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INTRODUCTION



One of the most innovative profession in the business world is project management. For some people it is the biggest adventure in their career, for others a traumatic experience.

On one hand there are expectations, deadlines, never ending negotiations, adrenaline, horrible stress; on the other hand there are huge budget, challenging tasks, innovation, creation, interdisciplinary team work.

In this journal, you can read different points of view about this kind of activity. Mr. Mielczarek (the President of the PMI Poland Chapter) explains the nature of projects. Mr. Nowak (Director of the Komputronik Company) presents concept of projects in the SME sector. Prof. Koskinen a gives theoretical background and describes the meaning of knowledge transfer and the project work environment. Dr. Tarka presents examples of ICT tools used to increase customer satisfaction.

And, at the end, I advise you to find “Joel on Software” in some bookstore or library and compare his project experience with yours (especially if you deal with IT projects).

Editor in Chief

Katarzyna Czainska, Ph.D.

PEOPLE

Project Management Institute (PMI) – IT Project Specialist!



Rafał Mielczarek is the President of the PMI Poland Chapter (a leading non-profit association for the project management profession). Ten years ago he started his career in the IT business at ComputerLand S.A. During the years as a PM he has been responsible for the implementation of comprehensive IT solutions, mostly in the financial and banking sectors (i.e. a ledger systems, central banking systems). Currently, he is a Director of IT Projects at Citigroup in charge of infrastructural projects for the EMEA area (Europe, the Middle East and Africa) focused on regional data centres supplying services to more than 50 countries.

Reporter – What is core activity of PMI?

Rafał Mielczarek – Basically, we are focused on transfer of knowledge, experience and the best practices in project management.

Reporter – Is the PMI concentrated on IT projects?

Rafał Mielczarek – No, it is not. Actually, the PMI was in USA by representatives of business, especially from the construction industry, Army and the US State Department. In Poland, most members come from the IT business or other trades (but they represent IT units of a company).

Reporter – Does the PMI have any data about types of projects currently led by SMEs¹? Do they have any preferences?

Rafał Mielczarek – We do not have such data, at the moment, but we have started a research project to analyse this problem. Generally, we are interested in the SME sector and innovative projects in that scale of business.

¹ SME - Small and medium enterprises

Reporter – What do you mean by innovative projects?

Rafał Mielczarek – It is a very broad concept. It is easier to say what I do not mean by innovative projects. Generally, every project creates a unique product, because it is perfectly suited to every customer. But, projects mostly based on a similar range of tasks and activities, do not create added value and new knowledge. Such projects are not innovative, they are recurrent.

Reporter – In November 2008, the International Congress of PMI Poland Chapter took place. Does the structure of participants (i.e. 35% IT, 16% finance, 16% consulting, 14% telecommunication, etc.) represent the structure of project activities in each branch of business?

Rafał Mielczarek – I do not think so. It mostly reflects the structure of members of the chapter. In Poland the most significant areas for project management is the construction industry and the public sector. In those sectors, professional project management is still developing, which is why it is the best market for such an organization like PMI. I still observe that project management is not a marketable skill in those sectors. More important are the skills related to operational work (i.e. engineering certificates, diplomas and licences). The recruitment of project managers is still more focused on production process than on project management.

Reporter – But maybe in projects' practice it is more efficient to have a good specialist in a particular area (i.e. IT) as the project manager.

Rafał Mielczarek – I will answer in an indirect way. Behind the place we are sitting now there is a building that was built for one year longer than planned. Of course, I cannot say anything critical about it from a construction perspective, because it is well designed. It was accepted by building the committee, so surely it was perfectly done. But the process of management of this particular project was not so good, if the realization time increased 150%.

Reporter – But deadlines in IT projects are also often postponed, despite employing the best project managers.

Rafał Mielczarek – Sometimes it is caused by the halo effect², when the best programmer becomes a project manager. In my opinion, that is the core of the problem. Certainly, experience in the construction industry has been accumulated for approximately 6000 years, but in IT – for only several dozen years.

² **Halo effect** - When we consider a person good (or bad) in one category, we are likely to make a similar evaluation in other categories.[Explanation of the Reporter]

Reporter – How does PMI define IT projects?

Rafał Mielczarek – PMI does not define such concepts like, an “IT Project”. I can explain it according to my knowledge. Previously, I thought that the main purpose of an IT project was to deliver infrastructure or software and eventually implementation. But sooner or later the problem appeared: how the result of a project affects the processes in a company and how to prepare end users. So, presently I see a project from a wider perspective as 30% informatics and 70% change management process (successful implementation of change in the performing organisation).

Reporter – In your opinion, is there any difference between IT projects and other kinds of projects (like strategy, marketing projects, designing)?

Rafał Mielczarek – Each branch has specific circumstances. PMI has also identified some areas of implementation and trades where project management is unique. For example, there are two PMBoK³ extensions for the construction industry and the public sector. PMI published those extensions as separate books, because PMBoK is a compendium of the best practices related to projects, but not for all projects. The above mentioned branches are so unique (because of some sophisticated tools, techniques and the characteristics of stakeholders) that PMI decided to prepare advice especially for them. There is also a theory that if a project manager will not focus on one project (understood as an adaptation) or one trade (a branch) he or she is probably able to lead any project. It is difficult for me to agree this, because currently areas of knowledge are so diverse and we must specialize in something. So, IT project management for sure, differs from other projects management.

Reporter – Are there any features that characterize all project managers? Do they need to have “that certain something”? Do they have to have some unique competence?

Rafał Mielczarek – Yes, of course. First of all, creativity and high level of change acceptance is very important; these are two fundamental features. It is difficult to learn these things. People have it in their blood or not. If such a person is able to find a place in a dynamic environment such as a project, the rest is gaining the necessary knowledge about project management techniques, tools and knowledge related to the project area (but I underline once again, that I am against making a specialist out of a project manager, i.e. I would never send an IT project manager for a C++ programming course as he or she does not have to know such things). Generally, to simplify, a project manager must know who he or she should call.

³ PMBoK – Project Management Body of Knowledge – The Guide with the best practices in project management Publisher by PMI.

Reporter – Must he or she know how to build a good team and how to find the best specialists?

Rafał Mielczarek – Exactly, those are the most important skill.

