# Management Control Systems in a Fast Growing Start-up

## Bachelor's Thesis

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## Abstract

Fast growing start-ups create most of the new jobs today. Therefore, it is interesting for the society and economy to know how the design of management control systems (MCS) contributes to the success in a fast growing start-up. The aim of this paper is to increase the knowledge about how MCS is designed in a fast growing start-up four years from start, and to investigate if culture should be seen as a MCS. To answer this, a case study of a four year old company was made. Information was collected through 15 interviews, questionnaires and participant observation. The starting point for this paper was the earlier research by Davila and Foster, who are the foremost researchers in the field of fast growing start-ups. This is complemented with a cultural aspect presented by Malmi and Brown as well as MacNeill and Boyd. The results in this paper show that the number of MCS increases as a company grows, and that the number of employees is connected to the number of implemented MCS on both company level as well as on department level. In this case study, the company uses culture as a MCS leading to fewer formal MCS. By using culture as a MCS, the company receives several advantages, such as managing other offices without more MCS, increases its teamwork and creates a happy and familiar atmosphere. This indicates that culture could be considered a MCS and that the research by Davila and Foster should be complemented with this aspect.

*Key words:* MCS, culture, fast growing, start-up, case study

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# 1. Introduction

*The paper begins with a background describing the researched field. This is followed by a problem discussion leading to the purpose and research question. The limitations are then presented followed by a description of the overall disposition of the paper.*

## 1.1 Background

In the beginning of the 20th century, companies were characterized by large manufacturing plants. At this time, Frederick Taylor realized that operations could be made more efficient and he started to use time studies to measure every activity and individual worker (Taylor 1911). This led to standardized and efficient performance and is the foundation of today's management control systems (MCS). The design and use of MCS has developed over time and nowadays there are many different forms. Still, this field is evolving continuously (Åkesson & Siverbo 2009).

One of many definitions of MCS is presented by Simons, who is one of the leading researchers in the field of MCS. He defines MCS as "*the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities*" (Simons 1995, p.5). Simons does not take the effect of informal control into account, even though it may affect employees' behaviour through, for example, company culture and group norms. However, in the recent years, company culture has become more important for managing companies. The cultural aspect has been incorporated as a MCS by, for example, Malmi and Brown (2008) who describe culture as a MCS when used to alter or affect behaviour. MacNeill and Boyd (2006) also take company culture into consideration, and present the importance of managing employees through Management by walking around, which means that the employees are managed by having managers present in the daily work.

In recent years, there has been a shift from the previous industry of many larger plants to a fast growing service sector. This shift has led to the occurrence of fast growing start-ups. Previous research regarding MCS has primarily focused on mature and established companies, while nowadays more and more research is focusing on fast growing start-ups (Davila, Foster & Oyon 2009a). These companies create most of the new jobs, and are therefore important to the national economy and society as a whole (Birch 1987). This makes it important to understand how these companies become successful and how MCS contributes to the success.

## 1.2 Problem discussion

A small company in its start-up phase, has little or no need at all for MCS (Simons 1995) and the management style is personal (Davila, Foster & Jia 2010). When the company grows, the need for MCS gradually increases and the company has to leave the personal management for a more

professional agenda using MCS. For a fast growing start-up it is harder to predict when MCS should be implemented compared to a slower growing company. Also, the adoption of MCS seems to be related to growth, which makes the need for MCS to develop faster in fast growing start-ups than in mature and established companies. MCS in fast growing start-ups is a field with increasing empirical research, where Davila and Foster are the prominent researchers. Their research has been focusing on individual MCS on a group level, which will also be the starting point of this paper. However, Davila and Foster have not yet been able to give an explicit description of the design of MCS in fast growing start-ups (Davila, Foster & Li 2009b). Also, their research has been made on several fast growing start-ups in America which could mean that their results are typical for American fast growing start-ups and are not relevant for the Swedish market. A study in Sweden could complement the existing research and indicate if the results are general or typical for its country. Davila and Foster use the definition of MCS presented by Simons who does not take culture into account. There are a lot of research in the field of culture and how it can be considered a MCS, presented by for example Malmi and Brown (2008) and MacNeill and Boyd (2006). However, this has yet not been incorporated in the research about fast growing start-ups. There is a need for more research in the field of fast growing start-ups in general for the society to understand the development of MCS and what contributes to their success.

## 1.3 Purpose

This paper aims to contribute to knowledge about how MCS is designed in a fast growing start-up. Further on, it will investigate if culture can be considered a MCS and if existing research about MCS should be complemented with this cultural aspect. This leads to the research question:

- How is MCS designed 4 years from start, in a fast growing start-up?

## 1.4 Limitations

Focus in this paper is on how MCS is designed in a fast growing start-up. The paper is limited to the manager's perspective and even though stakeholders are important and will be affected by MCS, focus will be on how the company as a whole is affected through the efficiency of MCS. For the paper, a single case study is chosen instead of studying multiple companies like in the research made by Davila and Foster with others. One case study provides a more profound understanding of the design in MCS in this particular company, than if several case studies are made. Further on, the starting point of this paper is the previous research by Davila and Foster among others, and uses the same definition of MCS as they do in their papers, which originates from Simons. However, no further connections are made to Simons' research, because he does not take the cultural aspect into account. Instead, the research by Malmi and Brown (2008) along with the research by MacNeill and Boyd (2006), contributes to a cultural concept, which is

added as a MCS. Further on, MCS can be categorized into use and design, but in this paper only design is studied.

## 1.5 Disposition
The paper is divided into several chapters. In chapter 2, the used method is presented with a description of how information has been collected and analysed. Chapter 3 consists of the frame of reference used in this paper. The chapter leads to the formulation of our framework, which has been the foundation of the analysis. In chapter 4 the results from the case study is presented followed by an analysis in chapter 5. Finally, chapter 6 presents the conclusions from this paper and followed by its contribution and ends with a discussion about potential future research.

# 2. Method

*In this chapter the used method is presented. The chapter starts with presenting the research strategy, followed by a discussion on how to address the research question, which leads to the conclusion that a case study is the most suitable way. Further on in the chapter, the choice of case and how the data was collected and analysed are presented.*

## 2.1 Research Strategy

There is ample research, both theoretical and practical, regarding MCS but this research focuses largely on mature and established companies. In the last decades, more theoretical research has been made on fast growing start-ups with focus on how MCS is designed and used. Still, there is not enough empirical research about how MCS is designed in fast growing start-ups. To answer the research question, a case study was found to be the most suitable method, which allows a thorough investigation and analysis in one fast growing start-up. The choice favouring a case study is supported by Yin (2009), who states that a case study is suitable for answering research questions focusing on *why* or *how*. A case study is also suitable for "*studying a contemporary set of events over which the investigator has little or no control*" (Yin 2009, p.13). Yin also states that the researcher should be objective. This case study made it possible to make observations and to conduct interviews. It was important to ensure that the information gathered through interviews was correct, and the triangulation method is chosen to verify the information with another point of view. Bryman (2008) states that by using triangulation, which includes using both quantitative and qualitative techniques, a more completed and deeper perspective could be reached than by only using one technique. This is also supported by Yin (2009) who states that by using mixed methods, richer and more reliable data could be received. The different methods used in this case study were pre-study, interviews, questionnaires and observations, described further in chapter 2.3.

## 2.2 Case Selection

After the decision to make a case study, it was important to find a company where both external and internal information could easily be accessed. At the time of selecting a company, both authors were working at a company that fit the definition of a fast growing start-up, which constituted a natural choice.

