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Portugal

The need to reinforce the Brand in the Portuguese Market

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"O sucesso nasce do querer, da determinação e persistência em se chegar a um objetivo. Mesmo não atingindo o alvo, quem busca e vence obstáculos, no mínimo fará coisas admiráveis."
—José de Alencar

Abstract

Dissertation Tittle: Altran Portugal: The need to reinforce the brand in the Portuguese market

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Altran was an international consulting group, leader on innovation and high-tech engineering in the European realm. It was present in the Portuguese market since 1998, but despite the years of experience and the proved potential in the field, the recognition of its innovative side in the local market was still behind the expectations of the company. In 2011, with the entrance of a new CEO, Philippe Salle, there was a turning point for the multinational. It was defined a new strategy for the group with the aim of reinforcing the brand not only globally, but also locally. Altran Portugal was, obviously, no exception: the new strategic plan presented a great opportunity for the local subsidiary to strengthen the brand in the national realm.

To give a broader overview of the current situation of Altran Portugal, this dissertation aims to provide the reader a profound understanding about the company background and how it has evolved in the Portuguese market. Regarding this, it is made a characterization of the national IT and R&D market and an analysis of the respective competitive structure and future market opportunities. In addition, the new strategic plan released by the group is explored as a way to understand the strategic opportunities and challenges it brought to the Portuguese subsidiary in terms of business and marketing practices. Finally, and in order to have a richer analysis, it is made an evaluation of the perception of the brand/company among customers and employees, with the aim of further find points of agreement and conflict between them.

Overall, the main purpose of this dissertation is to better understand the positioning of the brand Altran in the domestic market and further realize the challenges it has to overcome in order to reinforce the brand in the national realm, while being able to fulfill the parameters defined globally by the group.

Acknowledgments

This dissertation results from a proposal of Altran Portugal to study the company in the Portuguese market with the aim of further strengthen the brand in the domestic domain. Accordingly, this study would not be possible without the tireless support of the company itself. To start, I would like to give a special thanks to Ms. Maria da Luz Penedos and Ms. Sheyda Sazedj, respectively the director and the main assistant of the Marketing & Communication department of Altran Portugal. Both of them had kindly provide me the necessary information for the dissertation, as bestowed their time to make the follow up during the writing process. Secondly, I would like to acknowledge Ms. Célia Reis, the CEO of Altran Portugal for answering my interview questions, as well as, Mr. Luis Alves, Practice Manager, Mr, Gonçalo Cunha, Project Manager, Ms. Natalina Sanches, Business Manager of Telecom & Media and Mr. Carlos Valente, Business manager of General Business for helping me better understand the business practices of the company. Moreover, I have to recognize the effort of the targeted Altran Portugal employees who engaged in the proposed internal survey, enabling me to further complement this dissertation.

Further, I would like to appreciate the support and supervision of my dissertation advisor Prof. Dr. Pedro Celeste, who helped me to make a balance between the company proposal and the academic objectives of the thesis, as gave me some important advices for successfully conclude my thesis.

In addition, the contribution of Mr. Rui Rodrigues, the Marketing & Communication Director of Accenture and Ms. Cristina Aragão Teixeira, the Marketing & Communication Director of Novabase allowed me to have some important insights about the best practices in terms of Marketing Communication in Consulting Industry, which otherwise I could not easily get from secondary data.

I would like to end by thanking the great support of my family and friends that encouraged me to conduct and finish this dissertation.

Table of Contents

List of Vocabulary

B2B: Business-to-Business

B2C: Business-to-Consumer

BRV: Business Reference Value

CEO: Chief Executive Officer

DMU: Decision Making Unit

IT: Information Technology

RM: Relationship Marketing

R&D: Research & Development

SME: Small and Medium Enterprises

List of Figures

List of Tables

List of Graphs

List of Exhibits

1. Introduction

Philip Kotler had claimed that "business markets are huge and involve far more money and items than consumers markets[1]". Although, in the academic world, the marketing focus on this type of markets has received little attention. Despite its lower importance in B2B, advertising still plays an important role in business markets as it allows to build brand awareness, raise interest about the company and creating sales leads. Therefore, similarly to what happen in consumers markets, it is crucial to build strong brands as well as remarkable marketing communication strategies in order to attract/retain the major clients and be able to stand out in the market.

This was the challenge of Altran Portugal, the local representative of the multinational Altran. The international high-tech engineering and innovation consulting company was leader in IT and R&D consulting industry around Europe, although it wasn't able to achieve that position in the Portuguese market. Despite the fifteen years of experience in the domestic market and the proved potential in the field, they were still not being recognized as innovators as they wanted among the national realm. In 2011, with the entrance of a new CEO, Philippe Salle, a new strategic plan came along and a new opportunity to reinforce the brand within the Portuguese market appeared.

In this context, this dissertation will provide the reader a profound understanding about the company background and how it has evolved in the Portuguese market as well as the characterization of the national IT and R&D market and an analysis of the respective competitive structure and future market opportunities. Furthermore, it will be explored the new strategic plan released by the group, as the new strategic opportunities and the challenges it brought to the Portuguese subsidiary in terms of business and marketing practices. For complementing the dissertation and to have a richer analysis, it is made an evaluation of the perception of brand/company among customers and employees, with the purpose of further find differences and similarities between both.

1.1. Research Problem

To better **understand the positioning of the brand Altran in the Portuguese market and further realize the challenges it has to overcome in order to reinforce the brand in the national realm**, it were took into account four main research questions:

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[1] Kotler, P., Armstrong, G., Wong, V., & Saunders, J. (2008). Communicating Customer Value: Integrated Marketing Communications strategy. Principles of Marketing (5th ed., pp. 687-732). Harlow, England: Pearson Education Limited 2008. (Original work published 1996).

RQ#1: What are the Critical Success Factors and Value Proposition of the group Altran? How to define the current positioning of the local subsidiary, Altran Portugal, in the Portuguese market?

RQ#2: What are the main characteristics of IT and R&D consulting market in Portugal? How to define the competition in the field?

RQ#3: What were the main advantages for Altran Portugal in aligning the strategy with the Group? What kind of opportunities did the New Strategic Plan brought for Altran Portugal?

RQ#4: Do customers and employees of Altran Portugal have the similar brand perception? What are the main similarities and differences between both perspectives?

1.2. Methodology

For this dissertation, it was gathered both primary and secondary data in order to have more complete information for answering the proposed research problem.

On a first phase, it was collected data regarding business and marketing practices of the company through several interviews and meetings done with critical elements of the company, such as the CEO, Marketing & Communication director and assistant, and some managers of Altran Portugal. The people involved was also asked about possible recommendations that they could have for reinforcing the brand in the domestic realm. On a second phase, it was made was made a benchmark with the two main competitors of Altran Portugal, Accenture and Novabase. The aim was to understand the marketing communication strategy of the main players in the market and further realize what Altran could learn from it. The collection of this information consisted on two distinct interviews with the Marketing & Communication directors of each one of the companies. This represented a great opportunity to gather not only crucial information about the competitors, but also to understand the common marketing strategies used in Consulting industry. Additionally, and with the purpose of complementing the existing Customer Research made in 2012 by the company, it was conducted a survey to evaluate the perception of the brand within Altran Portugal employees. The results of the survey were further used to make a comparison with previous research in order to find points of similarity and difference between both perspectives.

The secondary data comprised not only self-search data, like market studies, press articles, statistical and financial data, but also information provided by the company, as complementary market studies, Altran Annual reports (both local and global) and other type of internal information. In addition, the past literature was gathered through ESBCO database.

2. Literature Review

Despite the limited attention given to marketing in B2B, there were several academics that had put their efforts in studying marketing issues related with business markets. In this regard, with the aim of better understanding those concepts, it was collected some past literature about Marketing in Business Markets, Brand in B2B markets, Services Marketing and Relationship Marketing.

2.1. Marketing in Business Markets

B2B markets differ strongly from B2C markets in terms of complexity and uniqueness of its decision making process (Webster, 1978). The buying process of organizations is supposed to be more sophisticated once is done by a group of professionals on a more rational base. These professionals can be seen as members of a Decision Making Unit (DMU) who usually participate in purchase in terms of order frequency, its financial dimension, buying decision complexity and have different roles in the complex decision process with various level of responsibility. Therefore, the main aim of marketing communication in B2B markets may be the change of attitudes and opinions of the DMU members with the use of a mixture of personal and impersonal communication tools aimed at an organization purchase unit (Chlebišová et al., 2011). Moreover, according to Coleman et al. (2011), B2B markets have distinctive characteristics which include (1) multifaceted supply chain relationships, (2) complex selling process, (3) highly customized solutions, (4) smaller number of more powerful clients, (5) high value transactions, and (6) predominance of personal selling.