Reporter – What are the most popular project management methods and techniques?

Rafał Mielczarek – There is a big gap between the methods that people talk about and those that are really used. Scientists and people who analyse project management in theory list the critical chain method and the theory of limitations. In practice, an organization must be prepared for implementation of some methods. It is not like that, that some project manager decides to use i.e. the critical chain method and everything goes perfectly. All the useful tools were presented in the PMBoK, but according to my experience, success depends on the manager and he or she deciding which method will be the best at each step of the project. It is a managerial skill to be able to allocate resources and achieve goals by using suitable methods. On the other hand, there are some universal tools like the timetable of the Gantt chart, the use of helps a manager use forecast the methods; and it does not matter if they are from PMBoK or from another of various source. The most developed methods are often the most efficient, i.e. instead of following modern unknown methods like planning in MS Project, it is better to sit first and reasonably plan all tasks, analyse relationships and connections by using sticky notes.

Reporter – What impedes a project manager implementing professional methods during a project?

Rafał Mielczarek – In my opinion it is the readiness of an organization to implement such methods. If we take, for example, the critical chain method, an organization must be matured enough to support such a method. If I prepare a schedule I must base it on particular directions and estimates that I expect to achieve from the project team according to some assumptions. So, if we are not able to specify these assumptions the prepared schedule is not reliable; it is typical waste of time. If a project manager implements developed project tools, but basic factors (i.e. wages, time, budget) are not established, using such tools are very difficult, and in my opinion, illusive. Another example: it is useless to plan human resource allocation for project tasks by using a centralised tool, if organizational changes are not reflected in the OBS (Organization Breakdown Structure).

Reporter – One of the main reason of project delays, according to project managers, is the decision making process. Does this mean that the most important and critical decisions are made by people who do not know the real man-hour?

Rafał Mielczarek – I have a similar observation. During the phase when the project is evaluated by sales representatives of an IT company, and the main criterion is to sell a product and win a contract. Winning is actually the beginning of a journey on a difficult path. We won, but now we have to do it, so we have a problem! So, it really happens, that people who do not know enough, often estimate the costs and time of a project. But, on the other hand, companies which want to survive in a competitive market, must analyse and estimate their offers with a team of specialists who will implement this project later. Of course, I do not mean that the first written offer by a company should estimate costs and time perfectly, but there are a lot of methods which help to estimate factors more professionally; offers are assessed only in comparison with other competitive bids.

Reporter – Could you list a few factors in project success?

Rafał Mielczarek – Maybe I will be a little bit unconventional, but in my opinion, if we want to finish a project on time, and according to the customer's expectations, we must closely cooperate with customer. So, two elements are very important: a sponsor⁴ of the project (one who is involved with the project and is interested in the success of the project), and cooperation with the customer.

Reporter – Are you thinking about a sponsor from the customer or the contractor side?

Rafał Mielczarek – I'm thinking about both of them. A sponsor from the contractor side must deliver the necessary resources; only this person can do it. A sponsor from the customer side is not able to make a particular employee of the contractor work more for the project; it can be done only by the sponsor from the contractor's company (actually the chief of this employee). On the other hand, if we want to do something without the customer's sponsor support, it is also a dangerous.

Reporter – In December 2008, new PMI standards were published⁵. Could you tell us something more about these documents?

Rafał Mielczarek – I will start from the main standard of PMI. In December 2008, the Fourth Edition of PMBoK was published. According to ANSI, the standard must be updated every four years. The fourth edition suggests a long tradition of the PMBoK. The new version really presents some changes to previous editions. As the title suggests, it is a compendium of the best practices of project management, processes, and concepts dedicated to project managers

⁴ Sponsors of the Project – people delegated from companies involved in one Project, to coordinate its realization; mostly they are Presidents, CEO or directors of companies.

⁵ PMBoK ® Guide, Fourth Edition, Organizational Project Management Maturity Model, OPM3 ®, Second Edition, Standard for Program Management, Second Edition, Standard for Portfolio Management, Second Edition.

from different branches, but without specialized application to a particular branch or fields. Apart from this, standards for program management and project portfolio management were published, too. They are quite new; the second edition has been published. Portfolio management standards define how lead projects and programs in organizations to make them compatible with the strategy of the company. Of course, this book is not a golden mean for all organizations, it is only (just like the PMBoK) a reference of good practices.

Reporter – What is program management?

Rafał Mielczarek – We should start from a definition of a program. According to PMI, and the society involved in project management, a program is a collection of projects and operational activities, which are directed in fully coordinated way to achieve some business goal that is not possible to achieve if projects are directed separately. We can observe there a synergy effect of those projects. As an example from the IT branch, a program can cover projects of software and hardware implementation, organizational changes, end users' training and human resource development, etc. So, a complex program of holistic implementation brings success.

Reporter – On the PMI web site there is an invitation to students to become a member of PMI? Is it beneficial for students?

Rafał Mielczarek – It is always good to be a member of PMI, even if you are a student. Unfortunately, I am not a student any more. Membership in PMI gives students two types of benefits. First of all it affords access to knowledge and contacts on the same level like other PMI members. Secondly, members of the Polish Chapter, involved in many activities and treat it as a part of their career path. For example, some volunteers help in research projects, conference organization and other events. Generally, one of the PMI Chapter Board members is student, so everything is possible.

Reporter – So, how to become a member of the PMI?

Rafał Mielczarek – It is very simple. Every interested person should visit www.pmi.org web site and follow the presented instructions.

IT Projects from the SME IT Company Perspective



Krzysztof Nowak is the Finance Director of Komputronik Company in Poland. He started his career in the banking sector, working for BGŻ Bank, GBW Bank and INVEST – BANK.

Reporter – In 2008, you were awarded the prize of “Finance Director of the Year”; could you tell us what features an efficient manager should have?

Krzysztof Nowak – First of all I do not associate efficiency with domination, but mostly with cooperation with people that I manage and people in a similar position as mine. Success is composed of a few elements, like employees’ skills and competence development, clear task formulation and delegation, ability to establish priorities in situations with a permanent lack of time, control of emotions, trust in and sincerity to employees, and finally, something that you learn during your professional life, knowledge about the functioning of a company, about the relationship between decisions and further effects on the whole enterprise.

