A Structured Methodology for Developing a Service Operations Strategy The Case of BTC-Egypt

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Purpose

This study aims to present a structured methodology that can be used to assist decisionmakers in developing their service operations strategy and their leading competitive priorities.

Design/methodology/approach

In this constructive case study for BTC-Egypt; an IT service provider, we relate the previous success of the company's sales operations with the prioritized operational strategy during their previous sales. Decision-makers use an AHP model to measure the relative importance ratings given to a comprehensive set of competitive priorities derived from accumulated literature. Qualitative analysis for individual operations and quantitative analysis including Logistic regression and correlations are used to analyze the data.

Findings

The proposed structured approach assisted BTC-Egypt in determining its competitive priorities and identified the different market segments. While Quality as an operation strategy was rated the highest across all sales, Customer Focus and Service Provision were the two most differentiating variables.

Practical implications, limitations and originality

The methodology used in this study is unique. While the origin of the competitive priorities are well grounded in the literature, and the relative ratings have been applied before to these priorities in other studies, this study uses the relative ratings to analyze each sale project within a company to come out with a structured methodology in determining the competitive priorities of a company based on it previous performance. The simple classification of the sales according to their success denoted by a purchase order, while has its limitations, is also an attractive alternative compared to other more complicated performance measures criteria.

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INTRODUCTION

Formulating a business strategy entails positioning a company among its competitors and identifying how one competes in the marketplace. Strategic positioning involves a decision making process of choosing one or two important competences on which to concentrate on and do well. The determination of the competitive priorities is the first step in developing and explaining the competitive strategy and for achieving its goals. (Wheelwright 1978) There is a significant relationship between the business environment in terms of competitive hostility and the operation strategy a business chooses in terms of its competitive priorities (Ward et el 1995). Companies that are well positioned have competitive priorities that are strongly supported by its operations strategy and decisions (Hill 1993, Kim and Arnold 1996, Boyer and McDermott 1999, Smith and Reece 1999, Acur et al. 2003, Christiansen et al. 2003, Swink et al. 2005). Trade-off studies examine the need for companies to prioritize their strategic objectives and devote resources to improving those operational capabilities. It is stressful for a company to try to compete by offering superior performance along all of competitive dimensions, since it will probably end up second best on each dimension to some other company that devotes more of its resources to developing that competitive advantage. The determination of competitive priorities usually starts with an extensive study of a company's operations in which strengths and capabilities that create competitive advantage are identified. Creating a competitive advantage requires determining the factors that put a firm in a better position in comparison to what competitors have in the marketplace.

Barnes (2001) points to the debate related to the process of strategy formation. He suggests that a combination of communicated senior management 'intentions' together with on-going decisions and actions carried out by people in an organization result in an 'intended and emergent' process of strategy formulation. Applying this to operation strategy, he quotes

from Hayes and Wheelwright, (1984 p. 30) "it is the patterns of decisions actually made... that constitute a functions strategy, not what is said or written in annual reports and planning documents" indicating that operations strategy might have emergent rather than deliberate features. In this study we follow this emergent approach in identifying a company's competitive priorities. Instead of analyzing the company's capabilities and identifying the core operational competencies as perceived by upper management, we ask lower level managers to identify the variables that allowed them to compete successfully in different situations.

BTC-Egypt has been operating for the past six years with no clear operation strategy. What has trickled down from the mother company related to quality and customer service has been diluted with the harsh realities of the local market and competition. In turn BTC Egypt has been alternating between conflicting operational strategies without a clear vision of what really works. For example, the level of know-how varies widely with respect to employees and projects. Some projects require no design from BTC's side and some require extensive work and iterations till the design is complete.

Meetings with upper management indicated a lack of strategic view and operational consistency throughout the organization. Sales efforts have been alternating between different competitive priorities and targeted market segments are very diverse. Our goal for this study is to assist BTC-Egypt to determine which competitive priorities they should emphasize in their operational strategy. While every one calls for quality at BTC-Egypt, we test to see if this is a differentiating factor when winning a sale. Six service competitive priorities will be compared in light of the success and failure of BTC's previous sales records, and interaction with the different market segments will also be tested. A survey sample consisting of 103 stratified Quantitative sales cases and 10 qualitative analysis sales cases are

used to examine the model propositions. An AHP model to measure the relative importance ratings given to the competitive priorities will be used. Qualitative analysis for individual operations and quantitative analysis including logistic regression and correlations are used to analyze the data.

The study is organized as follows. The remainder of this section presents the literature reviewing the different competitive priorities and the debate on trade-off, cumulative, and integrative models and summarize their varied arguments. The business nature of IT service providers is explained and the case of BTC is presented. Section two introduces the theoretical framework. Section three represents the research design and methodology followed. Section four discusses the data collection process and analysis, followed by a detailed discussion of the study results. Section five represents the conclusion and includes recommendations for future research.

Background

The literature on operations strategy has extensively focused on the competitive priorities that act as strategic capabilities which can help organizations create and sustain the competitive advantage. In these means competitive priorities could be defined as "the dimensions that a firm's operation system must possess to achieve its goals and objectives in the markets they decided to compete in" (Wheelwright 1989). Competitive priorities are key decision variables for operations managers and researchers. They denote a strategic emphasis on developing certain operational capabilities that may enhance a company's position in the marketplace. Such emphasis may guide decisions regarding the process design, capacity, partnership, technology, planning, and control (Skinner 1974; Hayes and Wheelwright 1985).

Competitive Priorities: From Manufacturing to Services Competitive Priorities

Over the past two decades, a relatively shared framework of the content of operations strategy has emerged. Most researchers view operations strategy as defined by the relative weighting of business capabilities, including low cost, quality, flexibility, and delivery (Skinner 1970; Hayes and Wheelright, 1984; Ferdows and De Meyer, 1990; Ward et al, 1998; Ward and Duray, 2000; Dangayach & Deshmukh, 2001; Boyer and Lewis, 2002). Studies focusing on the service industries usually add responsiveness, innovativeness, and customer service as additional priorities (Leong, Snyder, and Ward 1990; Miller and Roth, 1994; Schmenner and Swink 1998; Ward, McCreery, Ritzman, and Sharma 1998; Frohlich and Dixon, 2001; Takala, 2002, Lee, 2002). The recent pressures from globalization and rapid changes in technologies have increased an interest on competitive priorities among companies. These priorities have changed dramatically from the 1970s until the 1990s from focused to multi-

focused (Takala, et al 2005). The primary change was from cost to quality, and eventually to delivery and responsiveness. More recently, firms have placed greater emphasis on flexibility and agility while maintaining high performance on dependability, quality, and cost (Vokurka and Fliedner, 1998; Helo, 2005).