By working at the researched company, both advantages and disadvantages were presented. The biggest disadvantage was the challenge of being objective and this was one reason to why the triangulation method was used. By verifying the information received with other data sources, the risk that the information would be marked by personal opinion was reduced. Also, the company wanted this paper to investigate if there was anything they could improve about MCS. To try to help them and to contribute to earlier research, there were no incentives to present

matters in a more favourable light. Beyond this, several advantages was received. The company provided fast and large access to internal information as well as a lot of help from the company itself. Already knowing the employees led to the possibility to ask more precise questions and receive better answers. The most important advantage was that by having an understanding of the company's operation and the knowledge about what they do comparing to what they say, more honest conclusions could be made, which increases the reliability of the results.

A start-up is a company in an early phase where there is little architecture (Davila & Foster 2005). One definition used by Davila and Foster suggests that the company should have between 50-150 employees, be independent and in a limited geographical area as well as being less than ten years old. Another definition of fast growing start-ups is presented by Dagens Industri, which annually nominates new so-called gazelles (Di belönar snabbväxande företag 2014). A gazelle is one of the fastest growing start-ups in Sweden and only 0,5% of Sweden's limited companies are being nominated every year. The company the authors worked for fulfilled the criteria for being nominated to Gazelle this year, which was evidence indicating that the company is a fast growing start-up. When the company was asked to participate in this case study, they were positive but wanted to be anonymous. Therefore, the company will hereafter be called Company-X.

Company-X is a four-year-old company in the E-commerce business that mediates services and goods between companies and customers. Company-X is one of the most successful companies in Sweden in its line and continues to grow, both in sales (Figure 1), members and employees (Figure 2). Among other things, a gazelle should have doubled their sales comparing the last year with the first, and have at least 10 employees (Di belönar snabbväxande företag 2014). As indicated in Figure 1 and 2, the company can be considered a fast growing start-up.
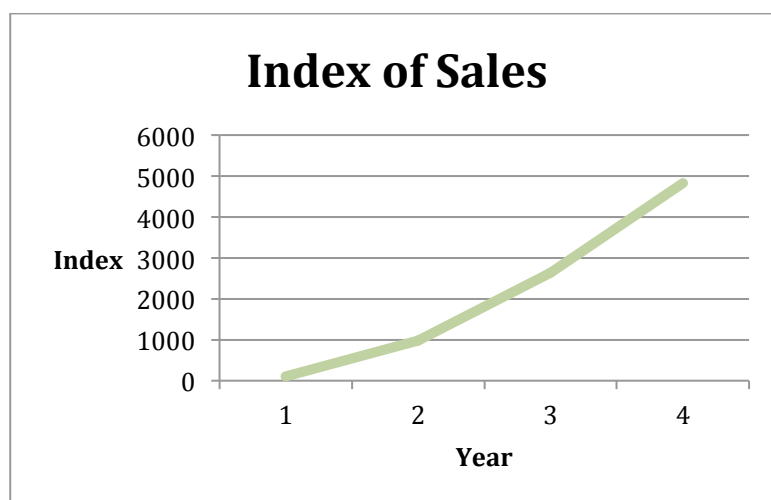


*Figure 1: Development of sales, measured in index, expressed as 100 year 1.*

*Based on information from Company-X's Annual Reports 2011 and 2013.*
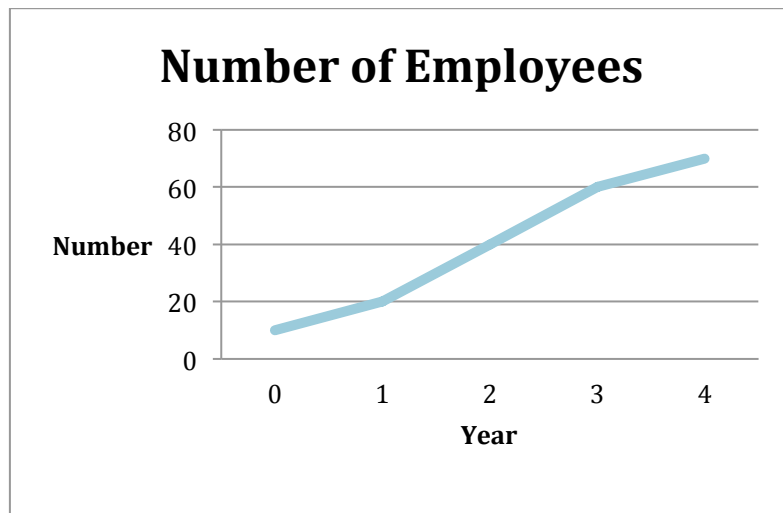
*Figure 2: Development of number of employees. Based on information from Company-X's Annual Reports 2011 and 2013.*

## 2.3 Data Collection

The aim of the case study was to receive an expansive and profound view of how MCS is designed in Company-X. To get a picture as wide as possible, interviews and questionnaires along with participant observations were made. Waddington (2004) describe participant observations as including a social interaction between the observer and the object of the study, and allows observations on a day-to-day basis providing first-hand information. The observer's experience is further described as being a legitimate source of data. By using interviews, documents, observations and a pre-study this case study got a qualitative picture of Company-X. To verify this picture the case study was complemented with quantitative questionnaires distributed to all employees. By doing this, data about the manager's perspective on the design of MCS was received along with the employee's perspective, which increased the credibility of the data. The information gathered from interviews, questionnaires and observations is presented in chapter 4.

### 2.3.1 Pre-study

A pre-study was made to contribute with a pre-understanding of which MCS was the most important for Company-X. In the pre-study, a manager with over-all knowledge about the company got to see the list of MCS made by Davila, Foster and Jia (2010). The manager marked the MCS which the company used the most and those which had changed most over time. In the pre-study and from earlier experience of the company, it was found that the company culture (here onwards described as culture) was very important for managing the employees and was used as a MCS. This pre-study contributed with a basic understanding for the design of MCS in Company-X, which also helped with the selection of people for the interviews.

### 2.3.2 Interviews

After the pre-study, interviews were held with all of the department managers to gather information about the company's design of MCS. Interviews were also held with the CEO and COO of the company to get an overall picture, and with all of the other four original employees who had been working at Company-X since start. These four could share information about how the design of MCS has changed over time and why. This study required asking questions to people with the right knowledge and experience, and because of this a random sample was not used. In total, 15 people were asked to do an interview and all of them accepted. Two of the department managers were situated in an office in another city, which gave us a wider perspective and showed how Company-X manages offices with geographic distance. The distribution and number of interviewees can be seen in Figure 3.
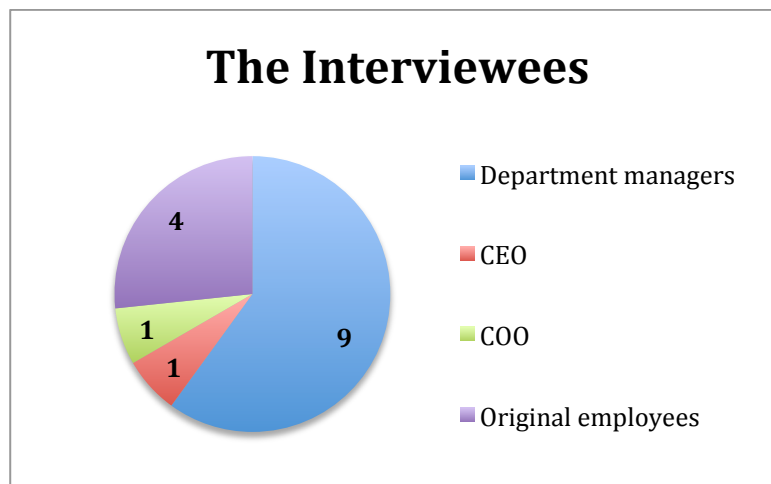


*Figure 3: The distribution and number of interviewees. The authors' own illustration.*

All of the interviews were semi-structured to ensure that the interviewees were asked the same questions, but also left the questions open to answer more widely. This is supported by Bryman (2008). The interviews were held in the employee's office and took about 45-60 minutes. They were held separately, in the native language of the interviewees and behind closed doors. The interviews were taped, transcribed and translated afterwards. In respect of the anonymity of the respondents, the results of the interviews are presented in general and the questions used in the interviews can be found in Appendix 1.