Reporter – Who awards the “Finance Director of the Year” Prize?

Krzysztof Nowak – This year it consisted of representatives of a few companies. One of them is COFACE (focused on credit risk management and insurance). Media patrons were such magazines like Rzeczpospolita, Businessman Magazin and Parkiet. The prize was given by a committee composed by businessmen, journalists and economists. The chief of the committee was Prof. Witold Orłowski.

Reporter – In your career, you have been a finance director of the big bank, and now you work in an IT company. Do you see any differences in finance management in the companies from those two branches?

Krzysztof Nowak – Previously, banks paid special attention to financial results, but it has changed. Banks now must take care of cash flow and risk management in times of crisis. In companies, cash flow has been in the first place of interest for many years, because according to research, 80% of companies breakdown mostly because of losing their cash flow, not because of inefficient production, trade or, a decreasing amount of customers. In the case of

company presented on the stock market, like ours, financial results are still a very important factor evaluated by investors. Another aspect of finance management in a company is the higher independence of financial directors in decision making. In banks, most financial decisions depend on regulations and can be made by the board of directors or the presidents of a bank. What did banking experience gave me? Such skills like credit risk control of buyers. It is very important for such, a company like Komputronik, which has more than 2000 buyers financed by commercial credit (sales on credit). The quantity of our customers is similar to a middle size branch of a bank. Additionally, I know how to negotiate with banks, which contract conditions I can improve, and when it is imposible. Furthermore, I have a conceptualization coming from the banking sector, that a company like Komputronik, which developes very fast is like a coasting train needs someone to push emergency the brake before turning to avoid an accident. Maybe, that is why people call me “the brake operator” in my company.

Reporter – In 2007, you led Komputronik on the stockmarket. What your company achieved after such a change?

Krzysztof Nowak – Actually I have been a leader of the project that was organized to put our enterprise on the stock market. This project consisted on few elements. First, strategy and financial plans preparation; next international accountant standards implementation; finally, we went through financial prognosis auditing and folder-of-issue elaboration. Then, we had a lot of meetings with potential investors to gain funds. We were really successful. We got 56 million PLZ from the stock market, which is 30% more than we anticipated. We entered in a perfect moment. So the most significant effect was financial stability. Based on this, we could achieve our investment goals, i.e. during the two years we increased the sales network three times. We bought and implemented IT systems necessary for enterprise management, i.e. the ERP system⁶, new software for the internet store, a stock system, a data warehouse, and a CRM system⁷. We also bought a farm of servers supporting the above systems. A considerable part of the funds was spent on acquisition of two companies from the IT software trade. We established one branch office in the Czech Republic to market development in the area of Czech Republic and neighbouring countries. There we implemented a multilanguage and multicurrency internet store. Other funds were allocated as working capital to finance buyers and stock reserves (value up to 40-45 million PLZ). Apart

⁶ ERP - Enterprise Resource Planning

⁷ CRM – Customer Relation Management

from finance, brand recognition has a very important impact of the project, because it directly affects profitability improvement. We observed that during the period of preparation for entrance into the stock market, there was a lot of information about our company in the media; and at the same, time turnover of our internet store rapidly increased. Another benefit we achieved is the image of a stable and reliable partner among partners, other companies, banks and suppliers.

Reporter – Does Komputronik support other enterprises, especially from the SME sector, i.e. by IT implementation support?

Krzysztof Nowak – Basically we are a trading company, selling IT hardware. A part of our business is also software production, sales and software implementation services. In our portfolio there is software dedicated for SME management support, i.e. IT AUDITOR, a kind of program which controls (from one place in the company) the quality of IT hardware installed throughout the whole company and verifies the legality of software installed on this equipment. We offer software for an accountant office and other softwares integration.

Reporter – Observing sales of Komputronik, do you think that SME companies invest in ICT⁸?

Krzysztof Nowak – In my opinion, the volume of SME sector investment in ICT has been increasing for two to three years, because of economic growth and European Union donations. Such funds are more available to enterprises from the SME sector than for big companies. Those funds are mostly spend for informatisation, i.e. hardware, software and servers.

Reporter – Could you tell me what IT products are currently available on the market to help SME management?

Krzysztof Nowak – There are a lot of IT products for management. Komputronik i.e. in its portfolio has products created with support from the EU. We offer for example: data warehouse, the CRM system, the IT AUDITOR, mentioned before, DOCUWARE (a system for document saving, archiving and overviewing), and SEZAM (a system dedicated to SME trading companies which enables the management of such information as prices on the market and the best selling products; Komputronik and our franchise cooperators use this software for the monitoring of hardware sales).

Reporter – Does Komputronik run any projects? I ask, because you said once that “if a company is developed very fast, there is such a point at which project management is necessary”.

⁸ ICT - Information and Communication Technologies

Krzysztof Nowak – Yes, that is true. At the beginning of the company life cycle, project management could make only difficulties. Project management procedures, task delegation and other elements typical for projects can be a big problem; small company success depends on fast decision making, so those procedures could create barriers. Komputronik came to such a point that we ran a few projects focused on multiple aspects of the company. For example: new stores opening, acquisition of other companies, new informatization and organizational solutions implementation. There are so many ideas and activities that we had to start project management in our company, to coordinate all the tasks that are mostly related to each other. On the other hand, a lot of our projects were donated by EU, so to receive those funds, we had to implement EU project management procedures of costs and documentation management, timetables, schedules, decision making, risk management and resource allocation.

Reporter – Do you have some of your own unique rules that you follow during project management?

Krzysztof Nowak – We run projects, but we do not have enough experience to talk about some good practices invented by us. We try to run projects according to the art of project management.

■ **Reported by: DR. KATARZYNA CZAINSKA**

INVITED US

“The world on the move” – meeting with Prof. Grzegorz Kolodko



Pict.1 Prof. Grzegorz Kolodko

All visitors of The Business Forum that took place on April 27, 2009, at the Poznan University College of Business and Foreign Languages had the opportunity to participate in a incredible meeting with an extraordinary person – Professor Grzegorz Kolodko, one of the main architects of Polish reforms.