Table 1 shows the evolvement of competitive priorities in the operations literature from manufacturing to service oriented business over the past twenty years. To present our comparisons over time of the different competitive priority sets, we selected the work done by Adams and Swamidass (1989), Ward et al (1998), and Phusavat and Kanchana (2008)[‡]. Selection was based on dispersed time between studies and the level of detail communicated in the papers (item questions for questionnaires). All three studies considered acknowledge previous literature and take major steps in developing measurements for competitive priorities. We also include the survey questions that were used in this study in the last column of Table 1 to show from where they were derived.

The first two columns of the table present Adam and Swamidass (1989); Ward et al $(1998)^{\$}$ listing four sets of competitive priorities mainly derived from the literature on operations for the manufacturing sector (cost, quality, delivery and flexibility). In the third column Phusavat and Kanchana (2008) add 'customers focus' and 'know-how' as essential priorities for the operations strategies for the service sector. Phusavat and Kanchana (2008) also use the term 'Service provision' instead of 'delivery' where they widen the definition of delivery to include delivery in terms of agreed quantity and quality of the delivered product or service, and not just timely delivery as defined in earlier studies. We did our best effort to

[‡] Phusavat and Kanchana (2008) survey is adapted from Takala, J. (2002) "Analyzing and synthesizing multifocused manufacturing strategies by analytical hierarchy process". Journal of Manufacturing technology and Management, 345-350.

[§] The questionnaire used by Ward et al, includes a section on evaluating the performance of manufacturing line managers and supervisors, which we exclude from our analysis.

map and group the competitive priorities stated by each researcher based on the description and definitions of the variables.

Adam and Swamidass (1989)	Ward et al (1998)	Phusavat and Kanchana (2008)	Retail and Service Providers
Cost	Cost	Cost	Cost
Reduce inventory	Reducing inventory		Low vendor costs
Increase capacity utilization	Capacity utilization		Low waste resources cost
Reduce Production cost	Production cost	Low cost	Low operational costs
Productivity	Productivity		
		Value added	
		Quality costs	Low quality costs
		Activity based measurement	
		Continuous improvement	
			Profit margins
Quality	Quality	Quality	Quality
Reliability & consistency	High product reliability	Consistency	
High Performance	High product performance	Performance	Performance of products
Conformance to specification	Conformance to design specs		Reliability of products
	High product durability		Reliability of services design
	Ease to service product		
	Promptness in solving complaints		Low installation error rate
		Environmental aspects	
		Low repeated work	
		Certification	
Delivery	Delivery	Service Provision	Service Provision
Manufacturing lead time	Reduce production lead time	Fast provision	Fast provision
Due date (delivery promises)	Delivery on due date	Dependable promise	Dependable promises
Frequent delivery (fast delivery)	On-time delivery	Agreed time	Agreed time
Rate of product introduction			
	Short delivery time		Fast provision*
		Agreed amount	Agreed amount and terms
		Agreed quality	Agreed quality
Flexibility	Flexibility	Flexibility	Flexibility
Adjusting capacity	Rapid capacity adjustment		Broad range of capacity
Rapid Volume changes		Changes in amount of services	
Number of Product features	Number of product features		
Rapid changes to existing	Design changes in production	Service adjustment	
products		,	
Degree of product variety		Broad service line	Broad range services offered
Adjust product mix	New products into production	Mix changes	Broad range of products offered
			Broad range of technologies
		Customer Focus	Customer Focus
		Measurement of satisfaction	After-sales follow-up
		After-sales follow up	After-sales follow-up*
		Customer information	Customer information
		Customization	Customization
-		Contractual agreement	Customer trust
-	-	Support	Support
		Know-how	Know-how
		Continuous learning	
		Training/education	Learning & training
		Problem solving skills	Problem solving skills
		Knowledge management	Knowledge management
	-	Creativity	Creativity & experience
		R&D	stratura, a capenence
			Education and skill level

* Mark variables that are used more than once to match earlier variables.

We see all researchers referring to low cost, quality in terms of reliability and performance, and speed and flexibility as competitive priorities. This shows that there is a broad agreement that these common priorities are the norm for competing in marketplace.

While Ward et al (1998) agree with most of Adam and Swamidass (1989)' variables they expand on 'quality' which becomes an important priority during the 90's. We also notice that they combine several of the 'flexibility' items previously expressed by Adam and Swamidass with less focus on product variety and products mix. Within, the four basic competitive priorities, Phusavat and Kanchana (2008), add 'activity based measurement' to the 'cost' variable and 'certification' to the 'quality' variable. In our mapping attempt we combine fast provision to include former 'production lead time' and 'short time delivery', and 'service adjustment' to cover former 'capacity adjustment' and 'design changes to existing products'. While we note that the two newly introduced variables by Phusavat and Kanchana (2008) 'customer focus' and 'know-how' are derived and comprehended from previous writings discussing quality dimensions, we believe they emerged to meet a growing need in differentiating service operations from manufacturing operations. The service sector has a unique competitive nature and more complex market requirements. The basic 'manufacturing derived' set of competitive priorities are no longer suffice to cover the different strategies service providers prioritize when competing. This led to a new set of competitive priorities in the literature tailored to the service sector. Phusavat and Kanchana (2008) clearly stress on customers involvement, satisfaction and awareness in their research on the service sector. For our study, we add a fourth column to the table representing the set of competitive priorities that we used in our survey. We borrow heavily from Phusavat and Kanchana (2008) for the last two service priorities and select from the earlier studies those item questions we believe most relevant to our study of service providers.

Relationship between competitive priorities

Yet while the general framework for operations strategy is fairly well defined, debate continues over the relationship between competitive priorities. This debate involves three perspectives: the trade-off, cumulative, and integrative models.

• The trade-off model is the most established, first posited by Skinner (1969). This model proposes that companies must make choices regarding which competitive priorities should receive the greatest investment of time and resources. Companies are generally forced to make trade-offs between various priorities, based on their relative importance. Managers must choose a manufacturing priority, then allocate their scarce resources accordingly (Hayes and Wheelwright 1984; Garvin 1993).

• The cumulative model, in contrast, claims that trade-offs are irrelevant in a world of intense competition and advanced technologies. Competitive priorities are considered complementary, rather than mutually exclusive, as an existing capability (e.g., quality) may aid development of other capabilities (e.g., flexibility).

• The integrative perspective seeks to reconcile differences between trade-off and cumulative models. Proponents claim that these models address varied facets of operations strategy, allowing theorists to link their disparate insights (e.g., Hayes and Pisano 1996; Schmenner and Swink 1998).

Skinner (1969, 1974) proposed the trade-off model in a series of conceptual studies. His work calls for managers to choose their company's competitive priority, then design and operate the business operations accordingly, concentrating efforts on developing assets and practices that help achieve their goals. Companies should focus on one priority at a time, because cost, flexibility, quality, and delivery capabilities require different operational structures and infrastructures for support. Hayes and Wheelwright 1984, (p. 141) consider it difficult (if not impossible) and potentially dangerous for a company to try to compete by offering superior

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performance along all of these dimensions, since it will probably end up second best on each dimension to some other company that devotes more of its resources to developing that competitive advantage. Trade-off studies examine the need for companies to prioritize their strategic objectives and devote resources to improving those operational capabilities. For example, researchers frequently claim that companies must make choices between achieving low costs or high flexibility (e.g., Hayes and Wheelwright 1984; Garvin 1993; Hill 1994).