The importance of marketing in business markets has increased dramatically in last years, as it is proved by Hartley and Patti (1988). Many factors had contributed to the increasing attention to the subject such as (1) growing managerial sophistication, (2) broader understanding of industrial buyer, (3) increasing number of media and programming options, (4) extended product benefits, (5) attention to differentiation advantages, and (6) the development of worldwide markets (Havens, 1980). B2B marketing or business marketing can be defined as a broad concept that encompasses the marketing of business products and services (and other "less tangible" offerings) whether domestic, regional and/or global in scope. Besides, business marketing phenomena occur with all transactions, exchanges and relationships between any dyad involving organizations, institutions, resellers, and within social networks (Lichtenthal et al., 2008).

2.2. Brand in B2B markets

With the growth of e-commerce and global competition, B2B marketers have showed increased interest in the potential of branding, especially at the corporate level. Branding in B2B is recognized as a source of competitive and sustainable advantage for many industrial firms which can ultimately lead to an increased customer loyalty (Mudambi, 2002). But managing brands in business markets present unique challenges in comparison to the more traditional consumer branding. First, in business markets, the concept of brand is of more recent interest, experience with brands is more limited and the benefit of devoting time, effort and resources to brand building is less well understood. Second, purchasing can be whether a simple process limited to one individual or it can involve many individuals with specialized expertise participating in a highly structured process. Third, there are also strong differences in their architecture once organizations in business markets have less flexibility. So, creating powerful brands in business markets requires (1) understanding customers deeply, (2) focusing resources, (3) developing compelling value propositions, (4) creating brands that leverage established hierarchies, and (5) delivering on the promise of the brand (Anderson and Carpenter, 2005).

As the model of B2B branding underline the importance of the buyer's perspective, several authors emphasized the fact that buyers process brand messages differently and so future brand and sales strategies must adapt to those differences by segmenting the costumers. Mudambi (2002) highlight that branding differs in terms of company type, customers and purchase situation, so he identified three clusters of buyers which depended in their perception of the importance of branding in the purchase decision: (1) Highly tangible, (2) Branding receptive and (3) Low interest. Lynch and Chernatony (2004) acknowledge that individual buying center members process brand messages differently, which involve 'segmenting' the buying center so that the most appropriate brand communication is targeted at the varying emotional and functional needs of buyers in that center. On a slightly different perspective, Homburg et al. (2010) underline that the link between brand awareness and market performance is stronger in markets with (1) homogenous buying centers, (2) greater buyer time pressure, (3) homogenous products, and (4) high degree of technological turbulence. For many B2B firms, the creation of brand awareness is a key element of branding strategy and it may provide an opportunity to differentiate products or services and gain an advantage over competitors.

In addition, the responsibility for implementing segmentation recommendations would falls on the industrial salesperson as he/she plays a critical role in influencing brand messages and communicating brand values, which are key drivers of attitudes and behavior of the buyers (Mudambi, 2002). Besides, Lynch and Chernatony (2007) reinforce that industrial salesperson has a unique opportunity to gather information during a sales interaction. Therefore, brand value approach that responds to buyers' communication styles and brand information processing enables salespeople to maximize selling efforts and achieve more effective communication outcomes.

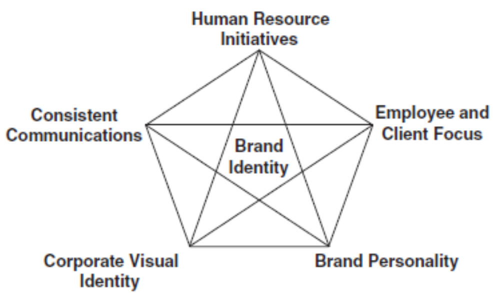
2.2.1. Emotional Brand Value

Moreover, there is some literature contribution regarding the introduction of emotion perspective in Brand value. Lynch and Chernatony (2004) highlighted that the extent to which emotion influences buying decisions will vary according to organizational factors such as (1) product type, (2) purchasing situation, (3) individual factors such as personal characteristics,

(4) the role and influence of the buying center, and (5) the buyer's level of involvement in the purchase decision. According to them, brands based on intangible, emotive characteristics such as trust, reassurance, reputation, image and responsiveness are seen as more durable and less likely to suffer from competitive erosion. Therefore, marketers must develop brands with a mix of functional and emotional values that contribute to a more robust and enduring strategy that would promise a unique and welcome experience between a buyer and a seller. Latter, in 2007, they also claimed that if salespeople can build on the functional and affective needs of organizational buyers, they will be best placed to create the psychological bonds that inspire enduring buyer-seller relationships. As a matter of fact, buyers of industrial products are influenced by both rational and emotional brand values (Ballantyne, 2004) and in both situations they rely on intangible factors (Mudambi, 2002).

Lynch and Chernatony (2004) also defended that there is a need for explicit management of internal and external B2B brand communications, as the amount of over the content of the message delivered through the sales force depends on factors such as (1) training, (2) sales force management procedures and (3) overall corporate objectives. They claim that there is an increased recognition that internal brand understanding and commitment have a positive impact on business performance which enables a more balanced cluster of functional and emotional values that will positively influence brand choice **(Exhibit 1)**. Coleman et al. (2011) also proposed a B2B service brand identity scale which considers both internal (employees, managers) and external (clients, upstream members of supply chain) perspectives by advocating the need for B2B brands to actively engage employees in the brand building process. The model comprises five dimensions: (1) Employee and Client focus, (2) Visual identity, (3) Brand personality, (4) Consistent communications and (5) Human Resource initiatives. So, emotional brand values need to be communicated effectively both internally (within the organization) and externally through the industrial sales forces in order to better connect with organizational customers **(Fig. 1)**.

Fig. 1. The B2B Service Brand Identity scale



Source: Coleman et al. (2011)

2.2.2. Impact of Customer Service Experience on Brand

In what concerns to customer service experience impact on the brand, Biedenbach and Marell (2010) highlight that it has a positive effect on all dimensions of brand equity such as brand awareness, brand associations, perceived quality and brand loyalty, referring to the importance that a direct interaction between a customer and a service provider, and the experience formed as a result of this interaction, have on the development B2B brand equity. Also, Ballantyne & Aitken (2007) based their research on Service-Dominant logic that further suggests that it is the service experiences of customers that most commonly impact on brand value, through brand awareness and brand memory. Furthermore, given the potential longevity of brand preferences and brand memory derived from historical experience, the importance of the service-ability of goods becomes paramount in sustaining the life of a brand. All product experiences and service perceptions get better with brand associations over time, and this helps to consolidate the reputation of firms in both their internal (employee) and external (customer) markets.

2.3. Services Marketing

According to Zeithaml et al. (1985), Services are defined by a set of unique characteristics that differentiate them from tangible goods: intangibility, inseparability of production and consumption, heterogeneity, and perishability. He also defended that, regarding Services Marketing, institutional firms seem to be more marketing oriented by (1) being able to contact customers after purchase to ensure satisfaction, (2) choosing carefully the personnel who interact with customers, and (3) regularly collecting information about customer needs. He argues that institutional firms are more aggressive in responding to low demand periods (by being more inclined to call on customers to try to increase business) as well as high demand periods (by being more likely to let employees work overtime). In addition, Grönroos (2011) stated that a service perspective is multi-dimensional, enabling the mutual creation of value between supplier and customer, with service as a mediating factor in that process. It is also argued that (1) value creation, (2) purchasing, (3) usage and (4) marketing are intertwined processes. This means that customers use resources made available to them in usage processes, where the use of these resources renders value for them. In this case both service activities and goods are distribution mechanisms for suppliers engage with the customer for service opportunities.