Professor Grzegorz W. Kolodko, as the Deputy Premier and Minister of Finance (1994-97) led Poland to the OECD. Holding the same positions again in 2002-03, he played an important role in Poland's integration into the European Union. A graduate and Ph.D. of the Warsaw School of Economics (SGH), he is currently the Director of TIGER - Transformation, Integration and Globalization Economic Research (www.tiger.edu.pl), and professor at the Leon Kozminski Academy of Entrepreneurship and Management in Warsaw (WSPiZ). He is the author of 38 books and over 300 articles and research papers⁹.

In his latest book, Professor Kolodko has written: “It is not worth to write – to make use of words – if it does not make somebody angry¹⁰”. He did not make people angry during the meeting, but he made them interested in current problems of globalisation, macroeconomy and finance. He articulated his opinion about neoliberalism and discussed the influence of state policy on business and a historical background of economical changes. In his book he predict the world crisis that appeared in 2009. Participants of The Business Forum were exposed to basic information on economic cycles and their variations through the ages.

■ **Reporter: CONFERENCER**

⁹ based on information available on www.tiger.edu.pl

¹⁰ Kolodko Grzegorz, *Wędrujący świat*, Prószyński i S-ka, Warszawa 2008, p. 11

PROJECT MANAGEMENT IN IT

Characterising knowledge transfer in project-based companies



Dr. (Tech.) Kaj U. Koskinen has worked for many years as a project manager in several international engineering companies, including Outokumpu and Honeywell. His main experience derives from process automation. Since 1997, he has been a Senior Lecturer (docent) in Industrial Management and Engineering at Tampere University of Technology, Pori. Dr. Koskinen's research interest is focused on knowledge and project management, and he has published several articles on these research areas.

Introduction

Discussion of knowledge management and knowledge transfer within it has polarised into two principal camps. One is rooted in the information technology and information control. The other concentrates on knowledge, know-how and skills as well as on their management from the perspective of the management of people and organisations. From this it follows that also the project-based companies can utilise two different types of knowledge management processes, *codification* and *personalisation*.

When codification is used, the process often centres on computers. Knowledge is carefully codified and stored in databases, where it can be accessed and used by the projects. In the use of personalisation, the process centres on the individuals. Knowledge is then closely tied to the people who have developed it and is shared mainly through direct face-to-face contacts. The chief purpose of computers in such projects is to help team members to transfer knowledge, not to store it.

However, in the project-based companies the barriers and facilitators of knowledge transfer have probably not yet been sufficiently understood. The fact that a great deal of the knowledge is tied to knowledge that cannot be written down in documents but is realised through the expertise and understanding of the team members, is not taken into consideration at large. Therefore, the projects do not understand of what sort of practices they should employ in the transfer of knowledge.

Thus, the goal of this conceptual article is to characterise knowledge transfer in two different project work environments (i.e. mechanical and organic project work environments). In the pursuit of this goal the following discussion first illustrates the concept of project-based company. Then follow a description of the concept of knowledge. And after that the discussion deals with the notion of knowledge transfer. And then follows the main content of this article - namely descriptions of knowledge transfer in mechanical and organic project work environments.

Project-based companies

Project-based companies (i.e. project work environments) are organisations in which the majority of products are made against bespoke designs for customers. These types of organisations may be stand-alone, making products for external customers, or subsidiaries of larger firms, producing for internal or external customers. They may also be consortiums of organisations that collaborate to serve third parties. [39]

The governance of such companies is a challenging task. Their heavy reliance on projects implies that a high degree of discretion is granted to lower levels. Since projects enjoy autonomy, they easily become separated from each other, with the risk of turning the company into a series of disconnected projects. This means that the project-based companies will tend to suffer from certain weaknesses, e.g. bring about company-wide development and learning [12] and difficulties in linking projects to firm level business processes [9]. Furthermore, individual projects typically comprise a mix of individuals with highly specialized competences, belonging to different functionally differentiated worldviews [7] making it difficult to establish shared understandings, a common knowledge base. (cf. [19])

Moreover, project-based companies tend to be, not only strongly decentralized, but also quite loosely coupled [24]. This also applies to the knowledge dimension. Relevant pieces of knowledge will be distributed [37] into a multitude of local settings and to a great extent reside in individual members. In other words, project-based companies are not like functional organisations with a long and stable history of tenured individuals, a standing tradition of cohort groups, and low turnover. Governance in a project-based company context must take into account the organisation's fundamental dependence on its knowledgeable individuals, and its potential weaknesses in dealing with issues of firm integration and development.

Thus, although project basing is often conceived of as a appropriate way of producing customised products (e.g. [20]) research on learning in project-based companies consistently

highlights the problems involved in attempting to capture and share knowledge and learning across projects ([6]; [30]). Many authors point to the inherent contradiction between organising to meet short term project task objectives and the longer-term development nature of organisational learning processes ([8]; [3]). However, learning through projects is one of the main ways by which project-based companies interact with, and are changed by their environment. This means that using knowledge gained from failures or successes that have occurred in projects is vital for the long-term competitiveness of businesses (e.g. [34]; [42]). Unless the experience gained in one project is transmitted to subsequent projects, learning may be dissipated and the same mistakes repeated.

Individual projects are organisations of people dedicated to specific purposes or objectives. The projects often involve large, expensive, unique, and high risk undertakings which have to be completed by a certain date, for a certain amount of money, within some expected level of performances. At a minimum, all projects should have well defined objectives and sufficient resources to carry out all the required tasks. (e.g. [35]; [27]; [13])

Projects' temporary nature means that starting and completion dates are specified for the assignments. Assembly line production (i.e. part of functional organisation) is an example of an activity that is going without a specified starting and completion date. The key to understanding the nature of project work as opposed to assembly line production is that, unlike the assembly line production that can continue into the indefinite future, projects are temporary enterprises. The projects fulfil their goals within *time* and *money limits*.

Thus, project-based companies and individual projects undertaking unique, novel and transient works to deliver bespoke products to their customers, require a different approach to their knowledge transfer than the functional companies with stable products and technologies. This is because the time and money limits can lead individual team members to act in an extreme hurry, in an untrustworthy manner, avoid caring, and refuse to offer their feedback during the problem solving situations. In other words, time and money limits may make project companies and individual projects non-adaptive and reactive rather than adaptive and proactive places to work. (cf. [18])

Differences between an ordinary functional organisation and a project-based organisation can be described as depicted in Table 1.