Advocates of the cumulative model, however, claim that trade-offs are neither desirable nor necessary. Global competition has intensified the pressure on plants to improve along all four dimensions. Ferdows and De Meyer (1990) extend this notion, advocating that companies should apply a "sand cone model." They should build capabilities sequentially, first seeking high quality, then dependable delivery, followed by low costs and flexibility. Each successive capability becomes the primary focus once minimum levels of the preceding capabilities have been achieved. Their sample of 187 European manufacturers lent some support to the model, depicting the cumulative effect of quality. Studies by Roth and Miller (1994) and Noble (1997) also suggest that priorities are positively correlated and that high-performing plants are more likely to compete on multiple dimensions.

Yet proponents of integrative models stress that there remains little "proof that either the trade-off or cumulative model is more correct. Indeed, elements of both may be applicable. Skinner (1996) claims that his original ideas have been interpreted too rigidly, Hayes and Pisano (1996) separate static, first-order trade-offs from dynamic, second-order trade-offs. They contend that managers are still faced with critical trade-offs, but these are more subtle than those addressed by early writers on strategy where they involve not only the competitive dimensions themselves, but also their rates of improvement. Schmenner and Swink (1998) propose that the two models examine operations strategy from different, but potentially

complementary perspectives. They explain: "The law of trade-offs is reflected in comparisons across companies at a given point in time, whereas the law of cumulative capabilities is reflected in improvements within individual companies over time. The two laws are not in conflict" (1998, p. 107). To integrate the models, they argue that companies possess both an operating and an asset frontier. The asset frontier is the maximum performance possible based on a companies structural capabilities (i.e., physical investments), while the operating frontier denotes the performance made possible by infrastructural choices (i.e., operating policies), given a set of assets. The farther companies are from operating on their asset frontier, the more operational choices available. For example, major capacity changes extend the asset frontier, providing more room for improvement and expansion and thereby enabling companies to enhance multiple capabilities concurrently. This premise fits the cumulative model. Yet, as a company approaches its asset frontier (i.e., becomes fully utilized), building capabilities requires more resources and intensifies the need for focus. Thus, the trade-off model is most applicable to firms operating near their asset frontier.

Despite this heated debate, there is little empirical evidence supporting approaches that promote, negate, or integrate the trade-off model (Swink and Way 1995; Szwejczewski, Mapes, and New 1997). This study investigates the need for trade-offs in operations strategy for an IT service provider in terms of the relative importance of competitive priorities. Sales representatives are asked to weight competitive priorities against each other.

Case Background: BTC Networks-KSA

Baud Telecom Company-KSA, established in 1975 in Jeddah, Kingdom of Saudi Arabia, is a leading Telecommunications company, better known as BTC Networks. It has offices in Jeddah, Riyadh, Khobar, Madinah. Outside the Kingdom, branches were established in Egypt,

Lebanon, Jordan, Syria and Iraq. BTC Networks represents global Telecom vendors like Nortel Networks, Tellabs, Polycom, ND SatCom, Nexans, Juniper, MGE, and many others. Products and services provided include networks, either in Fiber Optics, single or multi-mode or Copper to implement LAN, CAW, security or surveillance applications.

BTC Networks Egypt is a subsidiary of Baud Telecommunication launched in the Egyptian market in May 2001 with a very strong start in means of staff, support and business. The holding Baud Telecommunication Mission Statement states the goal of BTC "To be the leading unified networks solutions company in the region through the deployment of innovative, state-of-the-art technology; providing first class customer services, rendered by a highly motivated national workforce, aiming at customer satisfaction and a commitment to market needs and aspirations". In turn BTC Egypt employs an experienced staff of sales, presales and post sales departments and holds a stock of over \$1M covering different ranges with different line of products.

THEORETICAL FRAMEWORK

Competitive priorities represent the future focus of a company (Hoehn, 2003). It is important that competitive priorities need to be clearly identified and established. A failure to recognize the relationship between competitive priorities and operational strategies will eventually make companies less productive (Takala, 2002). Competitive priorities are multidimensional. Ward et. al (1998) use the degree of emphasis that a company places on activities to remain competitive as a measure of its competitive priorities. Our study uses a similar approach in identifying competitive priorities for BTC Egypt.

Figure 1 presents the theoretical model. It depicts the independent variables (competitive priorities; left box) directly affecting the dependent variable (successful sales; right box). The straight arrow indicates the direct relationship. The third box represents the moderating variables (market segmentation) which could indirectly influence the dependent variable.



Figure 1: Theoretical framework

The Dependent Variable: Success or Failure of a Sale:

For BTC-Egypt, the process of a sale starts by addressing a prospective customer's needs. It can take several weeks, or even months or years to complete. The sales force issue a Request for Proposals (RFP), or an invitation for bids supported in some cases by customers presentations. These requests guide the sales process and provide customer specifications. Preparing a proposal can range in size from a one page price list, to a hundred pages of detailed specifications including detailed technical and commercial issues. For some projects, extensive discussions take place between the customer and the sales force before finalizing the specifications and eventually accepting the business proposal. The written proposal may be the final reference document that carries the terms of agreement between the customer and the provider, or it can form the basis for a later business contract or purchase order. The dependent variable in this study is the status of a sale, classified into a Success sale or a Failure sale, where:

Success is defined as when a proposal is accepted by the customer, and a purchase order (PO) is issued to the BTC-Egypt, indicating the type, quantities and agreed prices for products or services the company is expected to provide to the customer. Internally, procurement orders the products according to the specified quantity, quality, time, place and source, and supplies it to the customer with the promised implementation and technical service.

Failure is defined as those projects that went through the sales process utilizing the company's different resources over time, but that ended with no purchase orders and no economic return to the business.

The Independent Variables

For this study, Cost, Customer Focus, Quality, Service Provision (Delivery), Flexibility, and Know-How represent the independent variables. Following are the definitions of each and their related dimensions:

Costs:

The cost priority will be measured by the cost of operation, product, quality, wasted time cost, and finally the vendors' involvement through discounted prices. In general, the cost of quality

is the measure of the extra cost incurred by the company because it's under or over performing

Customer Focus:

This priority is achieved by using effective ways in following up with customers after sales has been provided (Noble 1997), customization to meet the specific needs requested by different types of customers, providing different kinds of support to customers while utilizing and finalizing the service. It also shows how the company uses channels to inform customers about the new products and services. Finally, it reflects the company's ability to build a relationship of trust with customers.

<u>Quality:</u>

The term quality will be measured by measuring the frequent rate of errors for system service design, the offered product performance relatively with other products, reliability of products and services are also to be of high consideration as for quality dimensions

Service Provision:

Referring to the modified work which has been done by Takala (2002), service provision reflects how a company tries to create a relationship of accountability with customer. It refers to how fast the company responds to customer requests, also in terms of quality, and quantity. It also measures the ability of the company to keep promises with customers.

