The biggest change with the current costs is the purchase of a pool car, or the travel costs. For the rest there are no big differences in the costs. So the transition has directly no major financial consequences for Stihl. Indirect there could be a financial difference because, the transfer could have effect on the turnover.

With an earlier transition of Stihl in the South of Netherlands, Helmond to Gilze. Stihl had a loss in turnover. Stihl has lost many customers in that area. Above that Stihl also lost a part of his personnel from the establishment Helmond. This does indicate that a transition can cause for big differences in costs, if a transition does not run correctly.

Stihl does not want that this also happens with the transition of the sales department of Stihl Groningen to Stihl Zwolle. That's why a good preparation of the transition is crucial. The circumstances for this transition differ from the transitions of Helmond to Gilze. The establishment of Helmond was yet one year in the hands of Stihl. The personnel did not feel connected with Stihl, and were from the beginning against a transition. After the news of the transition the staff was not motivated anymore and started with applying for new jobs. Customers can feel this, and don't feel comfortable anymore, and stop doing business with Stihl. When the management of Stihl noticed this, they started the transition immediately, this partly explains the loss in turnover and personnel.

The personnel that now is involved with the transition is much more connected to Stihl, and already work many years at Stihl. That's also why Stihl believes in a good result, without a loss of personnel and turnover.

With the new strategy Stihl believes that they are ready to perform after the crisis, this performance must lead to an increase of the turnover, and not with a loss of customers. But the future will tell.

## 7. What has to happen after a transition

When the transition really has happened, the process of the transition is not yet over. In this chapter answer is given on the sub question; what to do after the transition?

Information is gathered from publications on the internet, and by literature study about completing mergers. Additional information comes from the personnel of Stihl.

### 7.1 General action plan

After the transition the outcomes must be monitored. This general action plan can be used for all the consequences of the transition this means the turnover, the satisfaction of the personnel of both establishments and the customer satisfaction. The data must be used to come up with conclusions about the transition. If the conclusions are clear and they are not satisfying, it is time to intervene. After the intervention everything must be monitored again and new conclusions can be made. And if it is necessary there must be intervene again. Until everything is according to the wishes of the CEO and the transfer of the sales department is a success. See figure 7 for action plan after the transition.

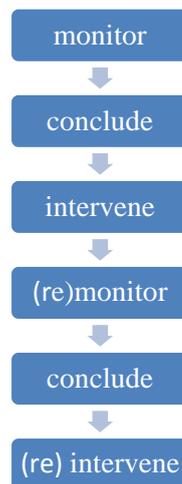


Figure 7 : Action plan for after the transition, from Wijnen, G.M. (1999)

In the case of the sales, it means that the turnover is viewed over a certain period. From these data conclusions can be drawn. Positive or negative, than action will be taken to achieve the desired results. These results must be checked again, and new conclusions can be made. If these conclusions are not of the desired result, action must be taken. This story is repeated until the desired result is achieved.

With this method of monitoring all the components of the transition can be monitored. The turnover, the satisfaction of the personnel and the service and support that Stihl can offer.

### What are the results of the transition

When the transition of Stihl Groningen to Stihl Zwolle is a fact, the consequences will be visible. The sales must be monitored. Did the transition resulted in a loss of customers and therefore also in a loss of turnover. Or is the turnover the same or did it even increase?

If the sales drop, action should be taken. The customers that cause the loss must be contacted or visited by one of the agents of Stihl. The agents have to find out why the customers don't order anymore, and try to come up with solutions so that customers order

their materials again at Stihl. Of course Stihl must prevent the above scenario's what is possible with a smooth transition. It would be good to monitor the sales on a short and a long term. If there is only monitored at a short term you could get a distorted picture. If a contractor does not order for while, it could be that it has nothing to do with the new strategy. It could be about the materials they need. When the sales are also monitored on a long term Stihl gets a realistic view on his sales. And can be decided if it is necessary to undertake action.

Because the transition also has consequences for Stihl Groningen, it is also important to monitor what happens on the establishment in Groningen. Is Stihl Groningen still able to satisfy their customers, now a part of the knowledge is moved to Zwolle. And how does the counter sales run. Is it still profitable, without the knowhow from the salesman that went to Zwolle? Is there still enough knowledge in Groningen and are they able to help their customers.