Table 1. Functional vs. project-based organisation

Functional organisation	Project-based organisation
Continuous operations	Temporary arrangements
Emphasis on working processes	Emphasis on goals
Stable	Dynamic
Inflexible, hierarchic organisation	Flexible, non-hierarchic organisation
Centralised decision-making	Decentralised decision-making
Bureaucratic	Adhocratic

Knowledge

Knowledge has different meanings, depending on the discipline where it is used. In this article, knowledge is ‘human understanding of a specialised field of interest that has been acquired through study and experience.’ It is based on learning, thinking, and familiarity with the problem area in project or in the project-based company as a whole. Davenport and Prusak [5] define knowledge as “a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experience and information.”

To be able to transfer knowledge, people need a clear understanding of the nature and characteristics of knowledge. Knowledge is multifaceted construct and is difficult to come to grips with, [1]. One approach to categories knowledge is whether the knowledge is *tacit* or *explicit* [29]. Tacit knowledge represents knowledge based on the experience of individuals. It is expressed in human actions in the form of evaluations, attitudes, points of view, commitments, motivation, etc. (e.g. [23]) Usually it is difficult to express tacit knowledge directly in words, and often the only ways of presenting it are through metaphors (e.g. [36]), drawings and different methods of expression not requiring the formal use of language. On the practical level many experts are often unable to express clearly all the things they know and are able to do, and how they make their decisions and come to conclusions [14]. Tacit knowledge is context dependent and situation sensitive [40]. “...knowledge depends very much on the point of observation. Where you stand or what you know determines what you see or what you choose to be relevant” [17]. This means that tacit knowledge is not abstract but it is embodied in the individual. For example, Rosenberg's ([33], p. 143) description of traditional technological knowledge, accumulated in crude empirical ways with no reliance upon science, provides a good definition of tacit knowledge in technology companies as

"...the knowledge of techniques, methods and designs that work in certain ways and with certain consequences, even when one cannot explain exactly why".

Explicit knowledge, unlike tacit knowledge, can be embodied in a code, or a language, and as a consequence it can be transferred easily. The code may be words, numbers, or symbols like grammatical statements, mathematical expressions, specifications, manuals, and so forth [23]. For example, explicit knowledge implies factual statements about such matters as material properties, technical information, and tool characteristics.

However, there is no dichotomy between tacit and explicit knowledge, but tacit and explicit knowledge are mutually constituted [37]. In other words, they should not be viewed as two separate types of knowledge. This means that for any explicit knowledge, there is some tacit knowledge. That is, explicit knowledge is an extension of tacit knowledge to a new level [22]. Hence, if there is value in identifying tacit knowledge, it is in relation to making explicit knowledge understandable. Tacit knowledge is an enabling condition of explicit knowledge and of the sharing of knowledge. This means that we argue that tacit knowledge is knowledge that is active in the mind but not consciously accessed in the moment of knowing, and therefore it grounds, enables, causes, or somehow brings about the explicit knowing connected with individual team members, projects, and project-based companies.

To sum up, in the case of an individual project team member "...knowledge is the individual ability to draw distinctions within a collective domain of action, based on an appreciation of context or theory, or both." (Tsoukas and Vladimirou [38]) According to these authors, the individual capacity to exercise judgement is based on an appreciation of context in the ethno-methodological sense, that a social being is knowledgeable in accomplishing a routine and taken-for-granted task within particular context as a result of having been through processes of socialisation.

Knowledge transfer

Knowledge transfer takes place between the worldviews of individuals ([25]; [26]; [16]). This transfer occurs under regulation of parties' personal situations in highly personally oriented ways. These personal worldviews are derived from the individuals' previous experiences, i.e. they are acquired from the social and cultural environments or situations, and they are partly forged by the individuals' own awareness and efforts. They contain pre-suppositions and assumptions that the people have developed in the past. These worldviews are not something about which these people can readily give a comprehensive account. Parts

of the contents of worldviews are even totally unconscious, but they still can influence behaviour.

According to Boisot [2], knowledge is transferred with the help of language with an efficiency that will vary depending on the characteristics of the communication channels used for such transfer. The process of codifying a message for knowledge transfer involves a loss of meaning that can only be recovered in situations where the receiver associates the same cluster of meaning with the symbols chosen, as does the sender. Therefore the codifying message, which may give rise to uncertain or ambiguous interpretations, requires either the simultaneous activation of several channels of transfer, in order to minimise the loss of meaning caused by the use of a single channel, or a prior sharing of experiences out of which emerges a convention that reduces uncertainty for the use of certain symbols.

Weick [41] uses term “sensemaking” in that people justify their behaviour by making it meaningful and explicable. Their behaviour, Weick points out, is interlocking. That is, behaviour with one person triggers behaviour with another, which again serves recursively to modify the behaviour of the first. Project-based companies and projects within them, then, are knowledge transfer-oriented in the sense that they consist of people who interact and attribute meanings to their actions.

Furthermore, the literature dealing with knowledge management considers the transfer of knowledge, in terms of media richness, as a determinant of the extent to which knowledge is successfully transferred (e.g. [4]). The richness of the media can be analysed in terms of two underlying dimensions: the variety of cues that the medium can convey and the rapidity of feedback that the medium can provide. That is, the media have varying capacities for resolving ambiguity, meeting interpretation needs, and transferring knowledge. Face-to-face interaction is considered to be the richest medium because it allows immediate feedback so that understanding can be checked and interpretations corrected. This medium also allows simultaneous interaction of multiple cues, including body language, facial expression, and tone of voice, which convey information beyond the spoken message (e.g. [21]). Face-to-face interaction uses high variety, natural language, and messages are tailored personally to the receiver.

When the knowledge transfer between the project team members proceeds through informal face-to-face interaction, it creates emotional ties between these people. Ties are necessary, since rational actors must try to presuppose the ‘perspective or worldview of the other’ and the interaction of distinct minds (e.g. [32], pp. 31, 274-275). However, although the team members in an interaction transfer their conceptions, they are all bound to live with

somewhat different worldviews and in different personal situations, and have therefore different perspectives on them as well as on the common situation altogether. Moreover, articulation is not an easy task due to the uniqueness and variation of meanings and conceptions related to them. Due to the fact that the language in itself is vague and plastic, the tacit way of knowing is not easily rendered verbal (e.g. [11]). According to Polanyi ([28], pp. 87-88), nothing that we know can be said precisely. This is exactly so because our knowledge is in the form of different kinds of subjectively created meanings, i.e. a mix of knowledge, feelings, beliefs, etc. Revans ([31], p. 626) argues quite correctly that “verbal exchanges are themselves extremely poor at communication”.