### 2.3.3 Questionnaires

To get a deeper perspective and to verify the information gathered in the interviews, questionnaires to all of the employees were sent out. The purpose was also to see if the managers' view was equal to the employees'. It also provided information about whether the employees were aware of which MCS they came in contact with and why these were used. Also, information about how the employees felt about the MCS in general was received. The

questionnaires were sent out to the employees' job e-mails, which are used frequently on a daily basis and ensured a 100% exposure. The questionnaires were open for one week and two reminders were sent out, that resulted in a response rate at 54%, which could preferably be higher. Because of this, the opinions of the total number of employees at the company may differ slightly from this sample. However, this has not affected the conclusions drawn from the information received, as this has been taken into consideration. The questionnaires included both quantitative and qualitative questions and were first sent to one employee at Company-X who has great knowledge about questionnaires and helped to formulate it with neutral words. The questionnaires were afterwards translated into English. The answers from the questionnaires can be found in Appendix 2 but in respect of the anonymity of the respondents, the comments in the questionnaires are not being published. The questionnaires have been analysed primarily through mean values and by comparing answers to each other.

### 2.3.4 Observations

Observations were made in the head office and in the second largest office, located in another city. This made it possible to observe and compare the design of MCS as well as the culture, at both the different offices and in different departments. Also, external and internal documents, such as annual reports and a cultural guide of how the employees describe the company and how the company wants their culture to be perceived, were observed.

### 2.4 Data analysis

The interviews with the managers provided general information and were the main source of information regarding the company's design of MCS. The interviews were complemented with questionnaires, which made it possible to afterwards identify differences between offices, part-time employees and full-time employees. The answers were mainly analysed through mean values. The observations brought an understanding of how MCS was used in the daily work. The observations mainly provided present information but strengthened the conclusions from interviews and questionnaires.

### 2.5 Validity and reliability

Validity means measuring the right thing and reliability means measuring in a reliable way (Trost 2012). By asking clear and objective questions in both questionnaires and interviews, the validity increases. In the beginning of all interviews and questionnaires, the definition of MCS of this paper was explained to ensure that the respondents used the same definition as the paper. The interviews were held with each interviewee separately and were then transcribed to provide an objective dataset. In addition to this, the triangulation method was used by making observations and by sending out questionnaires to all of the employees to make sure that the gathered information in the interviews were correct and to know if the MCS worked efficiently.

Altogether, the reliability is strengthened by using different types of information sources, triangulation and the transcription of interviews (Bryman 2008). The interviews and questionnaires were held in Swedish to make the respondents feel comfortable. The responses from the interviews and questionnaires were later on translated into English, losing the exact phrasing in the quotes from the respondents. To get comparable answers to increase the reliability in the results, the same questions were asked in the questionnaires to all employees, regardless of position or office. In the interviews there was a set of standard questions about MCS used in the company. These questions varied slightly depending on the conversation and who was being interviewed – the original employees, COO, CEO or the department managers. The questions from the interviews and questionnaires can be found in Appendix 1 and 2.

# 3. Frame of Reference

*To get a theoretical overview of existing research in the field, a number of theories are presented in this chapter. MCS can be categorized into design and use. In this paper, only the aspect concerning the design of MCS is discussed. The pre-study indicated the importance of culture for managing the company and therefore, MCS is divided into design and culture.*

## 3.1 MCS

Davila and Foster are the leading researchers in the area of MCS in fast growing start-ups and they have built their research upon the assumptions made by Simons, defining MCS as "*formal, information based routines and procedures managers use to maintain or alter patterns in organizational activities*" (Simons 1995, p.5). Formal information based routines are for example budgets and other financial measures, while informal control systems are for example culture or group norms (Malmi & Brown 2008). Simons does not take the cultural aspect into consideration in his research and therefore, no further connections to Simons will be made. The frame of reference is instead completed with a cultural aspect presented by Malmi and Brown (2008) and the concept of Management by walking around presented by MacNeill and Boyd (2006).

### 3.1.1 Design

In this paper, MCS is categorized and analysed both one by one and on group level. To describe the design of MCS in fast growing start-ups, the results were compared to the list of MCS formulated by Davila, Foster and Jia (2010). The list is based on a study of 78 fast growing start-ups and consists of 46 individual MCS in the 8 different categories financial planning, financial evaluation, human resource planning, human resource evaluation, product development management, sales/marketing management and partnership management. This list can be seen in Appendix 4, and when further mentioning MCS, these MCS are the ones taken into consideration.

For a company, there is little demand for formal control systems in the start-up phase (Davila, Foster & Jia 2010). There is usually no clear distribution of work and the CEO usually has many tasks. The CEO is involved in every decision and has a good overview of the work from his workplace. In this stage, no formal MCS is needed because everyone is involved in the decision-making and has the same knowledge about the company. Davila, Foster and Jia further describes that when companies grow, the demand for more formal and measurable goals increases. As the company grows, the personal management style, frequently used in start-up companies, no longer works. A bigger company needs to manage the employees to ensure that everyone works in the same direction. Increasing number of employees lead to problems seeing the bigger picture and the employees cannot be managed exclusively through informal communication. The

employees will focus on their own work and will have different knowledge. The decision-making authority needs to be delegated to lower levels when growing bigger and more MCS is implemented. Davila, Foster and Jia continue that there comes a point in the growth of a start-up company, somewhere between 50 and 100 employees, where the informal personal management style no longer works and the company needs to change into a more professional style using MCS. This suggests that it is necessary to adopt MCS as the company grows. The three most widely adopted MCS categories, in the early years since founding a company, all involve planning: financial planning, strategic planning, and human resource planning. Davila, Foster and Li (2009b) have found information indicating that companies implementing financial planning tend to implement human resource planning later, while a company implementing human resource planning early tend to implement financial planning later.

### 3.1.2 Culture

In the pre-study it was found that culture is an important MCS for Company-X, used frequently to convey values and how to work accordingly to them. For this reason, the frame of reference is complemented with a cultural aspect, described below.

#### 3.1.2.1 Value-based controls, Symbol-based controls and Clan controls

Malmi and Brown (2008) describe MCS as being a package and describe culture as being part of this when the purpose of culture is to influence the employees to behave in a certain way. Culture is described as a broad MCS which provides a contextual frame for other MCS. Further on, Malmi and Brown divide culture into three different categories: Value-based controls, Symbol-based controls and Clan controls. Value-based controls are systems providing basic values and direction for the organization. This is for example mission and vision statement and other systems informing about company values. Other forms of Value-based systems are recruiting people sharing the same values as the company, socialize new employees into believing in the company values or when an employee acts accordingly to them but does not share them personally. Symbol-based controls are expressed when the company makes culture visible through for example dress codes or workspace design. Clan controls are sub cultures within a company because of different socialization, which brings the employees or sub cultures certain values. Clans might occur within professions or departments, for example, and the clans are strengthened by ceremonies and rituals.