2.3.1. Services Quality

Service quality is a critical concern in B2B Services Marketing because of its impact on organizational customers (Molinari et al., 2008). Regarding this, Gounaris (2005) worked on the relationship between service quality and the customer's perception about the service delivered, once customer's evaluation of service quality and the resulting satisfaction/dissatisfaction is connected to (1) repurchase, (2) loyalty and (3) willingness to maintain a long-term relationship with the provider. Also, high level of service quality is linked with (1) some high market share, (2) improved profitability relative to competitors, (3) enhanced customer loyalty and (4) trust. Furthermore, Bolton et al. (2008) found that (1) decision-maker satisfaction, (2) service quality, and (3) price have a significant effect on the decision to upgrade by business customers. He also states that modest improvements in service quality for a focal contract can have a relatively large, positive effect on the likelihood that the firm will upgrade. Finally, Sichtmann et al. (2011) develop a theoretical model that examines the influence of different quality control initiatives on relative service quality in a B2B setting and, consequently, on export performance. The quality control initiatives include service employees' performance, customers' coproduction and selected firm characteristics. The findings show that (1) export customer-oriented training, (2) customer coproduction instructions, and (3) work process standardization have a positive influence on relative service quality, which in turn positively affects export performance. Superior service quality has been emphasized as an important competitive advantage for service firms operating in international markets. This competitive advantage can be achieved through quality management practices (input), which lead to a service quality (output) that is better than the quality of competitors in the foreign market.

2.4. Relationship Marketing

According to McNally and Griffin (2005), Relationship Marketing can be defined as the "ongoing process of engaging in cooperative and collaborative practices with customers and other businesses to create or enhance mutual economic value for both firms at reduced cost".

This concept has been further discussed in Marketing Literature by other authors. McNally and Griffin (2005) reinforce the link between Relationship Marketing (RM) institutionalization and the dependent variables of joint action and cultural control, which suggest that RM institutionalization significantly impacts the form of B2B exchanges. Furthermore, they consider the role of affective commitment as an antecedent to RM institutionalization, once if people are happily committed to their profession, they will be more loyal to their firm RM institutionalization. Palmatier et al. (2006) suggest that Relationship Marketing strategies/antecedents have a wide range of effectiveness for generating strong relationships and positively affect objective performance **(Table 1)**.

Table 1: Relationship Marketing Strategies

Most effective strategies	***Less effective strategies***
(1) Expertise and communication	(1) Dependence
(2) Relationship investment	(2) Frequency
(3) Similarity	(3) Duration
(4) Relationship benefits	-

Source: Palmatier et al. (2006)

Furthermore, he acknowledges that objective performance is influenced mostly by relationship quality and least by commitment. RM is also more effective when relationships are more critical to customers and when relationships are built with an individual person rather than a selling firm. Palmatier et al. (2006) also try to measure the return on B2B Relationship Marketing Investments. He comes to the conclusion that investments in social RM pay off handsomely in the short-term, financial RM investments do not, and structural RM investments are economically viable for customers served frequently. Although this model does not capture the long-term effect, so in an attempt to improve this model, Luo and Kumar (2013) extend their research by considering the long-term effects on buyer-seller relationship and examining the dynamic impact of RM investment. They realize that marketing contacts have a heterogeneous long and short term impact on the buyers' purchasing behavior depending on the buyer-seller relationship states. Therefore, when there is a marketing contact, the customer has a higher probability of moving to and staying in higher relationship states. Regarding the contact tools used, telephone calls seem to be more effective in driving up the relationship state. Although, given the relative low cost of direct mail, it is also effective in improving the buyer-seller relationship. Moreover, Palmatier et al. (2008) demonstrate that both Trust in the salesperson and Exchange Inefficiency mediate the effect of RM on seller financial outcomes. Therefore, returns on RM investments might improve if sellers were able to target customers on the basis of their Relationship Orientation rather than their size. Finally, Schakett et al. (2011) found that when structural and economic bonds are controlled, social bonds between key contact employees have a significant impact on buying organization's levels of loyalty, trust, and satisfaction toward the seller and its perceptions of the seller's service quality in B2B marketing relationships.

In addition, it's important to contextualize RM in consultancy market context. According to Karantinou and Hogg (2001) "consultancy assignments tend to be project-based and long term in client-consultant interactions which are characterized by (1) complexity; (2) value conflicts; (3) asymmetry of information; (4) complex power balances; and (5) differences in perceptions and expectations between clients and consultants." So as long-term customers tend to be more profitable than new ones, companies should develop trust within current customers and encourage long-term loyalty. In order to implement RM, there must be a strategic focus as a Customer Portfolio management which consist in carefully select and maintain a number of successful relationship with clients, by leading to an optimization of results and minimization of risks.

2.4.1. Trust

Blois (1998) considers that establishing and maintaining trust is crucial to build B2B relationships, by providing additional insights to those gained if only a power perspective is used. By 1999, he defend that in the case of trust, both fragility and complexity are present, so there must be a sensitive handling so that the role of trust can be understood in B2B marketing relationships. Gounaris (2003) considered (1) perceived service quality and (2) customer bonding techniques used by the supplier as the two specific antecedents of trust and consequently of commitment. These two antecedents have a direct influence on the level of trust, which in turn results in affective commitment. So, there is a causal relationship from trust to commitment. Furthermore, he makes a distinction between affective commitment and calculative commitment by stating that "affective commitment creates favorable intentions that help to preserve and reinforce the relationship while calculative commitment has the opposite effects”. Finally, Doney et al. (2007) show that buyers assess trust building behaviors (social interaction, open communications, customer orientation) as well as tangible aspects of the service offering (technical, functional and economic quality) in order to gauge a service provider’s trustworthiness in a B2B service setting. Furthermore, trust has a positive influence on key relational outcomes, loyalty commitment and share of purchases.

Business Reference Value (BRV)

Within the concept of trust, it’s also important to talk about Business Reference value (BRV) which is commonly used in B2B firms when trying to influence prospects to become new customers (Kumar et al., 2013). BRV is the ability of a client's reference of a particular B2B firm to influence prospects to purchase on that firm and the degree to which it does so. The main drivers of BRV are: (1) length of client relationship, (2) client firm size, (3) reference media format, and (4) reference congruency. So, it was found that when larger clients also have a longer relationship with the seller firm, a reference in a richer media format, and/or are more congruent with the prospect the reference has the ability to provide an incrementally larger degree of adoption influence. It is also highlighted that clients that have the highest BRV are not the same as the clients that have the highest customer lifetime value. Moreover, an average client that is high on BRV has significantly different characteristics from the average client that is low on BRV. So, sellers should have a portfolio of client references in order to match the client to the prospect successfully. By having a successful business reference program would be easier to convert prospects into clients that may be profitable to the firm.

2.4.2. Loyalty

Loyalty plays an important role for Relationship Marketing as customer loyalty is seen as a long term investment (Rauyruen et al. 2007). Several authors worked on this concept by evaluating its impact on other variables that may conduct to successful marketing relationships. Homburg et al. (2003), by following relational exchange theory, suggest that the relationship between customer satisfaction and customer loyalty will be weaker in the case of a highly relational exchange. He consider key constructs of RM (trust, information exchange and joint working) as moderators of the relationship between satisfaction and loyalty. As a result, these relational characteristics have a positive impact on customer loyalty and a negative moderating effect on the satisfaction-loyalty link. So, high relational exchange customers are more loyal and, in turn, changes in their satisfaction levels have a weaker impact on their loyalty. These results were also supported by findings in an international B2B context. On the other hand, Naumann et al. (2010) state that high customer satisfaction may be losing importance as a predictor of loyalty, when all major firms in an industry are capable of achieving high levels of satisfaction. So, when high satisfaction levels become commonplace throughout the industry, satisfaction measures may lose their ability to predict loyalty of customer to the firm.

Furthermore, Rauyruen et al. (2007) advance that to maintain customer loyalty to the supplier, he/she may enhance all four aspects of relationship quality: (1) trust, (2) commitment, (3) satisfaction and (4) service quality. More specifically, in order to enhance customer's trust, a supplier should promote the customer's trust in the supplier. In efforts to emphasize commitment, a supplier should focus on building affective commitment rather than calculative commitment. Satisfaction is a crucial factor in maintaining purchase intentions whereas service quality will strongly enhance both Behavioral and Attitudinal loyalty. Rauyruen et al. (2009) reinforce the importance of service loyal antecedents (habitual buying, trust in the service provider, and perceived service quality) as important predictors of Behavioral and Attitudinal loyalty (as seen in the previous study). The two types of loyalty are differential predictors of brand equity outcomes once Behavioral Loyalty is considered as a predictor of customer share of wallet, as an indicator of market performance, and Attitudinal Loyalty is a predictor of price premium.