Flexibility:

Flexibility dimension adopted service industry includes the road range of technologies, wide range of capacity, broad range of products, and broad range of services offered.

Know-How:

With the future indications, the knowledge based economy would be extremely dependable on knowledge management. Knowledge management comprises a range of practices used by organizations to identify, create, represent, distribute and enable adoption of what it knows, and how it knows it. Many large companies have resources dedicated to Knowledge Management (often as a part of Information Technology, Human Resource Management or Business strategy departments). Creativity as the capability to invent new services designs to satisfy new market demand. Measuring the level of learning and training and how organizations shares knowledge on all levels, the skills to solve problems in innovative ways, and determining the education and skill level for each individual.

The Moderating Variables

The different market segments represent our moderating variables: The market will be segmented according to the following five categories: Customer's Sector, Type, Industry, IT competency, and Company size.

Customer sector based on ownership may be categorized into *Public Sector and Private Sector*. Public sector deals with the delivery of goods and services by and for the government. Private sector consists of private companies that are established for private profit and are not controlled by the government in the country's economy. Recently, due to privatization programs, Public-private countries have emerged; this contains companies which are funded and operated through a partnership of government and one or more private sector companies. For this study, privatized companies are still classified as public.

Type refers to the international or local affiliation of the customer. Companies are classified into *Multinational companies and Local companies*. It is hypothesized that the global nature of the customer will affect their decision making process when seeking IT solutions.

IT Competency Index categorizes the customer's IT awareness level and the extent to which their business managers show leadership with regard to investment and deployment of IT in their organizations. We divide the IT competency into two levels: *High and low*; high refers

to when the customer company has its own internal, well trained IT team that participate in the design and product selection, and Low, refers to when the customer has maybe one or two IT specialists available to communicate with IT service providers (all companies sampled had at least one IT specialist).

Company size definition often varies by country and industry. We use the number of employees hired by the customer to define this category. Our cutoff for small companies is under 50 employees, mid-sized companies had anywhere between 50 to 500 employees and large companies been those larger than 500 employees. Only *medium and large* sizes will be considered in the study since we did not encounter small companies in our sample.

The study investigates the following propositions:

Proposition one:

The relationship between the dependent variable (success or failure of a sale) and the independent variables (service competitive priorities) at BTC, can assist in determining the competitive priorities which the company should focus on in the future.

We first categorize the sales efforts into successful and unsuccessful, then we recall on the competitive priorities (using forced prioritizing) that were emphasized during the sale, and use the differential ratings to decide upon the most influential competitive priorities.

Proposition two:

The dependent variable (success and failure) are related to the moderating variables (the different market segments). In this proposition we examine the relationship between the different market segments of the customers in our sample and the success and failure of sales.

Proposition three:

The moderating variables (the different market segments) will affect the relationship between the dependent variable (success and failure) and the independent variables (competitive priorities).

METHODOLOGY

Figure 2 presents the research steps that were followed in designing this study. Our first step was to identify the different competitive priorities from the literature and decide on which are most applicable to the service industry generally and to IT service provides (in the case of BTC-Egypt) specifically. We then designed our research tool (survey questionnaire) after meetings and interviews with top management and tested 10 surveys on managers and experts. We then finalized the survey and selected the study participants based on the sales history of BTC -Egypt. We selected a stratified sample to make sure we have a reasonable representation of the dependent variable. We were able to collect data related to 103 cases using Expert Choice, we analyzed the data using SPSS and documented our findings in the thesis.



Figure 2 Research Methodology

DATA ANALYSIS AND RESULTS

The Data Collection and Sampling Method

As proposed by yin (2003), multiple sources of evidence could be collected in order to construct validity for this case study. The initial data source is subjective, and normally qualitative, this gives insight and allows in-depth analysis to the different constructs used in the study. The secondary data source is quantitative in nature, subjective measures are expressed using a prioritization scale. This allows the use of statistical analysis that help determine the competitive priorities for BTC.

The primary source of data collection was direct interviews with the top management (Country and General Managers), executive senior management (2 managers), and account managers for in BTC Company (5 members), as well as a business analyst expert in the same field, this helped the questionnaire to cover and test the case propositions. Direct interviews conducted with the highest management level were used to determine the construct for variables included in the research proposition, and validate the theoretical framework. Table 2 presents the list of interviewees and Table 3 summarizes a sample the results of the interviews.

S/N	Position	Years of Experience	Years in BTC Egypt	Projects Participant
1	Country Manager	32	8	
2	General Manager	38	5	
3	Sales Manager	25	8	12
4	Purchasing Manager	22	8	
5	Sales Account Manager	10	7	24
6	Sales Account Manager	10	3	20
7	Sales Account Manager	6	4	20
8	Business Analyst	35		
9	Sales Account Manager	8	6	27

Table 2: List of Interviewees

	Customer Name	Sector	Туре	Status	IT	Size	Main Practices
1	VFE	Private	MINC	s	very high	large	High provision of delivery issues (time, quality, and quantity), that developed a high dependable promise relationship and customer trust, following up and continual support were the main aspects.Finally, the high focus on service provision and customer focus added with quality of designs were the priorities of interest
2	RCC	Private	Local	S	very high	medi um	Offering high technical solutions are offered toguarantee quality and boost network performance. high quality products with low rate of error & downtime, superior performance in aftersales followup and technical support, clearly customer satisfaction was the main focus
3	IDSC	Public	Public	S	high	medi um	Wide range of services were required, and due to customer lack of technical knowledge their main interest was looking for qualified prodcts with low error rates to avoid the maintenance costs, this also did not prioritize practices on customer focus and knowhow as long as competitive prices are offered. as governmental customers are well known to be price conscious, accordingly the company tended to extensively compete on the cost priority and focus on commercial issues, that was also
4	Etisalat	Private	MINC	F	very high	large	A highly reliable network system with highly qualified products was designed to comply with the highly technical specifications required, also proposals have fairly covered the broad range of products. It was noticed that customer focus competitve priority was not practices according to the customer high profile, in the means of follow up visits, level of communication, customer interaction were poorly exchanged with the customer
5	EFG Hermes	Private	MINC	F	very high	large	Customer approach was focused on the high quality and reliability products and services, this forced for higher margins to maintain a high level of serviceability. Much more efforts were required especially on the customer focus priority. moeover, sales approach were not practiced neither for technical data and presenations, nor in customer relationship. Ultimately, these have shifted away customer interests in dealing with the company
6	WFP	Private	MINC	F	very high	medi um	The quality of products and technical specification were the main concerns for the customer, competing on extremely high level of flexibility by offering wide range of products and technologies that were provided for the first time. Awareness of new integrating and different technologies are based on the training budgets and plans that should have been implemented to cover broad range of products offered
7	Domiat Port	Public	Local	F	very high	large	The work on the network design was lately initiated, this caused to offer either low quality products with low prices or with high performing products as usual. However customer sensitivity about prices has forced to offer low prices products, the quality priority was extremely low to indicate that the presented offer was the the least in terms of quality dimensions. finally, focusing on the cost priority was not enough to overcome customer requirements especially with low
8	Mansoura University	Public	Local	F	high	large	As it is one of the largest universities located outside the capital, lots of efforts were required to reach the cutomer. moreover as the price was the main interest, this was the first case to highly prioritize cost over the others and quality of products and network were poorly designed. unforunately the departed distance has prevented to reach an agreement for delivery and quantity issues, service provision was also at its lowest ratings. this predicts that the focus on the cost
9	Orange	Private	MNC	S	very high	large	Customer involvement in the sales process and after sales services were the main drivers for the sale success. Updating the customer with the latest technologies and customer information exchanged have turned the customer focus to reach its maximum level
10	Army	Public	Local	S	high	large	Focusing on providance of high level technical information through continous meetings and presentations and schedule of training customer staff. In addition, this success has taken a long period of qualified work and the company wide reputation and huge experience in the global (KSA) markets gave a superior image toward the customer