As a result of the discussion above we conclude that the transferring of knowledge in project-based companies and between the project team members is not always only about the processing of explicit knowledge but it often also requires that the subjective views, intuitions and inklings of the individual project team members are presented, tested and taken into use. These subjective views and intuitions are mainly transferred by informal face-to-face interaction. Furthermore, it is also concluded that proximity of team members may have a positive effect on knowledge (particularly tacit knowledge) dissemination in a project work context.

Thus, according to Koskinen [15], project teams show increased capability and motivation to transfer knowledge and implement a project when a proper “project work environment” is built. Therefore the following two sections characterise two different project work environments in which the knowledge transfer is performed in quite a different ways.

Mechanical project work environment

In a mechanical project work environment the tasks are precisely defined and a large proportion of the relevant knowledge is transferred in written form, (i.e. utilisation of information technology in the knowledge transfer is abundant). Furthermore, because the knowledge in a mechanical project work environment is largely in the explicit form, it can be sent over vast distances to the people involved.

In a mechanical project work environment a team typically tries to reach predetermined unanimous interpretations. This means that a success in a mechanical project work environment requires that the team members are skilled in adapting instructions. This environment fits projects in which the quality criteria must be and can be met precisely in advance. In this type of environment interpretation problems exist only seldom.

Many investment projects typically take place in a mechanical project environment. In these types of projects the goals are often clear at the outset of the work. Also the means and the methods needed in the implementation of these projects are usually well known. This means, for example, that the possibilities to foresee the results of the project at the beginning of the project are good. An example of this type of project might be a standardised house building project, where existing old plans need only small modifications. Thus, we conclude that because explicit knowledge can be transferred by information technology, a need for close interaction between the project stakeholders in a mechanical project work environment does not always exist.

Because a great part of the knowledge utilised in a mechanical project work environment is explicit in its nature, we also conclude that this type of environment is externally vulnerable but internally safe (cf. [10]). The environment is externally vulnerable because the used knowledge can be identified and copied by the outsiders. And the environment is internally safe because if people leave the project the knowledge is not lost.

Organic project work environment

In organic project work environment the ambiguity of knowledge is significant. The tasks involve inconsistent situations, and the changes that they produce and the challenges produced by the circumstances do not necessarily have immediate answers. In the organic project work environment solutions to problems are directed by non-linear thinking. People act on the basis of worldviews born of their intuition and experience. The elements of knowledge consist of the multidimensional knowledge stores of the project participants, which mean that knowledge is created with the help of face-to-face interactions.

The knowledge in the organic project work environment is, to a great extent, in a more difficult and multidimensional form than in the mechanical environment. Much of the knowledge and know-how of the project team is based on experience-based tacit knowledge. However, working on the basis of tacit knowledge may cause difficulties. For example, due to the fact that tacit knowledge cannot be aggregated in order to allow centralised decision making, the decisions which are mainly based on tacit knowledge can be made only when all the people involved are present.

Research and development projects typically take place in the organic project work environment. In these types of projects the goals are not always clear at the outset of the work. Also the means and procedures needed in the course of the project implementation are often unclear. This means, for example, that at the outset of the project the possibilities to foresee

the future results and success of the project are rather poor. This type of a project might be, for example, a product development project, where different knowledge components must be collected from different project stakeholders. Thus, tacit knowledge plays a significant role in these types of projects, and moreover, in order to succeed the project team members must communicate openly, and behave also in other respects in a trustworthy manner.

Due to the fact that tacit knowledge is difficult to codify and to transfer, as well, our conclusion is that a project which is implemented within an organic project environment, is externally safe and internally vulnerable (cf. [10]). The project is externally safe because tacit knowledge is hard to identify and copy by the outsiders. And the project is internally vulnerable because if people leave the project the knowledge is lost.

Conclusions

The transfer of knowledge in different project work environments represents a challenge that most project-based companies are only now beginning to acknowledge. Part of the reason for this is due to the fact that only a little is known about the nature of knowledge and its manifestation in project work. Our claims in this article have been as follows:

First, in a project-based company the knowledge transfer is often a hard and complicated behaviourally oriented task, where much depends on the objectives of the project team members, and how well they work together in a project. This is especially the case in an organic project work environment.

Second, project's performance depends on the extent to which project team members can mobilise all of the knowledge resources they have and on the extent how well they turn these resources into project deliveries. Thus, the success of a project implementation will therefore be supported by an efficient and effective knowledge transfer between different project stakeholders.

Finally, finding viable ways, in which project-based companies can ensure that knowledge is transferred across project boundaries and up and down the organisational levels is a very important issue. In this study we have sought to offer a brief illustration of the problem area.

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Increasing the marketing efficiency level within customer satisfaction measurement – a methodological concept in application to WAP system ranking



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Introduction

In article the advantages of Mobile Club database and WAP system are presented. Author discussed theoretical background of customer satisfaction problems analysis. With this database and system one can also profoundly explore new market trends, customers' needs, lifestyles, buying behaviours. It gives enormous research prospects for company to conduct research at very low cost and as quickly as possible.

Key words: Customer satisfaction measurement, Marketing research efficiency, MobileClub database, WAP system and research perspective

Foreword

Marketing has been conceptualized and accepted as an activity directed at satisfying needs and wants through exchange processes.' The "Marketing Concept" is essentially the satisfaction of customer needs through integrated marketing with the intent to satisfy the customer while earning a profit. The basic idea is that a satisfied customer will be more likely to repurchase, leading to increased sales and market share for the firm. Integrated marketing activities aimed at producing customer satisfaction include what have been referred to as the "four p's" of marketing, namely product, promotion, price, and place.