Is the personnel that made the transition to Zwolle satisfied at their new workplace. By monitoring this, the head of sales knows when to intervene on time, so that problems can be prevented. It would be good to keep an eye on Stihl Groningen, the transition could mean extra work pressure for the staff of Stihl Groningen. How is it going with the staff are they still satisfied this must be checked after the transition.

A longer time after the transfer there must be looked to the result of the transfer. Did Stihl do the right thing and does the strategy of joining the sales forces on the distribution centers really works. Do customers benefit from the new strategy? Is Stihl able to offer better service and support. And is it good to continue with the strategy of combining sales departments on the distribution centers.

## **7.2 How did the transition process go**

Stihl must look back on the process of the transition, what went good and what not. How can Stihl do things better with future transitions from sales departments to the distribution centers. It is important to learn from earlier mistakes. The last transition in the South of Netherlands was not a success. Stihl had a loss of turnover and a loss of personnel. It is important that Stihl learns from these 'mistakes'. That's why it is important to do things better with this transition.

Stihl learned from the previous transition that the personnel must be involved in the process. This means that they must understand the goal of the transition. And that the personnel must stay positive. This can be achieved by good communication.

That's why there also must be an evaluation meeting with everyone that was involved with the transfer. The outcomes from the meeting must be used for future transitions.

Stihl can also contact customers and do a customer satisfaction survey. On this way Stihl can find out if the customers from Stihl Groningen are still satisfied with the service and support that Stihl offers. The personnel that was involved in the transition, can also help to give their opinion or come up with suggestions how to do things better in the future. The outcomes of the transition must be used for future transitions. With the new knowledge Stihl is able to let future transitions go more smooth.

## 8. Conclusion

In this chapter the main question of the research will be answered. The answers of the sub questions are needed to formulate an answer on the main question. Finally there is a conclusion.

- What should be taken into account when two sales departments will be merged?

The answer on the main question is; First of all a transition must be well prepared to prevent problems. The personnel needs to understand the strategy. By good communication problems can be prevented and personnel can be kept satisfied. The consequences for the personnel must be discussed, and Stihl must decide if a transition is still a good idea. The transition does not change much for the customers. They still can do business with their salesman. Customers will benefit from the combining of knowledge and the better utilization. The only drawback is that personal contact is no longer possible because the distance between the customer to the salesman is too big. Stihl must also think about the financial consequences of a transition. Because it also could have consequences for the turnover. After the transition the results must be monitored. Conclusions can be made, is the transition successful or not. There must also be looked back on the process of the transition, what went well, and what not, and Stihl must learn about that.

- 1 What has to happen before a transition?
- 2 What does the transition mean for the customers of Stihl?
- 3 What are the consequences for the personnel?
- 4 What are the financial consequences of a transition?
- 5 What to do after a transition?

- 1 In the first place it is necessary to thoroughly prepare the transition. Otherwise it is guaranteed that problems will occur. All the people that are involved in the transition need to know the goal and the idea behind the transition. To ensure a smooth transition it is important that the (cultural) differences between the establishments are known and that they are discussed. In the process of a transition there is a lot of communication, good communication prevents a lot of problems. Of course the office must be ready for more personnel, so that they can start right away. A transition means costs, to prevent surprises it is good to make an estimation of the expected costs.
- 2 The transition does not change a lot for the customers. The phone lines from Groningen will be connected with Zwolle. The customers that phone the salesman from Groningen will get him on the line in Zwolle. The personal contact the customers had with their salesman is no longer possible, because the distance is too long. The positive point is that the customers will benefit of the increasing know how of the salesmen. So that they can be helped better and faster. From the outcomes of the survey to the customers Stihl knows what the customers find important in terms of service and support. The transition does only change one of these terms on a bad way, that is the personal contact. Stihl

compensates that with the other terms about service and support that now will be better.