Table 3:	Oualitative	Results	of Inter	views
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The Survey:

As previously discussed, the researchers borrow form the survey used by (Takala 2002) and (Phusavat and Kanchana, 2008) to assess the relevancy, accuracy, and legibility of the measures. The survey questions were locally evaluated by telecommunication field experts and a pretest was done first with country and top management. They were asked to review

the questionnaire for readability, completeness, and to evaluate whether individuals items appeared to be appropriate measures of their respective constructs (Dillman, 1978). This process had led to several minor changes, which were made prior to generating the final version of questionnaire. The final questionnaire was used during interviews with different account managers. The interviewees were asked to rate their responses to which competitive priorities were prioritized during each particular sale using a seven point Likert scale. These initial questionnaires resulted in a set of 27 detailed itemized data that was used as the main source in developing the second questionnaire.

The second questionnaire, advances on the previous one in that it uses forced prioritization This helped reduce the general tendency to rate all competitive priorities highly, and forced sales managers to relatively rate each priority in light of the others. The survey uses Expert Choice software to go through a set of pair wise comparisons where sales mangers were asked to compare priorities to one another for their relative importance. For example, decisionmakers were asked to compare Cost to quality to determine which was more important in contributing to the success of the project, and then they were asked to rate quality with flexibility and subsequently compare flexibility with cost and so on. Expert Choice provides survey questions weights using pair wise comparisons. This methodology requires participants to make tradeoffs between each need, thus creating a true list of relative priorities. Additionally, without asking repetitive questions, pair wise comparisons create an inconsistency measure, which helps identify participants who are not paying attention to the survey.

The survey was conducted with account managers who had been representing the company for the last 5 years; participants were selected based on their wide experience with different customers. Over the span of the entire sample that consisted of 103 various cases, the participant members were asked to complete the questionnaires, the basic Questionnaire was

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accompanied by a covering letter explaining the research objectives and defining variables and constructs (see Appendix).

Data Results and Analysis:

Descriptive Statistics:

Table (4) presents the descriptive statistics for the six service competitive priorities. Quality shows the highest mean, followed by customer focus almost tying with cost. The Descriptive Statistics table provides summary statistics for the independent variables. Summary statistics include the mean, mode and median. Standard deviation measures dispersion (spread of the distribution). Skewness and kurtosis are measures of distribution, which indicate how much a distribution varies from a normal distribution

	Ν	Mea	Std	Median	Mode	Min.	Max.	Skewne	SS
		n							
Cost	103	0.13	0.10	0.101	0.046	0.027	0.522	1.238	0.238
		7	6						
Customer Focus	103	0.13	0.08	0.111	0.059	0.037	0.465	1.434	0.238
		9	5						
Quality	103	0.37	0.09	0.410	0.412	0.104	0.518	-1.276	0.238
		7	4						
Service Prov.	103	0.16	0.08	0.148	0.128	0.047	0.452	1.538	0.238
		5	6						
Flexibility	103	0.06	0.03	0.060	0.050	0.032	0.314	4.367	0.238
		6	3		*				
Know how	103	0.11	0.05	0.107	0.057	0.027	0.313	1.371	0.238
		8	4		*				

Table 4 Descriptive Statistics

Correlations

** Correlation is significant at the 0.01 level (1-tailed).

* Correlation is significant at the 0.05 level (1-tailed).





Table (5) represents the descriptive group statistics for the competitive priorities grouped by the dependent variable (successful sales and failure sales). The table displays the number of cases, mean value, standard deviation, and standard error for the test variables within each category. The significance of these differences will be tested with an independent sample T test in the following section.

Variable:	Status:	Ν	Mean	Std.	Std.
Competitive	Success vs.			Deviation	Error
Priority	Failure				Mean
Cost	Success	37	0.089	0.103	0.017
	Failure	66	0.257	0.100	0.124
Customer Focus	Success	37	0.176	0.085	0.014
	Failure	66	0.119	0.079	0.009
Quality	Success	37	0.349	0.108	0.017
-	Failure	66	0.393	0.082	0.010
Service	Success	37	0.209	0.112	0.018
Provision					
	Failure	66	0.140	0.053	0.006
Flexibility	Success	37	0.052	0.011	0.001
	Failure	66	0.074	0.039	0.004
Know How	Success	37	0.123	0.070	0.011
	Failure	66	0.116	0.043	0.005

Table 5:	Group	Statistics
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Table (6) presents the frequency for the top three ranked competitive priorities for the sample tested as also shown in Figure (4)

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	C,Q,SP	3	2.9	2.9	2.9
	C,SP,Q	2	1.9	1.9	4.9
	CF,C,F	1	1.0	1.0	5.8
	CF,Q,F	1	1.0	1.0	6.8
	CF,Q,KH	1	1.0	1.0	7.8
	CF,SP,Q	2	1.9	1.9	9.7
	Q,C,CF	3	2.9	2.9	12.6
	Q,C,F	1	1.0	1.0	13.6
	Q,C,KH	8	7.8	7.8	21.4
	Q,C,SP	17	16.5	16.5	37.9
	Q,CF,KH	8	7.8	7.8	45.6
	Q,CF,SP	13	12.6	12.6	58.3
	Q,F,SP	1	1.0	1.0	59.2
	Q,KH,C	3	2.9	2.9	62.1
	Q,KH,CF	6	5.8	5.8	68.0
	Q,KH,SP	1	1.0	1.0	68.9
	Q,SP,C	4	3.9	3.9	72.8
	Q,SP,CF	11	10.7	10.7	83.5
	Q,SP,F	2	1.9	1.9	85.4
	Q,SP,KH	7	6.8	6.8	92.2
	SP,C,CF	1	1.0	1.0	93.2
	SP,CF,Q	3	2.9	2.9	96.1
	SP,CFQ	1	1.0	1.0	97.1
	SP,Q,CF	2	1.9	1.9	99.0
	SP,Q,KH	1	1.0	1.0	100.0
	Total	103	100.0	100.0	

 Table 6: Top Three Ranking Frequency

 Ranking





Figure 4: Top three ranked priorities

Logistic Regression:

Logistic regression analysis was used to assess the strength of association between the independent variables and the dependent variable described in Proposition one. Table (7) presents the regression results and notes the significant findings. The table summarizes the roles of the parameters in the model. B is the estimated coefficient, with standard error S.E. The ratio of B to S.E., squared, equals the Wald statistic. If the Wald statistic is significant then the parameter is useful to the model. Exp(B) is the predicted change in odds for a unit increase in the predictor.