Customer satisfaction (CS) has been the object of numerous discussions, and recent trends indicate that CS remains in the limelight, especially in the service field. Customer satisfaction is typically defined as an overall assessment of the performance of various attributes that

constitute a product or a service. Higher satisfaction increases customer loyalty, positive word of mouth, customer retention and, by extension, a firm's profitability. As a consequence, practitioners need to understand how satisfaction is engendered and how it can be influenced. A promising approach is to work out, first, which attributes should be improved to increase satisfaction and, second, which attributes should be reduced because high performance on them is costly or offers no increase in satisfaction. To achieve such business intelligence, 'an important step is to recognize that the links in the satisfaction-profit chain are asymmetric and nonlinear'. Taking this into account delivers attribute categorizations that allow the efficient organization of performance improvements and resource allocations.

In this article author firstly gives a review to relevant literature and then present methodological concept related with another option to customer satisfaction analysis. This option is called WAP system which creates efficient and quickest marketing research communication instrument in customer satisfaction research.

Drivers of customer satisfaction

To understand the complexity of customer satisfaction, it is important to understand the evaluations, attitudes, and intentions that affect behaviour [Oliver 1999]. We focus on three prominent drivers in the marketing literature: overall customer satisfaction, affective and calculative commitment, situational triggers.

Customer satisfaction

Customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date [Johnson and Fornell 1991]. This overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories [Fornell 1992]. Satisfaction typically mediates the effects of product quality, service quality, and price or payment equity on loyalty [Bolton and Lemon 1999]. It also contains a significant affective component, which is created through repeated product or service usage [Oliver 1999]. In a service context, overall satisfaction is similar to overall evaluations of service quality. Compared with more episode-based or transaction-specific measures of performance, overall evaluations are more likely to influence the customer behaviours that help a firm, such as positive word of mouth and repurchase. Historically, satisfaction has been used to explain loyalty as behavioural intentions (e.g., the likelihood of repurchasing and recommending [Bolton 1998, Lemon 1999]).

Affective and Calculative Commitment

The relationship marketing literature recognizes another potential driver of customer satisfaction: relationship commitment [Bendapudi and Berry 1997]. Drawing on the organizational behaviour literature [Meyer and Allen 1997], marketing scholars have variously defined commitment as a desire to maintain a relationship, a pledge of continuity between parties [Dwyer, Schurr and Oh 1987], the sacrifice or potential for sacrifice if a relationship ends [Anderson and Weitz 1992], and the absence of competitive offerings. These various sources create a “stickiness” that keeps customers satisfied and loyal to a brand or company even when satisfaction may be low. The various definitions suggest two major dimensions of relationship commitment: affective commitment and calculative, or continuance, commitment. Calculative commitment is the colder, or more rational, economic-based dependence on product benefits due to a lack of choice or switching costs. Affective commitment is a hotter, or more emotional, factor that develops through the degree of reciprocity or personal involvement that a customer has with a company, which results in a higher level of trust and commitment [Garbarino and Johnson 1999].

Situational Triggers

In general, a trigger is a factor or an event that changes the basis of a relationship [Roos, Edvardsson and Gustafsson 2004]. In the marketing literature, triggers are frequently cast as alarm clocks that concentrate energy for further actions [Edvardsson and Strandvik 2000; Gardial, Flint and Woodruff 1996]. Preliminary qualitative interviews support the use of Roos’s [1999, 2002] situational and reactional triggers. Situational triggers alter customers’ evaluations of an offering based on changes in their lives or in something affecting their lives. These include demographic changes in the family (e.g., becoming “empty nesters”), changes in job situations, and changes in the economic situations. In a way, the product has expired; it no longer reflects the needs of the customer [Flint and Woodruff 1996].

Research opportunities in wap system and mobileclub – brand new marketing research tool

MobileClub is one of the first constantly verified database that collects every day new mobile phone users' data across whole Poland. Combination of database and latest technology WAP creates in marketing research world even greater opportunity than traditional physical research communication methods. The more important factor about it, all registered users stated their official permission to involve with marketing research actions. At the present this

database has more than 438 thousands of active participants. Daily, - on average 50 people is registered. Every participant receives special exchangeable credit points. These points when are collected can be easily exchanged on different occasions and on various rewards. Each point means one participation in one research. Procedure of registration for every newcomer is the same. Each member is obliged to submit full information about his/her: gender, education level, date of birth, monthly salary, marital status, current profession and position, as well personal interests. These particular information obtained throughout the database set, can later provide researcher profound and useful marketing information in segmentation process related with assessed product or service. Moreover crossing this information with variables such as: buying behaviour, intentions and attitudes which make up customer satisfaction area, towards products or services can successfully result in powerful market orientation. A good point of the MobileClub is constant verification and updating process concerning data and users being logged, especially referring to their personal characteristics and core information which is part of education, age etc. Therefore the data is systematically controlled and if necessary abnormalities or errors are immediately erased. One can give a special notice to the following examples (that are often the subject of modification) which happen in the area of:

- Higher education above the average in years of 22 or 19,
- Marital status (married) below 18 years old,
- Unemployed status and higher salary,
- Employed status with no salary,
- Age level below 9 years old,
- Non existing town (place),
- Student with elementary or secondary education,
- Permanent employment below 16 years old.

The advantages that arise on MobileClub can be mainly referred to the speed the data is collected or systematically refreshed. One can access the updated data every week. There also exist possibility of systematic monitoring a process while the research is conducted and where one can explore and supervise the development over the research process. So one can see the beginning and end of research. This is crucial in situations when we decide to study and research satisfaction problems concerning customers associated with particular service point at selected shop, where two teams of work meet (from the night to day shift) at different times. Current and systematic monitoring enables also quick and efficiently reaction management to appearing problems. Manager is able thus to detect any irregularities

happening. Another advantage related with MobileClub reveals profound understanding of customers' attitude, emotion as well their ratings of products/services' attributes or shop assistants' culture, manners and competence. Moreover the MobileClub can efficiently eliminate the pollster's influence on respondent's response. Simply lack of personal communication reduces the threat of misleading respondent (in between contact: respondent – pollster), especially in the context of: number of pollster communication errors, wrong suggestive interaction from pollster to respondent, as well pollster's cheating on questionnaires. It is known, that pollster can often manipulate (even unconsciously) or mislead respondent during interview. Another MobileClub's application within marketing research customer satisfaction issues is the lower cost. Previous surveys – research conducted in its traditional way was and still are far more expensive than electronic research. A good example can be customer's satisfaction method called Mystery Shopping, which absorbs: pollster's time, questionnaire printing cost, coding and entry the data to computer etc. Decreasing cost of research also results in number of pollsters. The last advantage is the chance to combine marketing research with marketing BTL actions.