#### 3.1.2.2 Management by walking around

When a manager is involved in the employees' work and is engaging in discussions with them, it is called Management by walking around (MacNeill & Boyd 2006). This often generates advantages because the manager and employees can learn from each other. Management by walking around can be expressed in many ways, for example through the distribution of responsibility to people with the same values as the manager. It is also expressed when the

managers talk casually to the employees leading to that the manager learns the consequences of decisions and the employees learn about the managers work. For the managers to be seen by the employees on a daily basis and having informal conversations, the attitude and atmosphere in the workplace becomes more positive. Typical for this management style is encouraging the employees to ask questions and discuss problem with the managers.

## 3.3 Our Framework

This paper examines the design of MCS in a fast growing start-up and the cultural aspect of MCS. As the foundation of this paper, Simon's definition of MCS is used: "*MCS are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities*" (Simons 1995, p.5). This is the same basis that both Davila and Foster along with Malmi and Brown use in their papers, and therefore, it was a natural choice to use that definition. Davila and Foster are the foremost researchers in this field and have written several articles along with other prominent researchers in this field. Their research has been the starting point in this paper, and especially the list of MCS presented by Davila, Foster and Jia (2010). This list consists of 46 individual MCS divided into 8 categories, on which they based several of their papers. However, after the pre-study a cultural aspect was added because it was shown to be important for Company-X. Malmi and Brown describe culture as being part of the MCS package and have identified Value-based controls, Symbol-based controls and Clan controls as cultural controls providing a contextual frame for other MCS (Malmi & Brown 2008). Noticed in the pre-study was also the fact that the company manages its employees through interaction between managers and employees, and the frequency of managers' travels between offices. This is described as Management by walking around by MacNeill and Boyd (2006), and this concept was also added to the model. This together, became the paper's framework (Figure 4).
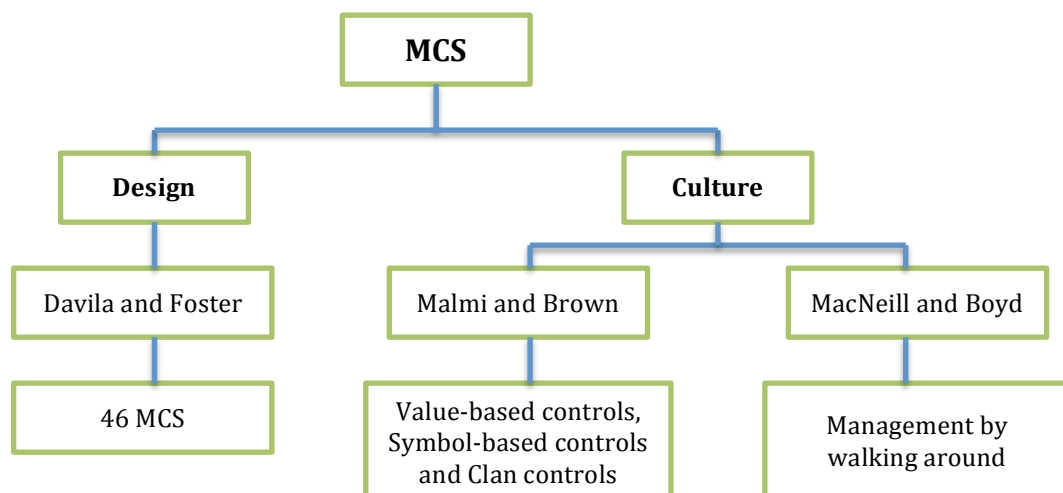


*Figure 4: Our Framework. The authors' own illustration.*

# 4. Empirical framework

*This chapter begins with presenting the information received from the held interviews. Further on, the results from questionnaires and observations are presented. Each part describes the MCS in Company-X and is divided into design and culture.*

## 4.1 Interviews

This chapter describes the interviewees' perspective on the design of MCS and the cultural aspect. In total, 15 interviews were held with the CEO, COO, original employees and department managers. The interviewees gave similar answers and the following text is therefore a general summary of the interviews. The questions asked can be found in Appendix 1.

### 4.1.1 Design

Company-X has its head office in Gothenburg, where most of the employees and all of the support functions are seated. Furthermore, several offices are located around Sweden. The interviews revealed that in the beginning, there were only a few employees with no clear distribution of work resulting in all employees sharing the workload. Everyone was involved in the decision-making and there was neither a clear hierarchy nor any MCS except for operating budget which was implemented early. As the company grew, both in number of employees and in sales, distribution of work and responsibility came to be more important, according to the interviews. The need for departments arose as the number of employees increased rapidly during the second year, and every department got a manager with responsibilities, goals and assignments for the department to reach. In year 2, when the company understood that the number of employees would almost have to double during the following two years, a human resource department was needed and the same year, the work with core values started. The development of implemented MCS can be seen in Figure 5.
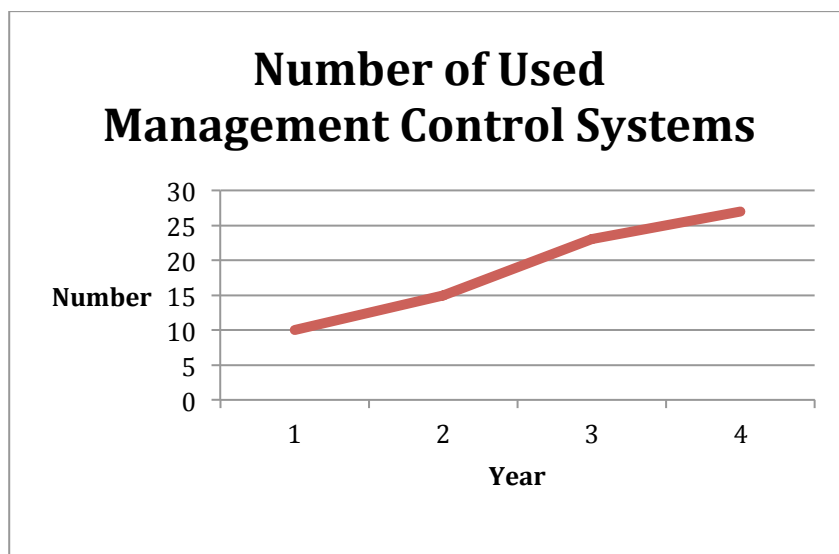


*Figure 5: Number of used Management control systems from the list by Davila, Foster and Jia (2010).*

*Based on interviews.*

Along with the company's growth, new offices have been created and the number of part-time employees has increased. The part-time employees mostly work from home, except for the occasions when the full-time employees are ill or on vacation and when there is a temporary need for more help. The interviewees argue that neither part-time employees nor other offices require other or more MCS than those used in the head office. However, there are primarily sales people in the other offices and they already work after a lot of MCS. The other offices do not perceive it as a problem not being located at the head office. They believe it is better to be closer to the market than to the support functions, and thanks to the frequent visits from the head office's managers, the information sharing and communication between the offices are not problems. The increased number of total employees, led to an increase in MCS, both in total and at department level. The departments with most employees have more MCS than departments with fewer, and in the departments with only one employee there are almost no MCS at all. The department of sales has the most MCS which is explained by the interviewees, both as a consequence of the number of employees and because it is a department which easily can and need to be measured. The company is described as being very sales-oriented and therefore it is important to measure effectiveness and profitability. The company does not generally implement MCS without discussion and feedback between the managers and employees, the reason being that Company-X wants to encourage both managers and employees to be creative and provide suggestions. However, MCS has also been implemented as a consequence after incidents.