	В	S.E.	Wald	df	Sig.	Exp (B)
Cost	-7.926	2.678	8.758	1	0.003	0.000
Constant	0.358	0.353	1.026	1	0.331	1.430
Custfocs	8.111	2.723	8.873	1	0.003	3330.950
Constant	-1.744	0.448	15.136	1	0.000	.175
Quality	-4.971	2.220	5.014	1	0.025	0.007
Constant	1 279	0.851	2 257	1	0 1 3 3	3 593
Servprov	10.776	3.117	11.952	1	0.001	47859.740
Constant	-2.392	0.563	18.072	1	0.000	0.091
Flexibility	-72.861	19.994	13.281	1	0.000	0.000
Constant	3 714	1 1 3 6	10.685	1	0.001	41 022
Know	2.589	3 730	0.482	1	0.488	13 316
How		2.700	0.102	-		10.010
	-0.889	0.495	3.223	1	0.073	0.411
Constant						

Table 7: Logistic Regression Analysis

Cost, quality and flexibility show negative coefficients. Service provision and flexibility show the most significance at the 0.001 level. Cost and customer focus show significance at the 0.01 level, and quality shows significance at the 0.05 level. Know how shows no significance.

An independent samples t test, comparing the means of both groups, confirms the above results. The Independent-Samples T Test procedure compares means for two groups of cases. The mean values for the two groups are displayed in the Group Statistics table (5). If the significance value for the Levene test is high (typically greater that 0.05), we use the results that assume equal variances for both groups. If the significance value for the Levene test is low, we use the results that do no assume equal variances for both groups.

A low significance value for the t test (typically less than 0.05) indicates that there is a significant difference between the two group means. If the confidence interval for the mean difference does not contain zero, this also indicates that the difference is significant. If the significance value is high and the confidence interval for the mean difference contains zero, then you cannot conclude that there is a significant difference between the two group means.

Table (8) shows the means for customer focus and service provision to be significantly higher (at the 0.001 level) under successful sales when compared to the means for the unsuccessful sales. It also shows the means for flexibility and costs to be significantly lower (at the 0.001 and 0.01 level respectively) under successful sales when compared to the means of unsuccessful sales. Quality is also significantly lower (at the 0.05 level). Comparison of means between the two groups for know how showed no significance

		Levene's Equality of	Test for Variances	t-test for Equality of Means						
							Mean	Std Error	95% Co Interva Differ	nfidence I of the rence
		F	Sig.	t	df	Sig. (2-tailed)	Difference	Difference	Lower	Upper
Cost	Equal variances assumed	.009	.924	-3.241	101	.002	067745	.020901	109208	026282
	Equal variances not assumed			-3.219	73.180	.002	067745	.021044	109685	025805
Customer Focus	Equal variances assumed	.524	.471	3.366	101	.001	.056432	.016764	.023177	.089687
	Equal variances not assumed			3.293	69.954	.002	.056432	.017135	.022256	.090608
Quality	Equal variances assumed	11.120	.001	-2.351	101	.021	044558	.018953	082155	006961
	Equal variances not assumed			-2.177	59.563	.033	044558	.020464	085497	003618
Service Provison	Equal variances assumed	25.179	.000	4.278	101	.000	.069870	.016333	.037470	.102270
	Equal variances not assumed			3.572	45.456	.001	.069870	.019560	.030485	.109256
Flexibility	Equal variances assumed	8.389	.005	-3.420	101	.001	022672	.006628	035821	009523
	Equal variances not assumed			-4.385	81.228	.000	022672	.005171	032960	012384
Know How	Equal variances assumed	6.815	.010	.692	101	.491	.007771	.011231	014509	.030051
	Equal variances not assumed			.606	51.201	.547	.007771	.012818	017960	.033502

Independent Samples Test

Table 8: Comparison of means

To test for the second proposition, we ran a bivariate correlation analysis (Table 9) between the dependent variable (success and failure) and the moderating variables (market segments). The correlations table displays Pearson correlation coefficients, significance values, and the number of cases with non-missing values. The significance of each correlation coefficient is displayed in the correlation table. If the significance level is very small (less than 0.05) then the correlation is significant and the two variables are linearly related. Sector and IT competency are significantly positively correlated with status (success or failure), and company size is significantly negatively correlated with status. Type is not significantly correlated with status.

		Corre	elations			
		Status	Sector	Туре	IT Competency	Company Size
Status	Pearson Correlation	1	.221*	.140	.192*	201*
	Sig. (1-tailed)		.012	.078	.026	.021
	Ν	103	103	103	103	103
Sector	Pearson Correlation	.221*	1	.421**	032	338**
	Sig. (1-tailed)	.012		.000	.374	.000
	Ν	103	103	103	103	103
Туре	Pearson Correlation	.140	.421**	1	.340**	.063
	Sig. (1-tailed)	.078	.000		.000	.265
	Ν	103	103	103	103	103
IT Competency	Pearson Correlation	.192*	032	.340**	1	.382**
	Sig. (1-tailed)	.026	.374	.000		.000
	Ν	103	103	103	103	103
Company Size	Pearson Correlation	201*	338**	.063	.382**	1
	Sig. (1-tailed)	.021	.000	.265	.000	
	Ν	103	103	103	103	103

*- Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Table 9: Correlations

To test for the third proposition, checked for interaction between the moderating variables and the success and failure of a sale (Table 10), the results from the between subjects factor are displayed using four different multivariate tests of significance of each effect in the model.

The multivariate tests table displays four multivariate tests of significance of each effect in the model. Pillai's trace is the first multivariate test listed. Wilk's lambda is sometimes called the U statistic.