- 3 In the first place the personnel has to deal with a long distance between their residence and working place. This means longer travel times, or moving to another place. The personnel moves to a new office in Zwolle. This means they have to work in a new environment. An environment with other people and another culture. People are often critical about changes, that was also the outcome from the survey. The most answers were negative. The majority of the respondents indicated that they did not want to make the transfer if it was about their jobs. The main reason for this was the distance between the establishments.
- 4 The transition does not save money for Stiho. There will not disappear any jobs so there is not been cut in the costs. The transfer even cost money, the travel costs have to be compensated. In Zwolle there are already workplaces free, so it is not necessary to invest in that. There are also costs that cannot be expressed in money, like the meetings that are necessary to let the transition go as smooth as possible. If the personnel decides to move to the region of Zwolle, the personnel has to deal with higher house prices than in the region Groningen. The houses in the region Zwolle are on average 20 % more expensive. Eventually it is the goal of Stiho to increase their turnover in the future.
- 5 In the first place there must come an action plan with things to do. There must be monitored if sales change or if the employees still are satisfied. If this is not the case the action plan can be used. The consequences for Stiho Zwolle and Groningen must be monitored. Than there can be conclude if the transition was successful. Stiho also has to look back on the process of the transition, what went good and what not. And learn from mistakes.

## Conclusion

As far as possible I conclude that a transition at this moment is not a good idea. The bad preparation will lead to problems. There is not thought well about the consequences for the personnel. And the personnel does not understand the goal of the transition. These factors will cause for problems during a transition. *Disregarding the soft side of fusions and transitions significantly reduces the success rate of the transition.*<sup>6</sup> The customers will benefit of combining the knowledge of the salesmen. But there are also customers that will have problems with the fact that personal contact is no longer possible. I don't think that the costs that are connected with the transition are worth the transition at this moment. Especially not with the bad preparation. Stiho must stop the transition and start the process again when everything is well prepared. Although the conditions of this transition cannot be compared with the previous transition. I get the idea that Stiho did not learn enough from the previous transition, otherwise Stiho had dealt better with this transition. I think the new strategy is a good idea, the centralization of the product specialists could give Stiho a better and stronger place in the timber and building materials market.

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<sup>6</sup> Koning H., <http://www.penoactueel.nl/management/strategie/bedrijven-negeren-zachte-kant-bij-overnames-5117.html>

## 9. Recommendations

In this chapter recommendations are done. These recommendations arise from the research that is done on the establishments of Stiho Groningen and Stiho Zwolle, and from the surveys for the staff and the customers of Stiho. Also the literature study contributed to formulate the recommendations.

With regard to a successful transition the following recommendations can be made.

I recommend that Stiho stops with the transition and goes back in the transition process. Stiho must first discuss the necessity and the goals of the transition with his personnel. Stiho must create awareness for the transition. Further it would be good if Stiho gives the transition a second opinion because it does not fit in the picture of 'the new work' what is broadly encouraged. Stiho must look back, to learn from their mistakes.

The communication with the personnel must be better. Communication is the key for a smooth transition. It prevents misunderstandings and it takes uncertainty among the personnel away.

Stiho needs to write a script for the transitions of the sales departments, and use it as a guide for the transitions. With the script it is clear what steps to take, and what procedures must be followed. The script must include a timeframe about how long the process lasts.

The script must include a chapter about how to deal with the personnel. A transition has consequences for the whole establishment and not only for the staff that has to make the transfer. The (cultural) differences between the two Stihos should not be underestimated. These differences must be discussed, to make sure that they will not cause for problems after the transition.

It is important to maintain the current level of service and support, or even try to improve it. In the highly competitive market of wood and building materials the customers can choose between a lot of suppliers. Stiho must keep a good level of service and support otherwise it will cost Stiho customers and turnover.

When the employees made the transfer, the process of the transition is not yet over. The results must be evaluated. The results of the both Stiho establishments must be monitored, and conclusions must be made. Is the new strategy successful? The results must be used for future transitions, so that Stiho learns from any made mistakes.

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# Hoe kan ik twee afdelingen goed samenvoegen tot een geheel?

Enige tijd geleden zijn we met een andere organisatie samengegaan. Ik ben van plan om de verkoop binnendienst van beide bedrijven samen te voegen. Waar moet ik op letten om de samenvoeging succesvol te laten verlopen? En wat moet ik in praktisch opzicht allemaal regelen?

Werknemers zijn meestal kritisch als het om veranderingen gaat. Ook zijn ze benieuwd naar de overweging bij en onderbouwing van de plannen. Leg daarom helder het doel, de voordelen en de valkuilen uit en geef uw oplossingen aan. Deze informatie is niet alleen belangrijk voor een succesvol begin, maar ook voor de adviesaanvraag aan de ondernemingsraad. Hierin geeft u de beweegredenen aan, de gevolgen voor het personeel en de voorgenomen maatregelen om die gevolgen te beperken. Het voordeel van een doordacht en goed onderbouwd voorgenomen besluit is dat de OR sneller kan adviseren. Als het advies positief is, kan dit een goed PR-middel zijn om de acceptatie van het plan door het personeel te vergroten.