As seen in Table 1, the percentages of implemented MCS vary between the categories. Most of the MCS was implemented during year 1 and 3 and overall, the company has more planning MCS than evaluation. In total, Company-X has implemented 69,6% of the 46 MCS from the list by Davila, Foster and Jia (2010), and over time, more and more profitability MCS have been implemented. The interviewees also agree that the management style has changed to a more professional style and that the number of MCS has increased since they started working there, leading to more defined hierarchy today than at the beginning.

| Category of system | Total number of MCS in each system | Number of implemented MCS in each system |
|---|---|---|
| Financial planning | 3 | 2 (66,7%) |
| Financial evaluation | 6 | 6 (100%) |
| Human resource planning | 7 | 7 (100%) |
| Human resource evaluation | 4 | 2 (50%) |
| Strategic planning | 5 | 4 (80%) |
| Product development management | 7 | 2 (28,6%) |
| Sales/marketing management | 10 | 8 (80%) |
| Partnership management | 4 | 1 (25%) |

*Table 1: Number and percentages of implemented MCS in Company-X from the list by Davila, Foster and Jia (2010).*

*Based on interviews.*

### 4.1.2 Culture

The interviewees describe the culture as being very warm, friendly and helpful in the beginning. It was a group of friends who had fun and at the same time managed a company. Culture has always played an important role in managing the company and is therefore considered a MCS, according to about half of the interviewees. Culture works as a form of positive peer pressure where the employees learn to act accordingly to what is expected from them. The managers want the culture to be friendly and open, where discussions and meetings are encouraged. This easy-going culture is supposed to make the employees enjoy their work and make the employees help each other. People who do not fit in with the culture tend to not stay for a long time, leaving only people with the same values.

The interviewees describe that when the human resource department was created, a more extensive work with maintaining and communicating the culture was started. A substantial effort was made in order to recruit people with the same values as the company. In earlier years the company recruited people they knew who had the right competence for the job, whereas today it is more important to ensure that the culture corresponds with the employees, which will result in employees who care about the company. There is less focus on possessing the right skills as these are easy to learn. It is also important that managers have the right attitude and are conveying the right culture, especially in the other offices. The interviews show that another way of overcoming the geographical distance between offices is by having managers from the head office travel once or twice a week to visit the different offices. This improves the smaller offices' sense of belonging to the company. For the part-time employees who mostly work from home, culture will be felt through the atmosphere at the offices and between the employees when they occasionally come to the office. Another important thing, described in the interviews, is to encourage the departments to work together. This is made through having activities for both the offices and the whole company. Once a year, the company goes on a trip together if a big goal is achieved. Also, once a week there is an after work in every office and breakfasts including a Skype-meeting with the whole company. If a department achieves a goal, the whole company celebrates and sends congratulations through e-mails.

Even though managers have always made an effort maintaining the culture, the interviewees feel that it has gradually grown less personal and more company-like over the years. This was expected by the interviewees because of the increased number of employees. Though, the ambiance is still very much like a big family working together in a start-up. On the question of what the biggest challenge is for Company-X as a growing company, almost everyone answered that it was to keep the same culture. The word culture had, in the most interviews, not been mentioned until this question.

## 4.2 Questionnaires

In this part of the chapter the results from the questionnaires are presented. The questions and answers can be found in Appendix 2.

### 4.2.1 Design

The questionnaires were sent out to all employees at Company-X and achieved a response rate at 54%. Of those who answered the questionnaires, more than half of the respondents (55,3%) work at the head office, a fourth (26,3%) work at other offices and almost a fifth (18,4%) are part-time employees. Figure 6 shows employment time and where the respondents are located.
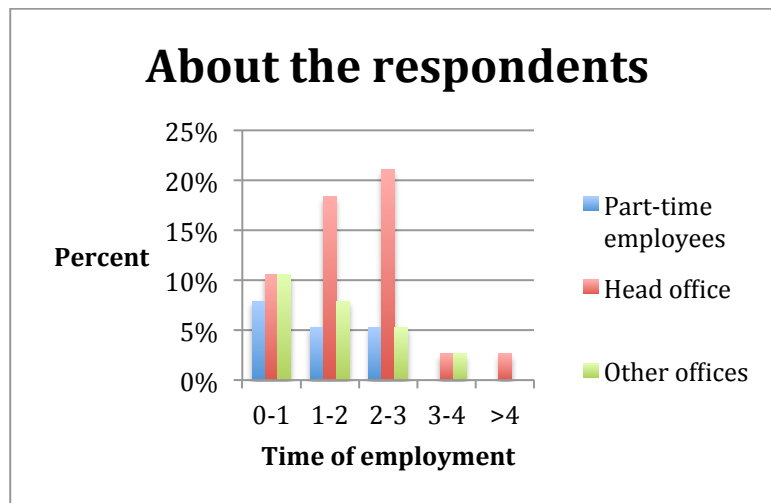


*Figure 6: Employment time and location of respondents. Based on questionnaires.*

From the questionnaires a table has been made, showing the answers' percentages. 89,4% of the respondents work with MCS but 31,6% have only received little or no information about them. From their start, 73,7% of the respondents feel that the MCS has increased. Further on, 18,4% answered that it is too many MCS. There is a difference between the percentages from full-time employees and part-time employees, which can be seen in Table 2.

| | Total respondents | Full-time employees | Part-time employees |
|---|---|---|---|
| **Do work with MCS** | 89,4% | 87,1% | 100% |
| **It is too many MCS** | 18,4% | 19,3% | 14,3% |
| **Have got little or no information about MCS** | 31,6% | 25,8% | 57,1% |
| **MCS has increased** | 73,7% | 74,2% | 71,4% |

*Table 2: Percentages of thoughts on MCS. Calculations can be found in Appendix 3. Based on questionnaires.*

### 4.2.2 Culture

When being asked about culture almost all respondents were positive. The most common words when describing the culture were *happy* and an *open climate*, together with the core values for Company-X. 42,1% of the respondents thought that the culture had changed since they started working there, while the rest thought it was the same. About half of the respondents described

that the culture had gone from being a group of friends to a more company-like organization. This included a more clear hierarchy with a less personal contact and less freedom.

Table 3 shows the questionnaires' mean values for the different offices and part-time employees in both a sense of belonging to Company-X and identification with culture. The respondents answered a number between 1 and 5 (where 1 being the lowest and 5 the highest). Belonging to Company-X means that the employee feels involved and as a part of the company, while identification with culture means that the employee shares values and identifies him/herself with the culture. Also, some part-time employees commented in the questionnaires that they feel that they have been more separated from the full-time employees and would like to be more involved in the company and participate in more activities. For detailed information, see Appendix 2.

| | Sense of belonging to Company-X | Identification with culture |
|---|---|---|
| **Head office** | 4,48 | 4,24 |
| **Other offices** | 4,2 | 4,4 |
| **Part-time employees** | 3,14 | 4 |
| **Total** | 4,16 | 4,24 |

*Table 3: Mean values of the sense of belonging to the company and cultural identification on a scale from 1 to 5. Calculations can be found in Appendix 3. Based on questionnaires.*

## 4.3 Observations
To get answers to the research questions, observations in the head office and in an office located in another city were made.