Effect	Value	F	Hypothesis df	Error df	Sig
Sector	Pillai;s Trace	0.984	7	90	0.448
	Wilks' Lambada	0.984	7	90	0.448
	Hotelling's Trace	0.984	7	90	0.448
	Roy's Largest Root	0.984	7	90	0.448
Sector*Highest	Pillai;s Trace	0.778	14	182	0.693
	Wilks' Lambada	0.771	14	180	0.699
	Hotelling's Trace	0.765	14	178	0.706
	Roy's Largest Root	1.039	7	91	0.410
Туре	Pillai;s Trace	0.996	7	90	0.439
	Wilks' Lambada	0.996	7	90	0.439
	Hotelling's Trace	0.996	7	90	0.439
	Roy's Largest Root	0.996	7	90	0.439
Type*Highest	Pillai;s Trace	1.016	14	182	0.439
	Wilks' Lambada	1.011	14	180	0.444
	Hotelling's Trace	1.006	14	178	0.449
	Roy's Largest Root	1.447	7	91	0.196
Industry	Pillai;s Trace	0.856	56	581	0.762
	Wilks' Lambada	0.868	56	419	0.739
	Hotelling's Trace	0.882	56	527	0.714
	Roy's Largest Root	3.675	8	83	0.001
Industry*Highest	Pillai;s Trace	0.654	56	581	0.975
	Wilks' Lambada	0.648	56	419	0.976
	Hotelling's Trace	0.647	56	527	0/978
	Roy's Largest Root	2.572	8	83	0.015
Size	Pillai;s Trace	0.387	7	89	0.908
	Wilks' Lambada	0.387	7	89	0.908
	Hotelling's Trace	0.387	7	89	0.908
	Roy's Largest Root	0.387	7	89	0.908
Size*Highest	Pillai;s Trace	0.423	21	273	0.989
	Wilks' Lambada	0.420	21	256.11	0.989
	Hotelling's Trace	0.417	21	263	0.990
	Roy's Largest Root	0.923	7	91	0.493
IT Comp.	Pillai;s Trace	0.618	7	89	739
	Wilks' Lambada	0.618	7	89	739
	Hotelling's Trace	0.618	7	89	739
	Roy's Largest Root	0.618	7	89	739
IT Comp*Highest	Pillai;s Trace	0.859	21	273	0.645
	Wilks' Lambada	0.875	21	256.11	0.624
	Hotelling's Trace	0.890	21	263	0.604
	Roy's Largest Root	2.265	7	91	0.036

Table 10: Between Subjects Factor Multivariable Tests

Lambda ranges between 0 and 1, with values close to 0 indicating the group means are different and values close to 1 indicating the group means are not different (equal to 1 indicates all means are the same). Hotelling's trace is based on the sum of eigenvalues and Roy's largest root is the largest eigenvalue. Of the four test statistics, Wilks' lambda is convenient and related to the likelihood-ratio criterion.

The value of the test statistic is displayed followed by the F statistic, which is a transformed value of the corresponding test statistic and has an approximate F distribution. The hypothesis and error degrees of freedom of the F distribution are shown. When the significance level is relatively small (less than 0.05) for the effect being tested, then we conclude that the effect is significant. In the above table, the interaction effect between the competitive priorities ranking and the different market segments is not significant. Therefore, we conclude that there is no interaction effect.

Discussion and Findings

The overall findings indicated quality to have the highest relative ranking given to competitive priorities (mean quality ratings is almost three times as high as any other ratings given to the other competitive priorities like customer focus and cost). This is understandable in light of BTC's mission statement and current perceived competitive position.

The frequencies for the consistently highest three ranked competitive priorities shows Quality, Cost, and Service Provision to be of highest priority when dealing with 17 out of the 103 projects. This stresses the importance of supporting high quality with competitive costs and a high level of service. Interestingly, the second and third runner ups did not include costs; 13 out of the 103 projects rated Quality, Customer Focus, and Service provision the most important during a sale, and 11 out of the 103 projects rated the same three most important, except giving Service Provision priority over Customer focus. Put together, both rankings position customer focus and service provision higher than cost. This is the first indication that cost is currently not on the top of the list of BTC.

All variables show significant correlations with each other except for flexibility. Using our data set, factor analysis did not result in the six separate competitive priorities, this can be due to the limited sample size. The internal validity of the six competitive priorities have been tested in the literature (Takala, 2002 and Phusavat and Kanchana, 2008) and in both cases provided Alpha's between 0.05 and 0.07, which are acceptable given the exploratory nature of their studies.

Group statistics and logistic regression show differential analysis. The relative rankings given to successful projects are compared to the relative rankings given to unsuccessful projects. This allows us to determine which competitive priorities can make or break a sale.

Both Customer Focus and Service Provision showed the most significance. This is to say, that while the relative ranking indicated Quality to be prioritized throughout all projects, the projects which ranked customer focus and service provision relatively higher than the other competitive priorities were successful sales, while other projects who gave low relative importance to these two competitive priorities resulted in failed sales. This is an important finding since it responds to the first proposition, where BTC seeks to determine its future competitive priorities in light of its previous performance.

Cost shows a negative relationship with success, projects that relatively prioritized cost over other competitive priorities, resulted in failure sales. This indicates that even after BTC attempts to reduce its operational costs and margins, and negotiate better prices from the vendor, they still have a problem competing on a cost basis. Lower quality products and more cost efficient alternatives exist to the customer seeking to pay less. While it is important that

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BTC's prices remain competitive, it does not stand out as a differentiating competitive priority.

Quality also shows a negative relationship with successful sales, this relationship is only significant at the 0.05 level. What the data shows is that the ratings given to quality by both groups of the dependent variable are very close, while both groups rate quality very high. In both successful sales and failure sales, quality was prioritized, but it did not positively impact the success rate.

Also interesting, Flexibility showed a negative relationship, this might be due to the inefficiencies that might come with such emphasis that could have indirectly affected the costs leading to higher margins.

While the previous performance of BTC, might not be satisfactory, given that the number of failure sales are higher than that of the success sales, BTC still needs to identify its core competencies and work on what they do best. Market differentiation is key to competitiveness, and the results show Customer Focus and Service provision as the core competitive priorities for BTC.

Qualitative analysis resulted in a set of moderating variables related to different market segments, sales managers felt the need to adjust the competitive priorities while dealing with different customers. The effect of these different market segments on success and failure of a sale were tested; Sector type and IT competency showed a significant positive correlation with success. BTC sales were more successful with the private sector than with the public sector, this could be due to the limited capacity available at BTC when dealing with the commonly large size of public sector proposals. Also, the level of customer IT competency was positively associated with success, this can be explained that for customers to select BTC and to appreciate the added value it provides over its competitors, they usually have to have a

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high level of internal IT literacy and experience, when compared to customers that have limited knowledge of IT products and what is out there. Company size is negatively correlated with success, the larger the company the lower the success rate. This can be understood given the highly significant correlation between company size and IT competency, since larger companies can afford to have their own IT experienced staff. However, other factors might be involved in the correlation between company size and success like the availability of larger budgets dedicated to support the IT function and needs in these companies. Together these correlations support our second proposition indicating, that when dealing with different market segments, BTC has different chances of success and failure.

In light of the opposing literature on using a tradeoff approach to determine one companies' competitive priorities, we tested our third proposition for any moderating effects between the different market segments and the relative prioritization of a competitive factor. While the data, did not support this proposition, we can explain this due to the limited sample size. Interaction analysis usually require a larger set of data, to allow for the dynamics of a moderating effect to appear. We also have to consider the fact that for a company like BTC - Egypt, given its current size and lifetime, resources are limited, and that they cannot afford to follow a cumulative or integrative approach when dealing with their competitive priorities.