Customer value

Customer value has been referred to as "the cornerstone of business market management" and it is considered to be an important determinant for creating satisfaction and a driver of customer loyalty (Homburg et al., 2005; Menon et al., 2005). Towards this concept, Menon et al. (2005) examined the antecedents of Customer Value within the context of B2B relationships, once he believed that a strong focus on customer value can have a significant impact on business market loyalty. He present benefits of Customer Value, by making a distinction between 'core benefits' and 'add-on benefits' and including also 'purchase price', 'acquisition costs' and 'operations costs' as a view of sacrifice in business relationships. He acknowledge that add-on benefits have a stronger influence on customer perceived value than core benefits, as the customers seem to view add-on benefits as a differentiator for Customer Value among providers with equal core benefits. Besides, there is a stronger overall impact of benefits (both core and add-on) on perceived customer value relative to the impact of sacrifices on perceived customer value. Moreover, regarding the customer 'sacrifices', he found that there is a similar influence of price and operations cost on perceived customer value, while acquisition cost don't. In addition, in a study conducted by Homburg et al. (2005), the authors improve this model by analyzing the Customer Value in B2B markets at an international level. First they consider (1) product quality, (2) service quality, and (3) trust as important determinants of core benefits and (1) supplier flexibility, (2) joint action, and (3) commitment of the supplier to be major determinants of add-on benefits. By doing this, they were able to found significant cultural differences in the impact of the determinants on the customer benefits, thus indicating that one must break down cultural barriers and establish relationships in order to be successful in international industrial marketing.

2.4.3. Social Media

Relationship-oriented Social Media can be defined as software applications or websites that facilitate two-way conversation-like exchanges, either synchronously or asynchronously, among users (Moore et al., 2013). The concept has emerged as a consequence of a techno-economic revolution that reshaped B2B communication and interaction through the digitalization of global economy (Sood and Pattinson, 2012).

In fact, many authors have been recognizing the importance of including Social Media in B2B environment as a tool of Relationship Marketing. Sood and Pattinson (2012) recognized that "the pervasiveness of social media technologies and applications enables not only the generation of online conversations but enhances B2B collaboration activities atop the B2B and intra business conversations." Thus, they highlight a deeper engagement between buyers and sellers through use of social media as touch points. For Brennan and Croft (2012), the primary social media considered as useful for B2B marketing are Linkedin, Facebook, Twitter and blogging, while the principal marketing applications of B2B social media are content marketing, market research, business networking and possibly sales prospecting. They consider Social Media as a vehicle for soft marketing through relationship and brand development, rather than a hard-sell vehicle. More specifically, technology companies benefit from social media tools by positioning their brands as thought leaders in a highly dynamic sector. Rodriguez et al. (2012) also highlight that social media has a positive relationship with selling organizations' ability to both create opportunities and manage relationships. Also, social media has a positive relationship with sales performance, but not outcome-based sales performance. They consider that Social Media works as social CRM in order to create a bond with the clients similar to what Relationship Marketing does, so it's more a tool for RM in order to increase sales.

In addition, Agnihotri et al. (2012) argues that social media tools can help salespeople creating value in B2B environments by having a positive influence on service behavior. Moore et al. (2013) show that B2B salespeople tend to use relationship-oriented social media significantly more often for prospecting, handling objections, follow-up and after sales service mainly due to the greater level of importance of these stages to relationship-oriented selling. Moreover he reinforces the importance of social media tools in the development of long-term relationships via conversation-like exchanges of data and information.

3. Case Study

Altran Portugal:
The need to reinforce the brand in the Portuguese market

"I want Altran to be not only a company that excels at its tasks, but also a company opening the world of tomorrow to its clients and to its employees."[2], said Philippe Salle, the new CEO of Altran after his nomination in the beginning of June, 2011. Maria da Luz Penedos, the Marketing & Communication director of Altran Portugal, was finishing reading the new CEO's official communication to Altran employees that she had received on her email that morning. She realized that Salle was conscious of the difficult times the Group Altran was passing through. He was committed to focus on accelerating the company's growth and increasing its performance by defining a new strategic plan for the triennium 2012-2015. M. Penedos, with a wide experience in the company, thought this news came at the right moment and at the right time for Altran Portugal. They were in the domestic market for almost 15 years, but despite the potential in intelligence, knowledge, innovation capabilities that existed within the company, they still needed to reinforce their image of innovators in the market. Therefore, measures would have to be taken: it would be necessary to analyze the current market and future trends, the competitors and the current positioning of Altran Portugal and according to that define a new communication plan that would allow to reposition the brand in line with the parameters defined globally by the group.

3.1. Altran Group[3]

Altran was an international high-tech engineering and innovation consulting group, leader in the industry within European realm **(Exhibit 2.1)**. It was founded in France in 1982 by Alexis Kniazeff and Hubert Martigny, ex-consultants of Peat Marwick, today known as KPMG. The Group's mission consisted on supporting companies worldwide on the creation and development of new products/services with high technological content. The aim was to convert creative ideas into reality, i.e., creating innovative solutions that were able to generate technological progress.

The group began its operations by targeting the high-technological segment of the aerospace industry, providing engineering consulting on several space programs and military hardware projects. It started growing into small business units in France and in 1987 it was listed on the Secondary Market of the Paris Stock Exchange. By 1990, Altran extended its range of expertise

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[2] Quote present in the Official Internal Communication of Philippe Salle regarding his new position of CEO for Altran Group.
[3] Source: Altran Group website. Available at: http://www.altran.com/. [Accessed at April 2013]

into other business sectors such as Transportation, Telecommunications and Energy, always with a claim for strong information technology content. The 1990's were marked by the adoption of a new business model, a new operational concept of temporary agency for the high-tech sector, and by an aggressive acquisition plan of foreign companies, aiming to expand its operations worldwide. The company firstly focused on European countries like Belgium and Spain (1992), Switzerland (1993), Germany and Italy (1996), United Kingdom, Luxembourg and Sweden (1997), Portugal (1998), Netherlands and Austria (1999). By the end of that decade, Altran was taking the lead of France's market technology consulting sector. Afterwards, in the early 21st century the group started by expanding outside Europe, by targeting United States of America and Canada (2002) and later India (2004), China (2009) and Malaysia (2013).

As a result, by 2012 Altran was able to create an extensive network of 58 branches across almost 20 countries and counting on 20.000 employees. Each subsidiary operated autonomously in terms of management and business strategy while benefiting from central management cooperation in technology sharing and other support services. The aim of Altran was not only to guarantee a consistent level of service among all countries, but also offer specific support to dedicated local markets. These acquisitions revealed to be of extreme importance for the company growth as, by the end of 2012, international sales accounted for nearly 50% **(Exhibit 2.2)** of the company's total revenues (1456 Million Euros)[4]. Furthermore, the group gathered 500 major clients worldwide and within them the Top 50 Global Customers **(Exhibit 2.3)** generated 58% of Altran's total business[5].

Service Offer

As a typical Consultancy company, the service offer of Altran was consolidated around three main parameters: Business sectors, Solutions and Delivery Models **(Exhibit 2.4)**.

The company operated globally in 5 main business sectors which had quite similar weight on the total Turnover of the Group: Energy, Industry & Life Science (26%), Aerospace, Defense & Railways (26%), Telecoms & Media (19%), Automotive, Infrastructure & Transportation (17%) and Financial Services & Government (12%) **(Exhibit 2.5)**. For each business sectors, Altran offered Solutions that had a key role on cross-innovation within each industry. They covered four major technological domains: Lifecycle Experience (Product Lifecycle Management), Intelligent Systems, Mechanical Engineering and Information Systems.

Moreover, Altran put forward three different types of Delivery Models associated with different levels of commitment regarding specific needs of each client. These models were shared by all subsidiaries in order to guarantee a consistent level of service within their clients. By ascending order of commitment level, these Delivery Models **(Exhibit 2.6)** were divided into: Consultancy

[4] Source: Altran 2012 Annual Report (Internal Information)
[5] Source: Altran 2012 Annual Report (Internal Information)

& Technical Support and Competences (Team of managed Consultants) (55% of total turnover), Outsourced Services (30% of total turnover) and Projects (15% of total turnover)[6] **(Exhibit 2.7)**.