### 4.3.1 Design
Company-X arranges Skype-meetings every week with all the employees and managers at the company to discuss what has happened the previous week and what is upcoming. This is a place for everyone to meet, share information and have discussions even if they are not at the same location. The employees have many meetings with both each other and the managers. They are open and helpful to each other and if there is a problem they deal with it right away. The employees work a lot on their computers and therefore both chatting and e-mail are used frequently to communicate with each other. E-mail is a good way of sharing information between employees and departments that are involved. This makes it possible for the concerned employees to share information and input on a certain topic and also to keep the other offices and part-time employees up to date with new information.

### 4.3.2 Culture
The management strive to maintain a strong culture within the company. To do so, they for example use their logotype, company name and core values in the offices. Examples are that

they use the logotype's colour frequently, put the logotype and core values on mugs as well as on the walls and as a signature in e-mails. The logotype is used more frequently in the head office than in the other examined office. The company has also started with an annual culture booklet, where the employees have described the culture. Beyond this, there is an employee guide including, for example, codes of conduct and dress codes.

Through e-mails, the employees encourage each other to do their best and congratulate each other when someone has reached a goal or made a good effort. Everyone celebrates even if it is only one department or office that has made a good achievement. In the offices, the managers and employees sit together in their daily work, and the head office is open-planned with only a few separating walls between the different departments. The doors are seldom closed. There are also places for meetings and a sofa where the employees and managers can relax or have meetings. Company-X wishes that their office was even more open-planned with more small places for relaxed meetings. They want more flexible work places to encourage spontaneous meetings and increase the interactions between the employees.

# 5. Analysis

*In this chapter, the information gathered through the different data sources are analyzed and compared with each other leading to the conclusion.*

## 5.1 Design

The interviews indicate that the company has evolved from being a small company with informal management, to being a company with more formalized management. Earlier, the company focused on solving problems as they occurred, which led to the implementation of new MCS. Today, the company tries to be more proactive in its implementation and uses more evaluation MCS than earlier. Also, the company focuses on profitability instead of growth which indicates that the company is becoming more mature and stable. Most of the interviewees argue that it is important with MCS, but that it must be on a good level. For now, the number of MCS is sufficient, even though there are big differences between the different departments in number of implemented MCS. There seems to be a connection between growth in both sales and employees, along with the number of implemented MCS. The number of MCS could also depend on the measurability. Further on, every department has its own manager who is responsible for managing its employees according to the company's need. This makes the work more efficient, as only MCS that is relevant for its own department is used. The manager sits together with its department and can therefore easily understand if a MCS works or not. Only the part-time employees work from home but however, they do not need other or more MCS than the rest, according to the interviews. Neither do other offices need more MCS because there, the employees are mainly sales people who belong to a department that already uses a lot of MCS and therefore is managed well. Since the company is sales-oriented, many MCS in the category of Sales/Marketing has been implemented. Other reasons for the high degree of implementation in this category could be that the first implemented MCS was in this category and that this is the biggest department.

In the questionnaires, most of the respondents think that the number of MCS has increased over time, something that seems to be a result of the increasing number of employees. Most of the respondents think that they are working with MCS and many of them appreciate that more routines and guidelines have been added, even though not all of them seem to think of these as typical MCS. About a third of the respondents feel that they have received little or no information about the implemented MCS and why they are being used. When comparing the results from full-time employees with part-time employees, a difference is found. While a fourth of the full-time employees feel that they have not received full information, the number is more than twice as high for the part-time employees. This could be explained by the fact that most of the part-time employees work from home and therefore do not receive all of the daily

communication and information. Not receiving enough information can lead to a negative attitude towards new MCS and the feeling of being controlled instead of seeing MCS as a tool and guideline.

The observations show that the weekly meetings over Skype, give the managers and employees the possibility to both share information and keep everyone updated about the departments and the company itself. Through these meetings, the managers assure that the employees get the most important information about recent and forthcoming happenings. Also, the company has a very interactive environment, where e-mails are frequently being used to include all concerned employees, at the same time as the sharing of information is quick and gives everyone the possibility to comment and give input on a subject. The observations indicate that the number of implemented MCS is connected with the number of employees on company level as well as department level. The departments with many employees have more MCS than those with fewer employees. Further on, it seems as though the employees have good knowledge about their own MCS, the understanding for others' is not good. By increasing the understanding, the employees could help and facilitate work tasks for each other, and improve the collaboration between departments.

When comparing all of the data sources, few things differ from each other. All show that the MCS has become more formal than earlier and that the number of MCS has increased. The observations show that the increase of MCS is connected with the increase of number of employees, both on company and department level, something also displayed in the interviews. Also, the company uses more evaluation MCS than earlier. Furthermore, it is described in the interviews that the implementation of new MCS is becoming more proactive than before and that managing the company has become more formal, which is also seen in the observations. In the interviews, it is described that information about all used MCS is being distributed to the concerned employees, however, the questionnaires show that the part-time employees above all, receive very sparse information. The other offices do not need more or other MCS, according to the interviews and observations made in the other studied office. To overcome the geographical distance between the offices it is important with weekly meetings, to spread important information to all of the employees, something that all data sources indicate. However, these meetings, along with most of the implemented MCS, focus primarily on department level. This leads to problems with seeing the bigger picture and also lowers the understanding for how one's work affect another. Overall, the design of MCS seems to be good even though there are problems finding MCS that all departments can share. This leads to much focus on every department individually, but less focus on the company as one, and there might be difficulties

with getting the departments to work together. To overcome this problem, the company uses culture largely, and it is very important that the work with culture remains.

## 5.2 Culture

In the interviews, most of the interviewees describe the culture as happy and having an open climate. They feel that the company is like a big family working together. However, according to the interviewees, the culture feels more company-like today, compared to the start. Almost everyone states that the company's most important thing to focus on is keeping the same culture even though the company continues to grow. By having a strong culture and the sense of being part of a family, the employees are encouraged to do their best and to make an effort for each other and the company, also when no routines and guidelines are found. About half of the interviewees think of the company's culture as a MCS, while it seems like the other half has not thought about it. Even though the persistent work with culture has always existed, a need for a human resource department was identified when the company grew and had to double its workforce. Therefore, the department was created in year 2. Except for recruiting people with the right values and culture, a lot of effort is being made in strengthening the team and establishing the foundation of the company, mostly through putting the culture on paper. According to almost every interviewee, it is important with managers who convey the right culture and spread the culture to the employees. This is even more important in the other offices, because of the separation from the head office. Regarding the part-time employees, the culture will be transferred when they come into office and feel the culture from the rest. The offices are as open-planned as possible and by having managers and employees sitting together, discussions and communication among all employees are being encouraged. By having managers that travel between the offices at least once a week, the other offices is also included in the atmosphere. When a good result is achieved, all of the employees celebrate, even if it was made by only one office, department or employee.

The questionnaires show that culture is something important for the company and despite the company's high growth, the culture still feels like a group of friends hanging out together. When the respondents describe the culture, the most common words are *happy* and *open climate* along with the company's core values. Almost everyone is positive to the culture, but a few think it is too sales-oriented. However, 42,1% of the respondents think that the culture has changed since they started working at Company-X. Even though the culture still is friendly, it has also become more company-like, which was expected by some respondents because of the high growth. When asking if the respondents feel belonging to the company and identification to the culture, the results are good. However, the part-time employees feel both less belonging to the company and less identification to the culture than the full-time employees do. This may be explained by

the fact that the part-time employees mostly work from home and therefore do not get in contact with the culture as much as the full-time employees. When comparing the numbers from the head office with the other offices, little difference is found, which indicates that the culture is strong in other offices too, even though there is a geographical distance from the head office. The only place where the sense of belonging to the company is higher than the cultural identification is in the head office. A reason for this can be that the head office is bigger than the others and has existed longer.