CONCLUSIONS AND FUTURE WORK

For BTC –Egypt to improve its operations and market performance a clear vision of the companies' competitive priorities is required. Meetings with upper management indicated a lack of strategic view and operational consistency throughout the organization. Sales efforts have been alternating between different competitive priorities and the targeted market segments are very diverse. This study is an attempt to determine the most critical

competitive priorities that BTC- Egypt needs to focus on when going through their sales process. Literature review and qualitative analysis confirmed six competitive priorities popular in the service operations literature, namely; quality, customer focus, quality, service provision, flexibility and know-how. Sales mangers tend to relatively focus on one of these priorities when carrying out a sale or responding to a proposal. The analysis also highlighted the use of multiple competitive priorities for multiple segments of the customer. Qualitative analyses pointed to five possible market segmentations, namely; sector type; international affiliation; industry type; IT competency level and company size. Managers seemed to be serving their own market segments with different sets of priorities each time. We found this relationship worth investigating, so we decided to measure the effect of the different market segments on the success of the sales, and attempted to test which competitive priorities best match the market segments. To examine our propositions, a stratified sample of 103 sales projects was selected. A survey including the six competitive priorities and the different market segments was designed. The success and failure of the sales projects were structurally determined and sales managers responsible for the sales projects were asked to recall on their personal experiences and relatively rate the competitive priorities that were prioritized during the sale process. Expert Choice software was used to calculate pair wise comparisons. The ratings were summarized and coded, and statistical models; namely; logistic regression, bi-variate correlations, multivariate analysis, were used to analyze the quantitative data using SPPS program.

The results show, that while quality was mostly emphasized in the company, it was not the differentiating factor in winning or losing a sale for BTC. Customer focus and service provision, were the leading factors in successful sales. Interestingly, flexibility worked against the success of some sales, this might be due to the inefficiencies that might come with such emphasis that could have indirectly affected the costs leading to higher margins.

The results also show that focusing on costs is not the suitable competitive priority for BTC-Egypt. While BTC-Egypt needs to remain price competitive, it is important to note that in the cases where costs were emphasizes, BTC lost to its competitors. BTC – Egypt should concentrate on their core competencies that revolve around customer focus and service provision.

The results also indicate a positive relationship between serving the private sector and the success of sale, BTC-Egypt tends to win more sales among the private sector when compared to the public sector. Similarly, the level of IT competency and company size showed a positive relationship with success. The higher the level of the customers' knowledge of IT and the larger the customers company size, the higher the rate of successful sales. International affiliations showed no significant correlation with success. Market segmentation appeared to affect the rate of success of sales.

Finally, the results did not indicate any moderating effect from the market segmentation on the ranking of competitive priorities while making sales. This was explained by the limited sample size. But given the results we can only conclude that BTC – Egypt should focus on a specific set of competitive priorities regardless of market segmentation, and these recommended priorities are Customer Focus and Service provision.

Recommendations

BTC Egypt should aim to differentiate itself in competitive market of ICT Service providers, since quality and cost have became the norm in competing, BTC needs to focus on other competitive priorities.

Customer Focus and Service provision should be the main concern of BTC management and employees. Customer Focus in terms of after sale follow-up and tailoring to the customers requirement, transparency with the customer and gaining the customer trust are of key importance in assuring a sale. Service provision in terms of prompt response to the customers' needs with respect to time, quality, and budget, and any other promises made, is of key importance in attaining a sale. BTC-Egypt should allocate its resources to the market sectors of which they have a better chance of making a sale.

The methodology used in this study is unique. While the origin of the competitive priorities are well grounded in the literature, and the relative ratings have been applied before to these priorities in other studies, this study uses the relative ratings to analyze each sale project within a company to come out with a structured methodology in determining the competitive priorities of a company based on it previous performance. The simple classification of the sales according to their success denoted by a purchase order, while has its limitations, is also an attractive alternative compared to other more complicated performance measures criteria (Johnston, 2005).

Limitations:

The definition of 'success' in the dependent variable ignores any problems that might arise after the purchase order is issued, some sales are terminated before delivery (due to financial, technical, or delivery problems) and other cases might have problems during the implementation phase (with long term negative effects on BTC image). Both cases are beyond the scope of this study. Also, the model used is relatively static. It neglects the dynamism of the business environment assuming stable external effects and competition. There are other factors involved in winning a sale and beating competition that goes beyond the control of BTC. Personal relationships, politics and monopolies can influence the variation in the dependent variable. The survey rankings represent the personal views of the sales mangers responsible for a group of sales. This makes the results subject to bias risk. The data used in this case study are specific to BTC, while other IT service providers can benefit from the model, methodology and outputs, any generalization should be done with caution.

Future Work:

The methodology used in this study can be applied to other cases within the service sector to add validity to suggested theoretical framework. Other performance measures should be identified and similarly ranked against the six competitive priorities. After sale customer satisfaction and financial value of each sale could be considered. The competitive priorities can be expanded or adjusted to include other sectors needs. The moderating effect of market segments can also be further tested using a larger sample size. Further work on measuring the internal consistency of the competitive priorities within BTC-Egypt seems to be the logical next step.

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APPENDIX

Dear participant:

I am currently undertaking a research project investigating the link between competitive priorities and company success. Your response is extremely important to the success of this study. I would like to assure you that your response will be treated as "Strictly Confidential". Your response will be used for research purposes only. Please answer the questionnaire from the perspective that defines the company attitude toward customer segment.

Thanking you very much for your help and co-operation

Section A: Market Segmentation						
Customer	Sector	Туре	Size	IT Competence		
	1. Public	1. Local	1. Med.	1. High		
	2. Private	2. MNC	2. Large	2. Very High		

notion A: Markat Samantati

Section B: Competitive priorities

This section is concerned with predicting the relationship between the competitive priorities and company success.

For the following set of priorities, please use the following scale ranging from: (1 = Not)Important, to 4 = Very Important, to 7 = Absolutely Critical) to state: *How important it is that BTC is able to*:

ence

Cost			
Low operational costs			
Low vendor costs			
Low quality costs			
Low waste resources cost			
Customer focus			
After-sales follow-up			
Customization			
Support			
Customer information			
Customer trust (Contractual agreement)			
Quality			
Low installation error rate			
Performance of products			
Reliability of products			
Reliability of services design			
Service Provision			
Fast provision			
Agreed time			
Agreed quality			
Agreed amount and terms			
Dependable promises			
Flexibility			
Broad range of products offered			
Broad range of capacity			
Broad range of technologies			
Broad range services offered			
Know-how			
Knowledge management			
Creativity & experience			
Learning & training			
Problem solving skills			
Education and skill level			

Please specify your job title ----- Please specify how many years of working experience do you have in your company?

Thanking you very much for your help and co-operation