3.2. Altran Portugal[7]

Altran entered in the Portuguese market in 1998. But before they started operating within the brand Altran, they went through several Mergers & Acquisitions with other companies **(Exhibit 3.1)**:

- 1998: Start-up partnership with Altrantec (technological partner) and acquisition of Altior, a Technological Consulting Firm.
- 1999: Acquisition of Prisma, a Human Resources company.
- 2001: Acquisition of Global N (technological partner).
- 2006: Merger between Prisma and Global N into Altran CIS.
- 2007: Merger between Altrantec and Altior, operating within Altior name.
- 2009: Merger between Altran CIS and Altior allowing to create one single company, **Altran Portugal**.

According to Célia Reis, the CEO of Altran Portugal, "these mergers were in line with the Group's objective of simplifying the organization at a worldwide scope, consolidating the best service offer in each country and focusing the attention on the current challenges posed by the market and customers."[8]

The new brand name was a step forward to grow as a company and achieve a higher recognition in the Portuguese market. In 2010, they were considered within the Top 15 Portuguese biggest suppliers of Consulting & Implementation[9] which represented 60% of the total turnover of that type of service in Portugal. Altran Portugal occupied the 11th position and a market share of 2,1%, regarding that business area. By 2011, they were within the Top 50 biggest companies (43th place) of Portuguese IT market[10] and had a portfolio of more than 50 major clients, considered as key players in the main Business sectors where the company operated **(Exhibit 3.2)**. In fact, one of those major clients, PT-SI, had considered the service of Altran Portugal as the best among all other suppliers.[11] In 2012, they were able to rely on a structure of 400 employees, including technical consultants and back-office employees distributed hierarchically **(Exhibit 3.3)**. Moreover, on that same year the company was able to achieve the

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[6] Source: Altran 2012 Annual Report (Internal Information)
[7] Source: Altran Portugal website. Available at: http://www.altran.pt/. [Accessed at April 2013]
[8] Source: Quote from an Interview with the CEO of Altran Portugal, Ms. Célia Reis.
[9] Source: IDC Portugal (2011), "Competitive market analysis of IT services in Portugal, 2011"
[10] Source: Semana Informática (31st October 2012), "Ranking of the top 200 IT companies in Portugal, 2011". Available at: http://www.semanainformatica.xl.pt/neg%C3%B3cios/277-as-200-maiores-empresas-de-ti-em-portugal.html. [Accessed May 2013]
[11] Source: Altran Internal communication (February 2012), "Altran was elected nr. 1 in Satisfaction Survey PT – SI (2011)"

2nd level of maturity of the certification of the CMMI for Dev 1.3[12] (Capability Maturity Model Integration for Development 1.3), which was a reference model that certified skills in information technologies for the development of products and services in areas of software engineering and systems.

Business Strategy and Service offer

Altran Portugal followed the requirements defined globally by the group in order to guarantee a consistent level of service, but it was allowed to make some local adaptations. It had the same model of service offer, although due to the conditions of the domestic market it only covered specific Business Sectors and Solutions. They were more focused on Telecom & Media (51% of total turnover) and Financial Services & Government (34% of total turnover) **(Exhibit 3.4)**. Curiously, the latter was the business sector with less impact for the Group (12% of total turnover) **(Exhibit 3.5)**. The other business sectors (Energy, Industry & Life Science; Aerospace, Defense & Railways and Automotive, Infrastructure & Transportation) which were grouped into 'General Business' represented only 13% of total turnover. Plus, in the beginning of 2013, Altran Portugal was selected by the Group as the competence center for Nearshore Projects in Information Systems, which had the main objective to serve the domestic and international markets. The Nearshore project represented almost 3% of the total turnover for the company **(Exhibit 3.6)**.

Concerning the type of solutions, Altran Portugal was only able to cover three of four of the Group Solutions: Lifecycle Experience (Product Lifecycle Management), Intelligent Systems and Information Systems. Mechanical Engineering was out of this range due to the low number of companies of this sector operating in the Portuguese market. Regarding the Delivery Models, Consultancy & Technical Support and Competences (Team of managed Consultants) remained the ones with highest impact (71% of total turnover), followed by Outsourced Services (26% of total turnover) and Projects (3% of total turnover)[13] **(Exhibit 3.7)**.

In 2011, the company reported a total turnover of 17,6 Million Euros, having managed to be the 4th country with the highest EBITDA and 5th biggest country in terms of market share for the group on that same year **(Exhibit 3.8)**.

Partnerships

Furthermore in order to offer a level of service that would be consistent across all Business Sectors and Delivery Models, Altran Portugal had settled several technological partnerships allocated for each type of solution (Microsoft, SAS, Oracle, SAP and others), which allowed to fulfill the specific needs of their clients **(Exhibit 3.9)**. Besides, with these partnerships, the company was able to constantly update their service according to the ultimate trends of the

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[12] Altran Portugal Internal Information
[13] Internal Information from the Financial Department of Altran Portugal

market, participate in major events alongside their partners and support with great expertise their customers due to the training and certifications obtained by the partners.

3.3. Market Analysis

In Portugal, the Information Technologies (IT) market which included IT Services (50%), Hardware (17%), Software (14%) and Others (17%) was responsible for a total turnover of 4 686,7 Million Euros in 2010[14] **(Exhibit 4.1)**. This was a quite positive result, as, according to Sage Portugal[15], IT market represented 17% of companies that have managed to grow in the domestic market in 2010, despite the economic crisis. "Employee motivation" and "Innovation" were pointed out as the key factors for this growth. Even so, in accordance to IDC[16], the value of the investment in this market had decreased from 2008 to 2012 by 25%, and it was predicted to continue to decline in 2013. The IT buyers were putting pressure on service projects and support services renewals, demanding lower prices and lengthening the terms of the decision-making processes. Only in 2014, it was expected a positive investment rate of 2,2% enabling to reach 3207 M€ of total investment in the area. The forecasted recovery was explained by the increase in Hardware and IT Services investment which would allow to reach an estimated growth rate of 2,6% in 2015 **(Exhibit 4.2)**.

Altran Portugal's main business was included in the **IT Service market**, which was the dominant activity within IT market in Portugal, by being able to generate half of the total turnover in 2010 (2 347,3 Million Euros). This value was justified by the flexibility demonstrated of SME's service, continuous focus on innovation, profitability and added value of the services offered and the international activity of Portuguese IT Companies[17].The IT Service segment was divided into Consulting & Implementation (38%), Outsourcing (34%), Support & Training (20%) and Others (8%)[10] **(Exhibit 4.3)**. The only exception for Altran was 'Training' which was not included in the service offer of the company.

As referred, the Portuguese IT sector demonstrated a tendency to internationalize their activities and investments. According to ANETIE[18], 51,9% of the IT Portuguese companies had a defined internationalization strategy, as well as budget and resources for their efforts across borders for 2012 **(Exhibit 4.4)**. More particularly, in the IT Service sector, 45,6% (Consulting: 12,7%; Training: 10,1%; Services: 22,8%) of the companies were exporting their activities while

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[14] Source: IDC Portugal (2011), "Competitive market analysis of IT Services in Portugal, 2011"
[15] Source: Tek.Sapo (18th May 2011), "Empresas de TI estão entre as que continuam a crescer em Portugal". Available at: http://tek.sapo.pt/noticias/negocios/empresas_de_ti_estao_entre_as_que_continuam_a_1153358.html. [Accessed May 2013]
[16] Source: Semana Informática (12nd August 2013), "Mercado nacional de TI caiu 25% em quatro anos". Available at: http://www.semanainformatica.xl.pt/neg%C3%B3cios/289-mercado-nacional-de-ti-caiu-25-em-quatro-anos.html. [Accessed May 2013]
[17] Source: Semana Informática (31st October 2012), "Ranking of the top 200 IT companies in Portugal, 2011". Available at: http://www.semanainformatica.xl.pt/neg%C3%B3cios/277-as-200-maiores-empresas-de-ti-em-portugal.html. [Accessed May 2013]
[18] ANETIE: Associação Nacional de Empresas de Tecnologias de Informação e Eletrónica

57% (Consulting: 16,5%; Training: 11,4%; Services: 29,1%) of the companies in the same market had defined a strategy to internationalize their activities[19] **(Exhibit 4.5)**. The most popular exporting countries were Angola (40,5%), Brazil (30,4%) and Mozambique (16,5%) **(Exhibit 4.6)**.