Culture is observed both physically in the offices and also in the interaction between the employees. The company uses its name, logotype and company colour a lot in the head office, but not quite as much in the other studied office. The reasons for this could be that the head office is the largest office with most employees, has existed the longest or has the human resource department situated there, which works with strengthening the culture. The open-planned offices together with the open climate encourage communication and discussions among the employees and managers. In all offices, the managers are sharing room with the other employees and they are also traveling a lot between the different offices and are therefore being very visible. E-mails are used frequently by all employees both to share information and to congratulate each other. This way of interactive communication seems to lead to a more profound understanding for colleagues' work tasks and decisions. This understanding might affect employees to work differently to facilitate someone else's work, or for a manager to make better decisions because they know the operations and daily challenges. The company also arranges trips and festive events a few times annually for the entire company, to meet and spend time together. This probably results in making the employees feel more belonging to the company. Further on, the company do not only set monetary goals but also goals including teamwork with a prize if succeeded.

In general, all of the data sources state that the company has an open atmosphere which encourages discussions. The interviewees explained that the offices are open planned, and that both managers and employees share room and is seen on a daily basis. Further on, they said that the managers travel frequently to other offices. This information was supported by observations in the head office as well as in the other office that was studied. The frequent use of the company's name, logotype and its colour, was observed at the head office. This was not used as much in the other studied office, but as seen in the questionnaires, the percentages of belonging to the company and cultural identification do not differ much when comparing these two. The observations and questionnaires support what most interviewees express about the need for no more or other MCS in other offices. But on the contrary, the questionnaires' percentages of

belonging to the company and identification to the culture differ significant between part-time employees and full-time employees. This show that part-time employees do not take part of the culture in the same way, and that they might need more or other MCS to be managed, something that the interviewees had not considered. The interviewees also described the focus and hard work being made on strengthening the culture and recruiting people who share the same values and culture, something that was also mentioned in the questionnaires and understood through observations. Finally, all of the data sources confirm the importance of culture for the company, and how it uses culture as a MCS to control and influence the employees. Therefore, culture is considered a MCS in this case study.

# 6. Conclusion

*In this chapter, the conclusions from this paper is presented and compared with previous research. Further on, the contribution to the research field and suggestions for future research is presented.*

## 6.1 Summary

This paper has researched the design of MCS in a fast growing start-up, four years from start. Overall, the design of MCS in Company-X follows the structure presented by Davila and Foster well. The company went from informal management to becoming more formalized using more evaluation MCS than earlier. The number of MCS has increased as the company has grown in both sales and employees. Also, the early implementation of planning MCS seems to have led to a later implementation of the human resource department. All of this is in accordance with the previous research from Davila and Foster. Overall, the company manages the employees well through MCS adjusted to fit the particular department. This is possible through department managers having great knowledge about the operation of their department, partly because they share offices with the employees, but also through discussion and feedback from the employees. For the company, information is shared through frequent meetings and e-mails to those concerned. When focusing on MCS on department level, the company gets some problems with the collaboration between the departments. However, this problem is being solved through having a strong culture that strengthens the bonds between the departments.

The strong culture leads to that the employees know how to act, even when there are no routines or formal MCS. Further on, the geographical distance presented as a problem by Davila and Foster, is overcome with the culture and therefore, the other offices do not need other or more MCS than the head office. Company-X describes their culture as being happy and having an open climate. The culture is conveying values to the employees and makes them act accordingly. This indicates that the thesis presented by Malmi and Brown, stating that culture could be used as a MCS, is correct. Culture is expressed in many ways, for example through Symbol-based controls when using the company's logotype and its colour, frequently in the offices. Value-based controls are expressed when recruiting people who share the company's values and also putting a lot of effort into strengthening the essential values of the company, such as vision and mission. Culture is also strengthened through celebrations and greetings through e-mails. Managers travelling between the offices along with the easy interactions between managers and employees, and the fact that the managers circulate in the offices, are typical for Management by walking around. This also supports the earlier mentioned statement that culture could be considered a MCS. Though, Davila and Foster have chosen not to take culture into consideration in their research about MCS in fast growing start-ups, which this paper opposes. In this

company, culture is very important because it brings all departments and employees together, and makes them focus on the same goals. It has been found that culture is used as a MCS in Company-X, and that the absence of it affects the company. Other offices are being managed without having any extra MCS, and neither managers nor employees feel that the geographical distance is a problem. The other offices can take part of the culture through managers that are conveying it, while the part-time employees mostly work from home and lose some of the culture, leading to that they do not feel as concluded as the others. Even though this paper only has researched one company in Sweden, the results in the case study are clear. Through triangulation, the importance of culture has been verified along with the design of MCS. Therefore, it is suggested that the research from Davila and Foster ought to be complemented with the cultural aspect, and that the list of 46 MCS should include a new category with MCS concerning culture.

## 6.2 Contribution

This paper contributes with strengthening Davila and Foster's previous research about MCS in fast growing start-ups. Their previous studies have focused on American companies, while this paper contributes with a profound Swedish case study made in one company. However, by including a cultural aspect presented by Malmi and Brown along with MacNeill and Boyd, a new perspective on research in fast growing start-ups is presented. This paper concludes that culture could be considered a MCS and that previous research made by Davila and Foster is not complete since it has not taken this into consideration. Therefore, they should complement their list of MCS with a new category: Culture.

## 6.3 Future research

After the case study made in this paper, information is found indicating that Davila and Foster should add the cultural aspect to new research about MCS in fast growing start-ups, and thus incorporate two research fields: culture as a MCS and MCS in fast growing start-ups. However, this paper has only investigated one company and therefore, similar studies in several fast growing start-ups should be made, both in Sweden but in other countries as well. Because Davila and Foster have investigated numerous American fast growing start-ups, the same types of studies should be made but complemented with culture as a basis. This would give indications on whether the cultural aspect is connected with Sweden or if it is used in fast growing start-ups in America and other countries as well. Further on, research should investigate if culture can manage a company regardless how big it gets and, finally, there should be more studies made about the *use* of MCS when culture is included, a perspective that not has been included in this paper.

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## Appendix 1: Interview questions

### *General*

We are writing a paper about how management control systems is designed in a fast growing start-up and Company-X is our case study. Management control systems are things that the management in a company implements to make the employees act in a certain way. *Examples if needed*.

1. What is your position?
2. Job description?
3. Who hired you and why?
4. Is your salary affected by performance?
5. Do you personally work after management control systems? If no, would you like to have any?
6. What is the biggest change in how Company-X is working as a company and with its employees, since you started here?
7. Do you or anyone in your department have performance-based rewards?
8. Have you personally come up with or implemented any management control systems?
9. How would you describe your workload?
10. How do you manage your employees?
11. Do you have the same management control systems to manage the part-time employees as the employees working full-time?
12. Do you have the same management control systems to manage the other offices as the employees in your office?
13. What do you think is Company-X's biggest challenge as a fast growing start-up?
14. If Company-X continues growing, will you have to change the management control style or will it be the same?
15. How do you think the work between departments work?
16. Describe Company-X's culture? Has it changed?

### *Additional questions for human resources*

1. How do you work to strengthen the culture?

### *Additional questions for original employees*

1. How was Company-X managed in the beginning?
2. Do you remember the implementation of a certain MCS?

### *Additional questions for COO*

1. What is the function of the board of directors?
2. What was the purpose of the other offices and how have the MCS changed?
3. Are there any problems with other offices? Are the MCS different from the head office?
4. Are you familiar with the gazelle nomination? Is it something you are aiming for?