Customer satisfaction and mobileclub research model - an example based on Reserved (lpp) store chain

MobileClub research model can be applied to customer satisfaction problems related with store level service as well an offer (products) turned out by Reserved. Specified issues of this research would apply to assessment in: 1). global satisfaction on service, 2). personal manners and service culture of shop assistants, 3). willingness and readiness of shop assistants to help customers during visit at store with selecting proper products (advisory), 4). shop assistants' job appraisal, style of work, neatness of clothing rooms as well shop assistants' direct behaviour during first communication with particular customer, 5). tidiness at shop or 6). assessment demand on top fashion collection offers.

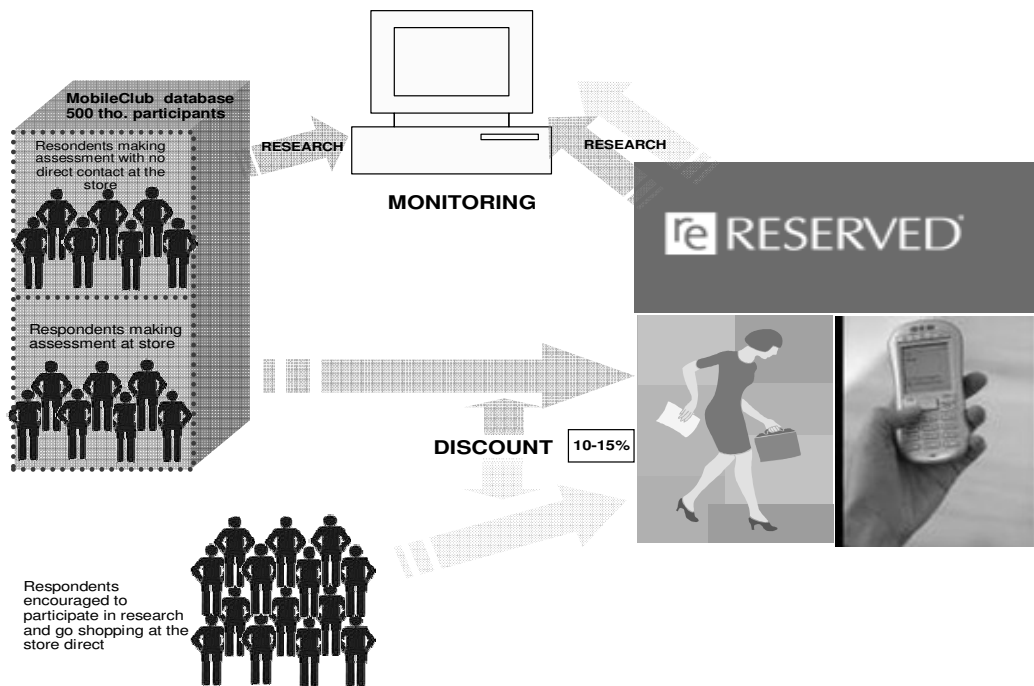


Figure 1. Mobileclub on customer satisfaction research
 Note: own construction

Proposed model would have included three groups put through an examination. First two groups would be selected from the list of MobileClub database and third one participating directly in store. First group as a sample is drawn from the MobileClub database. To encourage them in participation in a study, one would have used mobile network communicator SMS with an offer at special discount price associated with Reserved products while some shopping (see figure 1). These respondents have already known Reserved brand and would have only done products assessment without direct shopping at the store. They must have imagined and used their memory to assess brand or product. Respondents from this group would have been interviewed over mobile phone. A few short questions applying to subject of research would be posed. Second group consisting of respondents being also drawn from the MobileClub database but in this case, respondents would have been asked to enter the Reserved store and do assessment on selected brands/products live.

Admittedly it is personal and direct communication. The special coupon can be only handed at the store after the assessment research is properly finished. The last group, - third one would have contained respondents, who have agreed to participate in research during shopping. They are recruiters selected from passing by (next to store) customers. Virtually the most interesting research experiment focuses on comparison first with second or third group of prospective respondents. It is because, first group can only use the imagination and

memory with products' assessment. The two other groups are having and experiencing direct contact with products and personnel staff at the store, so it is much easier for them to do such a task. This experiment might have provided double check assessment in respondents' dimension memory and imagination about the product or service. One might have also explained whether direct communication at store (concerning second or third group) could help company to understand better customers as well to undertake actions increasing finally volume of product sale. In short it could be an examination the relation between direct purchase, touching and even smelling products (which is "seeing is believing") and indirect purchase without option of seeing and touching product.

Summary

Approximately 450 000 respondents at MobileClub database, eagerly willing and declaring at any time and unlimited availability on different marketing research purposes creates an excellent opportunity (for many companies) to test and profoundly explore market new trends, customers needs, lifestyles, buying behaviours. It also gives enormous research prospects to explore affective and calculative commitment, situational triggers which are main drivers of customers' satisfaction. It is also a great chance for company to conduct research at very low cost and as quickly as possible. In case of Reserved store chain, through the agency of MobileClub users' network, one can evaluate a situation concerning problematic points in store service which fall short of company and customer's expectations. Assuredly Mobileclub can be successfully opposed to traditional methods such as Mystery Shopping.

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I worked as a IT project manager for three years and I can compare my experience with others, described in several books. But, one of the best books that I have read about project management is “Joel on Software: And on Diverse and Occasionally Related Matters That Will Prove of Interest to Software Developers, Designers, and Managers, and to Those Who, Whether by Good Fortune or Ill Luck, Work with Them in Some Capacity” written by Joel Spolsky.

All IT project managers should read it. All students who dream about this profession should read it. All directors, presidents, sales representatives should read it. Why? To know the truth about the influence of stupid and greedy decision makers destruction of very good projects. It presents a real picture of IT projects. It is not a sweet story about successful implementation, heroic fights or creative and innovative minds. The author has described basic mistakes, misunderstandings, conflicts, etc. It is absolutely essential literature for people involved in project management.

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