Furthermore, as IT market involved mainly B2B relationships, the major clients of IT companies were business clients. The business structure in Portugal[20] was characterized by a predominance of Micro enterprises[21] (85,9%) which were only able to contribute with 14,5% of the total turnover of the Portuguese market. In contrast, the biggest companies[22] which represented only 0,3% of the total number of companies in Portugal, were able to generate almost 50% of the total turnover of the Portuguese market and consequently had more economic capacity to invest in Information Technology **(Exhibit 4.7)**. Nonetheless, according to Sage Portugal[23], 66% of the Portuguese SME's which were able to grow in the domestic market in 2010 (37% of total Portuguese companies) considered to be crucial to invest in Information Technology (66%) and Innovation (65%) regardless the economic conditions of that year.

Furthermore, there was a quite similar distribution among IT companies' clients within the main business sectors of the Portuguese market[24]: Telecom, Energy & Utilities (24%), Government (23%), Industry, Distribution & Retail (22%), Financial Service (20%) and Others (11%) **(Exhibit 4.8)**.

3.3.1. Competitive Analysis

Unlike other major players in Portugal, Altran's business was able to go further than simply offer consulting services, but rather design and develop complex projects in R&D. Regarding this, it was difficult to find pure direct competitors in the domestic market once most of them were only able to offer consulting and outsourced services. Even so, regarding simple IT service operations, Altran was highly challenged by its competitors. That was the conclusion of the GfK[25], in a study planned by Altran to evaluate the level of satisfaction of their clients and prospects[26]. The number of companies operating in this market was numerous and the market was really competitive. In fact, the majority of the clients were used to work with several competitors at the same time (94%) **(Exhibit 5.1)**, and that was why it was difficult to stand out in the IT service market. Moreover, when comparing Altran with its competitors, the

[19] Source: ANETIE (January, 2012), "Analysis of the behavior of IT and Electronic Portuguese firms regarding internationalization" (2011). Available at: http://www.anetie.pt/userfiles/9/file/documentos/Estudos/Estudo_Internacionaliza%C3%A7%C3%A3o%202011.pdf. [Accessed May 2013]
[20] Source: Informa D&B Portugal (January 2013), "Tecido Empresarial Português 2012". Available at: http://www.einforma.pt/images/tecido_empresarial.pdf. [Accessed May 2013]
[21] Companies with less than 10 workers per company
[22] Companies with more than 250 workers per company
[23] Source: Sage Portugal (2010), "Radiografia das PMEs em Portugal". Available at: http://ftp.sage.pt//sage/marketing/Radiografia_PME_Portugal_2010.pdf. [Accessed May 2013]
[24] Source: IDC Portugal (2011), "Competitive market analysis of IT services in Portugal, 2011"
[25] GfK Group is a worldwide leading companies in the field of market research.
[26] Source: GfK for Altran (February 2013), "2012 Image & Satisfaction Survey"

majority of the clients considered that they were on par with them, which suggested that there was no differentiation between players in the market. Even so, when it comes to Altran being able to anticipate their clients' needs, being responsive to their requirements and being able to manage international and complex projects, there was a considerable percentage of the clients that perceived them as being behind their competitors, rather than ahead **(Exhibit 5.2)**. This suggested that it was time for Altran to reconsider some of their business practices in order to increase the level of client's satisfaction on those points.

Regarding their main competitors, Novabase (21%) and GFI (14%) were at the top of the companies which Altran Portugal's clients were more used to work with[27] **(Exhibit 5.3)**. Altran Portugal also pointed out Accenture as one of their main competitors[28] as it operated the same market, competed for the same clients and benefited from a great positioning in the market. Generally, all of them had their operations concentrated in the IT Service sector and were considered as big players in the Portuguese market **(Exhibit 5.4)**.

When comparing with their competitors, Altran was found in the middle of the competitive positioning grid[29] **(Fig. 2)**, where the x-axis corresponded to the 'Current Framework' and y-axis to the 'Future Perspectives' of the company. Each parameter included several key factors that were determinant to evaluate the position of each company in the grid. 'Current Framework' included (1) Market Share, (2) Service Portfolio, (3) Partnerships, (4) Availability of Vertical Solutions and (5) Ability to set standards. While 'Future Perspectives' included (1) Brand Reputation, (2) Growth Perspectives, (3) Commercial Capacity, (4) Geographical Presence; (5) Investment in Innovation (5) Financial Stability and Investment Capacity. This analysis suggested that the current positioning and evolution of Altran's business was at an average level and they were still far behind from their main competitors (Novabase and Accenture). Regarding this, M. Penedos was looking forward to learn from them about their best practices in terms of Marketing Communication as a way to improve their own business in the domestic market **(Exhibit 5.5)**.

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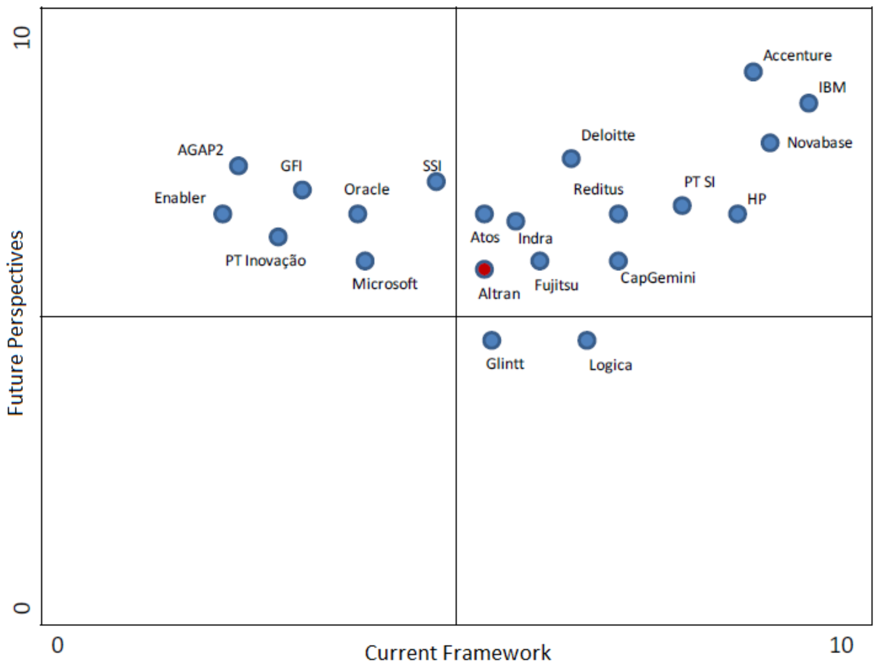
[27] Source: GfK for Altran (February 2013), "2012 Image & Satisfaction Survey"
[28] Regarding "2012 Image & Satisfaction Survey" conducted by GfK for Altran, the sample used only represented 13,5% of the total number of clients, so there may be some limitations in the results which justifies the fact that Accenture was not pointed out as one of the major competitors.
[29] Source: IDC Portugal (2011), "Competitive Positioning, IDC – 20 IT Services (2010) + Altran"

Fig. 2. Competitive Positioning Grid



Source: IDC Portugal, 2011

3.3.2. Finding Future Market Opportunities

Rather than analyzing the current market, it was also important to find the future trends as the pace of change of IT Market was highly volatile. According to IDC Portugal[30], Users[31] and Vendors[32] of IT showed some confidence regarding their expectations on IT turnover evolution in 2012, even if Vendors (50% confident) felt more confident that Users (38% Confident) **(Exhibit 6.1)**. Vendors also anticipated that Service market for IT would be the category with highest turnover in 2012 with an expected growth of more than 2% **(Exhibit 6.2)**, while Telecom, Energy, Utilities and Services would be the only business sectors able to increase their IT spending in 2012 **(Exhibit 6.3)**.