### *Additional questions for CEO*

1. What is the function of the board of directors?
2. What was the purpose of the other offices and how have the MCS changed?
3. Why does some departments have more MCS than others?
4. How was the management style in the beginning?
5. How do you want the management style and the MCS to be like in the future?
6. How do you want the company culture to be?
5. Are you familiar with the gazelle nomination? Is it something you are aiming for?
7. Looking back, is there anything you would have done differently?
8. Is there something in particular you look for when you employ someone?

# Appendix 2: Questionnaires including results

1. **Where are you located?**
   Head office                                                              *55,3%*
   Other offices                                                            *26,3%*
   Part-time employees                                                      *18,4%*

2. **For how long have you been working at Company-X?**
   0-1 year                                                                 *29,0%*
   1-2 years                                                                *31,6%*
   2-3 years                                                                *31,6%*
   3-4 years                                                                *5,3%*
   More than 4 years                                                        *2,6%*

3. **Do you feel belonging to Company-X?**
   **Indicate on the scale below where 1=none and 5=high**
   1                                                                        *2,6%*
   2                                                                        *2,6%*
   3                                                                        *18,4%*
   4                                                                        *29,0%*
   5                                                                        *47,4%*

   **Comments**
   *In respect of the anonymity of the respondents, the comments here are not being published.*

4. **Management control systems are things that a company implements to make their employees act in a certain way. This may be goals, checklists, budgets, fixed routines, limited authority, prohibitions, corporate culture and core values. Do you feel that you are working after management control systems?**
   Yes                                                                      *68,4%*
   Yes but I want more                                                      *2,6%*     *89,4%*
   Yes but it is too much                                                   *18,4%*
   No but I do not want to                                                  *5,3%*
   No but I want to                                                         *2,6%*     *10,5%*
   I do not know                                                            *2,6%*

5. **Regarding the management control systems that Company-X is using and you get in contact with, do you feel like you have been informed about what they mean and why they are being used?**
   Yes                                                                      *68,4%*
   Only what they mean                                                      *18,4%*
   Only why they are being used                                            *7,9%*
   No                                                                       *5,3%*

6. **Has the amount of management control systems changed since you started working at Company-X?**
   Yes, it has increased                                                    *73,7%*
   Yes, it has decreased                                                    *0,0%*
   No, it is the same                                                       *2,7%*
   I do not know                                                            *23,7%*

   **Comments**
   *In respect of the anonymity of the respondents, the comments here are not being published.*

7. **Describe the company culture at Company-X**
   *In respect of the anonymity of the respondents, the comments here are not being published.*

8. **Do you identify yourself with the company culture at Company-X?**
   **Indicate on the scale below where 1=none and 5=high**
   1                                                                *0,0%*
   2                                                                *7,9%*
   3                                                                *13,2%*
   4                                                                *26,3%*
   5                                                                *52,6%*

9. **Has the company culture changed since you started working at Company-X?**
   Yes                                                              *42,1%*
   No                                                               *57,9%*

   **Comments**
   *In respect of the anonymity of the respondents, the comments here are not being published.*


# Appendix 3: Calculations

## Calculations of Table 2
In Table Name several response options have been added to get new percentages, described below.

| Our percentages | Consists of |
|---|---|
| Do work with MCS | Yes, Yes but I want more and Yes but it is too much |
| Thinks it is too many MCS | Yes but it is too much |
| Have got partly or no information about them | Only what they mean, Only why they are being used and No |
| Think it has increased | Yes, it has increased |

## Calculations of Table 3
The mean values were calculated by adding all separate numbers together and thereafter divided with the amount of respondents. This was made both for the total of respondents and also for part-time employees, head office and other offices.

## Calculations of Percentages of implemented MCS
To receive the percentages of implemented MCS both in total and divided between evaluation and planning, we added the amount of used MCS and divided with total available MCS in that category. The total percentage is received by 32/46=0,6956…=69,6%, the percentage of evaluation MCS by 8/10=0,8=80% and the percentage of planning MCS by 13/15=0,8666…=86,7%.

# Appendix 4: Time of implementation

**Company-X's time of implementation of Management control system**

| Category of system | Management Control System | Year 1 | 2 | 3 | 4 | NO |
|---|---|---|---|---|---|---|
| *Financial Planning* | Operating budget | x | | | | |
| *Financial Planning* | Cash flow projections | | | | | x |
| *Financial Planning* | Sales projections | x | | | | |
| *Financial Evaluation* | Capital investment approval procedures | x | | | | |
| *Financial Evaluation* | Operating expenses approval procedures | | | x | | |
| *Financial Evaluation* | Routine analysis of financial performance against target | | | | x | |
| *Financial Evaluation* | Product profitability analysis | | | x | | |
| *Financial Evaluation* | Customer profitability analysis | | | x | | |
| *Financial Evaluation* | Customer acquisition costs analysis | | x | | | |
| *Human Resource Planning* | Core values | | | x | | |
| *Human Resource Planning* | Mission statement | | x | | | |
| *Human Resource Planning* | Organizational chart | | | x | | |
| *Human Resource Planning* | Codes of conduct | | | x | | |
| *Human Resource Planning* | Written job descriptions | | | x | | |
| *Human Resource Planning* | Orientation program from new employees | | | | x | |
| *Human Resource Planning* | Company-wide newsletter | | | | x | |
| *Human Resource Evaluation* | Written performance objectives for managers | | | | | x |
| *Human Resource Evaluation* | Written performance evaluation reports | | | | | x |
| *Human Resource Evaluation* | Linking compensation to performance | x | | | | |
| *Human Resource Evaluation* | Individual incentive programs | x | | | | |
| *Strategic Planning* | Definition of strategic (non-financial) milestones | | x | | | |
| *Strategic Planning* | Customer development plan (plan to develop market) | | x | | | |
| *Strategic Planning* | Headcount/human capital development plan | | | x | | |
| *Strategic Planning* | Product portfolio plan (plan about future products) | x | | | | |
| *Strategic Planning* | Investment budget | | | | | x |
| *Product Development Management* | Project milestones | x | | | | |
| *Product Development Management* | Product concept testing process | | | | | x |
| *Product Development Management* | Reports comparing actual progress to plan | | | | | x |
| *Product Development Management* | Project selection process | | | | | x |
| *Product Development Management* | Product portfolio roadmap | x | | | | |
| *Product Development Management* | Budget for development projects | | | | | x |
| *Product Development Management* | Project team composition guidelines | | | | | x |
| *Sales/Marketing Management* | Sales target for salespeople | x | | | | |
| *Sales/Marketing Management* | Market research projects | | | | | x |
| *Sales/Marketing Management* | Sales force compensation system | x | | | | |
| *Sales/Marketing Management* | Sales force hiring and firing policies | | | x | | |
| *Sales/Marketing Management* | Reports on open sales | x | | | | |
| *Sales/Marketing Management* | Customer satisfaction feedback | | | x | | |
| *Sales/Marketing Management* | Sales process manual | | | x | | |
| *Sales/Marketing Management* | Sales force training program | | x | | | |
| *Sales/Marketing Management* | Marketing collaboration policies | | | | | x |
| *Sales/Marketing Management* | Customer relationship management system | | | x | | |
| *Partnership Management* | Partnership development plan | | | | | x |
| *Partnership Management* | Policy for partnership | | x | | | |
| *Partnership Management* | Partnership milestones | | | | | x |
| *Partnership Management* | Partner monitoring systems | | | | | x |