### Teameest

Succesvol samenwerken is ook vaak afhankelijk van praktische zaken; vestig de nieuw te vormen afdeling in een bij voorkeur nieuwe ruimte. Dit voorkomt territoriumgedrag van de originele 'bewoners'. Elk team heeft zijn eigen cultuur en de kans is groot dat die niet overeenkomt met die van het andere team. Iedereen op dezelfde fysieke locatie onderbrengen, stimuleert samenwerking en teamgeest, wat de integratie ten goede komt.

Op den duur ontstaat een gemeenschappelijke identiteit die functioneel is voor de nieuwe situatie. Ook het management moet goed op zijn nieuwe rol zijn voorbereid; signaleer emoties en geef mensen de ruimte om er iets mee te doen. Als ontslagen onvermijdelijk zijn, zorg dan dat dit voortvarend en eerlijk gebeurt. Dit voorkomt onnodige onrust in de nieuwe werksituatie.

### Verfje

Kantoorverhuizingen vinden vaak in het weekend of 's avonds plaats. Maar al te vaak komen werknemers voor een verrassing te staan als ze op de nieuwe af-

deling komen en de dozen klaarstaan. Om de acceptatie te vergroten, is het verstandig om werknemers inspraak te geven. Betrek hen daarom vroegtijdig bij het maken van verhuisplannen en de indeling van het kantoor.

Enkele verhuistips:

- Automatisering is een eerste levensbehoefte voor veel werknemers. Zorg dat alles meteen goed werkt.
- Zorg dat meubels en verhuisdozen op de juiste plek terecht komen.
- Pak direct alles uit en verwijder de verhuisdozen. De afdeling ziet er dan meteen weer verzorgd uit.
- Als het organisatorisch mogelijk is, meng dan de verschillende werknemers qua werkplekken en functies. Dit bevordert de integratie.
- Een schone werkplek geeft een opgeruimde geest. Laat mensen niet de hele historie van de oude afdeling meeverhuizen. Niet-noodzakelijke spullen blijven achter of worden opgeslagen in het archief.
- Een oud kantoor 'even vullen' met de nieuwe afdeling is geen frisse start en werkt negatief. Een likje verfje en een nieuw stukje tapijt geven het gevoel welkom te zijn.

### Uiteenvallen

Uiteraard hoopt u dat het gehele proces vlekkeloos verloopt. Toch kan er na zekere tijd wrijving ontstaan. Belangrijk is om dan vast te stellen of het aan de manier van werken ligt of aan de relatie tussen de werknemers. Ga in het laatste geval snel met uw personeel aan tafel om het probleem te bespreken. Hiermee voorkomt u het uiteenvallen in groepjes met een eigen cultuur.

*Deze vraag is voorgelegd aan Simon Troost van organisatieadviesbureau Advice Select, e-mail: [info@adviceselect.nl](mailto:info@adviceselect.nl)*

VRAAG 'N ANTWOORD



Voor meer vragen en antwoorden zie [rendement.nl/hr/vraag-en-antwoord](http://rendement.nl/hr/vraag-en-antwoord)

## Appendix 2 List of companies

List of companies that answered the survey:

- Aannemersbedrijf Lamei
- Aannemersbedrijf van Verner
- Agro Bouw Noord
- Ballast Nedam Bouw
- Bam infra
- Boekema verbouw en renovatie
- Bouwservice Boerema
- Bouwbedrijf Dijkstra
- Bouwbedrijf Peppink & Meertens
- Bouwbedrijf Wolters
- Brands Bouwgroep
- Dura Vermeer
- Eesto Bouw
- Jorritsma Bouw
- Nijhuis bouw bv
- Noord bouw
- Pastoor bouw
- Salverda
- Sandifort Klussenbedrijf
- SHP Bouwbedrijven
- SWBV Groningen
- Timmerfabriek de Boer
- Timmerfabriek Glaasker BV
- Van Dijk Groep
- Vegt Bouwonderneming

## **Appendix 3    Survey customers of Stiho**

Hallo,

Mijn naam is Ron de Groot, 24 jaar oud en studeer HBO International Timber Trade op Van Hall Larenstein in Velp. Ik doe mijn afstudeer onderzoek bij Stiho Groningen & Zwolle. Voor mijn afstudeeronderzoek zou ik graag willen weten wat u vindt van de service en ondersteuning die Stiho biedt? Daarom vraag ik u of u een paar vragen wilt beantwoorden.