In this study conducted by IDC Portugal[33], it was also made a comparison between Vendors and Users perspective regarding their business priorities and strategies for the future. Concerning Business Priorities, Users were more focused on improving organization's efficiency and performance while reducing operating costs. Vendors privileged attraction and retention of clients and also the improvement of organization's efficiency and performance **(Exhibit 6.4)**. About future strategies, CIO's[34] were focused in development of new products and services,

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[30] IDC Portugal (2011), "IDC- IT Overview for 2012": study conducted by IDC Portugal to understand the IT market in Portugal by evaluating the economic impact of the IT spending and identifying technological priorities of the market within the year of 2012.
[31] IT clients (CIO's of companies in Portugal)
[32] IT Suppliers (IT Service companies in Portugal)
[33] IDC Portugal (2011), "IDC- IT Overview for 2012"
[34] Chief Information Officer

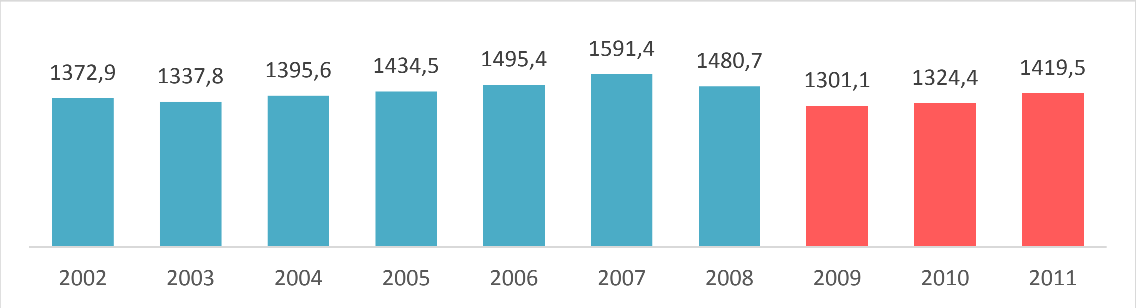
market share growth in existing markets and expansion to new markets, while Vendors, even if they had the same priorities, privileged more the expansion to new markets **(Exhibit 6.5)**.

Furthermore, it was crucial to analyze the evolution of the R&D market in Portugal as it represented a key business for the group. According to Pordata, in 2010 Portugal R&D investment (1,5% of GDP) was lower than the average invested by the European countries[35] (2% of GDP)[36]. Nevertheless, the value had recorded an exponential growth since the 1980's, suggesting that, even if R&D expenses in the domestic market had slightly been decreasing since 2009, the value was expected to be higher than 2,5 Million Euros for the following years. Besides, there were around two thousand Portuguese companies that invested in R&D projects in 2010, being responsible for almost half (46%) of the total investment in the domestic market (2749 Million euros)[37] **(Exhibit 6.6)**. This was a key opportunity for Altran Portugal to reinforce their positioning of innovators in the domestic market and be in line with the core business of the group.

3.4. The new strategic plan

By October 2011, four months after his nomination, the new CEO Philippe Salle presented the new strategic plan for the triennium 2012-2015 with the aim to reinforce the brand within the global market of innovation and high-tech engineering consulting. Salle was aware of the current situation of the company. 2009 was the turning point by registering the lowest revenues since 2002 and to make matters worse the following years were not rising fast enough to reach the revenues achieved in previous years **(Graph 1)**.

Graph 1. Year-on-year Revenues Trends - Altran Group (in €M)



Source: Altran 2012 Annual Report

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[35] European Union - 27 countries
[36] Source: Pordata (2011), "Despesas em actividades de investigação e desenvolvimento (I&D) em % do PIB: por sector de execução - Portugal". Available at: http://www.pordata.pt/Portugal/Despesas+em+actividades+de+investigacao+e+desenvolvimento+(I+D)+em+percentagem+do+PIB+por+sector+de+execucao-1133. [Accessed May 2013]
[37] Source: Pordata (2011), "Despesas em actividades de investigação e desenvolvimento (I&D): total e por sector de execução - Portugal". Available at: http://www.pordata.pt/Portugal/Despesas+em+actividades+de+investigacao+e+desenvolvimento+(I+D)+total+e+por+sector+de+execucao-1106. [Accessed May 2013]

Moreover, the clients were putting pressure on service projects and support services renewals, demanding lower prices and lengthening the terms of the decision-making processes, requiring the change of delivery models. Regarding this, Salle was truly committed to make the most to of his plan to accelerate the growth and development of the company: *"It is now my responsibility to create the conditions of this success. […] You can count on my determination to make Altran a symbol of excellence and competitiveness."*[38]

Philippe Salle was a 47 year old man who was graduated on the École des Mines de Paris and had an MBA from the Kellogg Graduate School of Management. In 1990, he was able to begin his career at Total, the international Oil and Gas Company, in Indonesia. Soon after, he joined Consultancy companies like Accenture (1990) and McKinsey (1995). In the latter, he had the chance to be a project director for strategic consulting and nominated Associate Partner. In 1999, he entered in Vedior group (named Randstad in June 2008) where he became CEO of Vedior France in 2002 and in 2006, he was nominated the President of the Southern Europe zone which included countries like France, Spain, Italy and Switzerland. He maintained in this position until 2007, when he joined another company named Geoservices group. This was a technological company in the oil sector with an international scope, operating in 52 countries and counting on nearly seven thousand employees. He started as a Managing Director and later on in March 2011, he was nominated again Chairman and Chief Executive Officer for this group. His background and experience in consulting areas and international companies were crucial pieces for the success of Altran's future. As he pointed out: *"Even though I managed companies in France and throughout the world, I remain at heart an engineer deeply fascinated by technology and innovation, which I consider the pillars of tomorrow's world."*[39]

The new CEO together with his team was able to identify the areas that needed to be improved and defined an action plan that would lead the company to achieve an ambitious growth and profitability.

> *"After carrying out this strategic review, I am convinced that, in order to benefit fully from the numerous strengths the Group has to offer, we must refocus on our key markets and cut operating costs. This is the objective of the action plan that I have presented and will implement with my team over the coming months; a plan designed to revive growth and restore margins to levels more in keeping with the status of the Group."*[40]

The action plan included three main pillars:

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[38] Quote present in the Official Internal Communication of Philippe Salle regarding his new position of CEO of Altran Group.
[39] Quote present in the Official Internal Communication of Philippe Salle regarding his new position of CEO of Altran Group.
[40] CEO Quote from Press Release for the new Strategic Plan 2012-2015

(1) Service Offer: Clients were more demanding regarding the complexity of the projects, increasingly looking for strategic partners who could support global projects and guarantee a consistent level of service whilst operating in local markets and still delivering under a fixed price contract. So, within the available solutions, the company was moving forward the global offer to Lifecycle Experience and Intelligent Systems and focusing more on Fixed-price projects in the range of delivery models **(Exhibit 7.1)**. They also invested in higher expertise by recruiting new experienced engineers and providing the necessary in-house training (C.A.R.E. Program). Furthermore, regarding business sectors, they centered the attention in four of the five industrial of activity segments (Automotive, Infrastructure & Transportation; Aeronautics, Space & Defense; Energy & Healthcare; Telecoms). Even so, on a local basis, the company aimed to continuing focusing on the existing service offer, allowing to maintain the competitive position of each country.

(2) International scope: Altran aimed to reinforce their international presence by focusing on strengthening their market position and be a market leader on eight core countries as well as optimizing the development of the rest of the countries (non-core countries) through specific growth opportunities. The core countries included six countries in Europe (Belgium, France, Germany, Italy, Spain and United Kingdom) and two in Asia (India and China). These last two emerging regions represented the growing momentum of technological innovation and that's why the group planned to set up regional partnerships in China and reinforce the existing offshore platform in India.

(3) Profitability: In terms financial growth, the aim was to achieve revenue of more than 2 Billion Euros in 2015 by boosting sales through organic growth and strategic medium-sized acquisitions afterwards. Plus, the objective was also to reach an EBITDA of 11%-12% of Sales and generate cash by having a free cash flow between 2% and 4% of the sales (an objective which was reached at a maximum level in 2011) **(Exhibit 7.2)**.

Summing up, this new strategic plan consisted on twelve major projects mainly focused on client-based services, staff loyalty and margin enhancement. The execution plan was named Hercules to make an analogy with the twelve labors of Hercules. The aim was to transform the group strategic objectives into concrete actions and achieve a more functional organizational structure. These projects would require the involvement of the managers of each of the Group countries that would be responsible for setting the objectives, scheduling and implementing each project.

> *"This is the page of Altran's history I propose you to write together. (…) and I believe your passion will enable us to reach this goal together. […] We must show the value of our teams and our skills, assert our commercial strength as well as our power to collaborate on innovative and complex projects. We must also demonstrate our*

operational excellence to position ourselves as experts of the future, and to support innovation day after day.”[41], said Philippe Salle.

The projects were divided into six projects targeted to the clients, two projects directed to the collaborators and four to increase the profitability **(Table 2)**:

Table 2. Hercules Program

Hercules Program: *12 projects to deliver Strategy*					
Clients & Sales			Collaborators	Profitability and Cash	
1. Project organization	2. Client satisfaction	3. Offshoring	7. C.A.R.E. program	9. Cost	11. Pricing
4. T&M organization	5. Key accounts	6. China	8. Compensation and benefits	10. Days Sales Outstanding	12. Tax

Source: Altran Strategic Plan 2011 (Internal Information)

3.4.1. Brand Repositioning

As a new strategy came along, there was also the need to create an image that would be consistent with their new objectives. Altran aimed to be recognized as innovative company able to respond to the most complex projects of their clients. So it was necessary to reposition the brand and build an appropriate and integrated marketing strategy.