Uw antwoorden zullen vertrouwelijk worden behandeld, en niet voor andere doeleinden dan mijn afstudeeropdracht gebruikt worden.

- 1        Wat vindt u belangrijk qua service als u ergens uw materiaal besteld?**
- 2        Wat verwacht u van uw leveranciers op het gebied van service?**
- 3        Wat vindt u belangrijk qua ondersteuning van uw leveranciers?**
- 4        Wat vindt u van de (materiaal) kennis die bij Stiho aanwezig is?**
- 5        Als u Stiho een cijfer moet geven op het gebied van service en ondersteuning wat zou het dan zijn? (schaal 1 tot 10)**

Ik dank u vriendelijk voor het vrijmaken van uw tijd, en het beantwoorden van de vragen. Zou u de vragenlijst terug willen sturen naar [ron.degroot@wur.nl](mailto:ron.degroot@wur.nl)

Met vriendelijke groet,  
Ron de Groot

## Appendix 4 Survey personnel Stiho Groningen

### Enquête voor personeel Stiho Groningen

Mijn naam is Ron de Groot, en ben 4<sup>e</sup> jaar HBO student International Timber Trade op Van Hall Larenstein in Velp. Ik doe mijn afstudeer project bij Stiho op de vestigingen Zwolle en Groningen. Stiho wil zijn organisatie sterker maken door de verkoopafdelingen samen te voegen op de distributiecentra. Op deze manier centraliseren ze al de kennis van de verkopers, en zitten de productspecialisten bij elkaar op het kantoor.

Deze gebeurtenis is de aanleiding van mijn afstudeerproject. Door deze enquête hoop ik wat meer te weten komen wat het personeel van Stiho Groningen van de overgang vindt.

De antwoorden zullen vertrouwelijk behandeld worden en kunnen worden gebruikt om de overgang zo soepel mogelijk te laten verlopen. En eventueel helpen bij een toekomstige overgang van een van de verkoopafdelingen naar een van de distributie centra van Stiho.

Ik hoop dat u de enquête zo goed en eerlijk mogelijk invult, en dank u daarvoor vriendelijk. En als u nog op of aanmerkingen heeft mag u deze natuurlijk altijd noteren.

- 1 **Hoe hebt u van de overgang gehoord?**
- 2 **Wat vindt u van de manier waarop u bent ingelicht over de overgang?**
- 3 **Voor een soepele overgang, is een goede voorbereiding is natuurlijk belangrijk. Vindt u dat dit het geval is?**
- 4 **Heeft de overgang gevolgen voor uw werkzaamheden? Voordelig / nadelig ?**
- 5 **Had u meer in het proces van de overgang betrokken willen worden?**
  - Ja
  - Nee
- 6 **Wat vindt u van de nieuwe strategie om verkoopafdelingen samen te voegen op de distributiecentra van Stiho, kunt u zich er in vinden?**
  - Ja het is de juiste strategie voor Stiho, het zal de organisatie sterker maken
  - Ja ik kan me enigszins in de strategie vinden
  - Nee ik kan me niet in de strategie vinden, en zie er geen voordelen in voor Stiho
- 7 **Heeft u nog op of aanmerkingen over de strategie?**
- 7 **Zou u zelf willen overgaan naar Zwolle als het uw baan betrof? Waarom wel of niet?**
- 8 **Denkt u dat de overgang gevolgen voor de klanten heeft? Voordelig / nadelig?**
- 9 **Wat vindt u van het tijdsbestek waarin de overgang plaatsvindt?**
  - Ja is helemaal goed
  - Redelijk goed
  - Nee het tijdsbestek is niet goed
- 10 **Heeft u nog op of aanmerkingen over het tijdsbestek?**
- 10 **Wat is uw eigen mening over de overgang, heeft u verder nog op of aanmerkingen over de overgang?**

**Bedankt voor het invullen van de enquête.**

**Ron de Groot**