In February 2012, a new corporate website was launched, allowing to strengthen the Group as one single identity, while leaving room for individuality and differentiation of each country **(Exhibit 8.1)**. By May, it was released a new corporate image associated with the slogan ‘Innovation Makers’ that would reinforce the innovation DNA of the Group. This image was a prism with multiple faces that represented the complex and integrated service offer which included business sectors, solutions and delivery models. The aim was to see the prism as one single piece that was able to assume different shapes as the nature of Altran was to be innovative and multifaceted **(Exhibit 8.2)**.

Back in June, the company launched new corporate values allowing to strengthen not only the new image, but also the corporate culture of the Group. Five corporate values were defined: INNOVATION, EXCELLENCE, DYNAMISM, RESPONSIBILITY and CARE **(Exhibit 8.3)**. The process of

[41] Quote present in the Official Internal Communication of Philippe Salle regarding his new position of CEO of Altran Group.

defining those values resulted from existing values, the history, current culture and ambitions for the future, thus enabling to create a consistent image within all countries of the Group. Regarding this, Altran Portugal produced a video to be released within the Group in which five employees explained how they perceived and embodied the corporate values on their daily work **(Exhibit 8.4)**. The objective was to promote the values internally and externally, enabling each employee to identify themselves with the values and bring the company closer to its clients with real testimonials.

3.5. A new strategic opportunity for Portugal

In the context of the new strategic plan, Portugal was within non-core countries where it was expected a business strategy optimization. The aim was to fulfill the financial objectives defined for the group, increase performance of current service offer and exploit local and international expertise. Due the economic conditions of the domestic market, the company was conscious that they would face some challenges in order to achieve all the proposed objectives of the group.

Even so, at that moment, Altran Portugal presented a competitive level of profitability, representing the 4th country with the highest EBITDA and 5th biggest country in terms of market share for the group in 2011. They also had strengthen the local offer by aligning the services portfolio with specific challenges and opportunities in the domestic market. Moreover, they were considered as the Nearshore platform for the group, due to its maturity level and recognition of the excellence of their professionals.

According to Cyril Roger, Senior Executive Vice-President for Southern Europe, Portugal was ready for the new challenge: *"I am confident that our teams in Portugal will meet the expectations of the Group. Aligned with the Group's strategy, Altran Portugal will have new business opportunities and will represent a new platform for the Group Nearshore"*[42]. But, was the new strategic plan sufficient to reinforce the brand in the Portuguese market?

3.5.1. The need to reinforce the brand in the Portuguese market

In 2012, the group planned a satisfaction survey with the aim of evaluating the service level and the impact of brand within clients and prospects. The survey was conducted by GfK[43] in all industries and geographies which allowed to identify not only areas for improvement but also strategic issues and marketing opportunities within each country involved.

Overall, according to the results **(Exhibit 9.1)**, Portugal had a very high level of satisfaction regarding Altran's Image (93%), Business Relationship (88%) and Quality of Service (92%). The company was found to have a good image within their clients which was justified by the large

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[42] Quote present in the official presentation of the Strategic Plan in Portugal by of Cyril Roger, Senior Executive Vice-President for Southern Europe

[43] GfK Group is one of the worldwide leading companies in the field of market research.

international spectrum (97% agreement), flexibility and adaptability of the company (88% agreement) and a clear organizational structure (88% agreement). Clients felt that it was a company with which they would like to work or continuing to work with (90% agreement). The company was also perceived as having a good follow-up of the business relationship due to the diligence of the person handling the relationship with the client (88% satisfaction) and an ability to meet the clients' needs through team autonomy (93% satisfaction), quality of derivables (92% satisfaction), respect of deadlines (90% satisfaction), stability and competences of teams (89% satisfaction), and sector-specific expertise (89% satisfaction). Besides, the Portuguese clients had gave a recommendation mark (7,2) and Net Promoter Score[44] (-3) higher than the group (6,9;-14), which posed some good opportunities for the Portuguese market **(Exhibit 9.2)**. In addition, Time & Material and Outsourced Services which represented the biggest slice of services offered in Portugal were seen as mature delivery models, with maturity level of 90% and 83% respectively. Information Systems was within the most popular solution, as the majority of the clients (35%) was more used to work with it.

Even so, there were found critical issues that needed to be improved and had raise the need to reinforce the brand in the domestic market:

(1) Most critically, there was a still a considerable percentage of clients (24%) that did not clearly saw the company as a partner for innovation even if Altran's new corporate image claimed the opposite.

(2) Altran Portugal really needed to differentiate itself in the market by fostering closeness with its clients through the improvement of the capacity of anticipating their needs (26% of dissatisfaction), the ability to put forward innovative solutions (22% of dissatisfaction) and the enhancement the follow-up relationship with customers (20% of dissatisfaction).

(3) The value for money delivered was not well perceived by 31% of the customers which made it difficult to stand out in the market.

(4) There was a low acknowledge and use of Mechanical Engineering and Intelligent systems by 100% of the customers, which went against one of the major objectives of the new strategic plan of focusing on Mechanical Engineering at a local basis and Intelligent Systems on global basis. Besides, these solutions represented the core business of the group and the areas where they were able to differentiate more.

(5) Altran was highly challenged by its competitors: not only the market was really competitive with a high number of competitors, but also the clients were used to work with several players at the same time (94%).

[44] "Net Promoter Score" is a customer loyalty metric which allows measuring the company's performance through customers' perspective.

The market research results were a step forward for analyzing the perception of the brand within Portuguese clients. M. Penedos was confident that the new strategic plan was the push Altran Portugal needed to reinforce the brand in the domestic market. The challenge was now using the existing tools to build a strong marketing communication plan as a way to achieve that goal and to be better positioned in the market **(Fig. 3)**. Although, as consulting services involved mainly one-to-one interactions, it was also crucial to evaluate the perception of the brand within consultants and further compare it with clients' perception in order to understand what were the similarities and differences between both perspectives.

Fig. 3. Competitive Positioning Grid after Brand Reinforcement (Proposal)

Adapted from IDC Portugal, 2011

4. Market Research

This section aims to complement the market research already done by the company, in which they assess the consumer perspective regarding Altran's image and business practices. Business market is all about relationship marketing, therefore it becomes crucial to evaluate the other side of the relationship: **the consultants**. Those are the ones that have a direct contact with the clients, so they are the most responsible for communicating the brand and defining the quality of service delivered. If they believe in the company, more easily they will communicate the values of the company to their target. Concerning this, this study aims to evaluate the consultants' perspective by making a comparison with the survey conducted by GfK for Altran to evaluate consumers' point of view regarding the company. By doing this, it would be possible to understand if there is any gap or coincidence between both perspectives. Guaranteeing that both perceptions of the brand Altran are at the same level, would allow to provide a better quality of service.

The questionnaire includes 7 major axis regarding Altran's brand awareness and business practices:

(1) Image
(2) Business Relationship
(3) Service delivered
(4) Delivery Models
(5) Business Solutions
(6) Altran Competition
(7) Recommendation of the company (Net Promoter Score)

4.1. Methodology

As this market research was directed to Altran Portugal consultants, the questionnaire was sent internally by the company, via email. The employees were noticed about the dissertation that was being conducted about Altran Portugal and the importance of their opinions for the study. None of the employees had access to the results of the customers' survey, assuring that the results would not be similar. Besides, it was also guaranteed that the information would be kept strictly confidential and data from the research would be reported only in the aggregate. Although, there may be some biased answers as the survey was communicated and distributed by the company, which leads to the possibility that some employees had overrated some of their answers, fearing some kind of repercussions from Altran Portugal if they had considered the practice of the company and their own job as poorly executed. Even so, respondents were free to withdraw from the survey at any point excluding the obligation of answering it.

The company targeted about 80 consultants within the existing 400 employees and managed the questionnaire during 4 weeks. Three countries were also surveyed, including Altran Portugal employees that are working in projects outside Portugal: Portugal, France and Angola. After collecting data from the respondents and eliminating the incomplete responses, there were 49 valid answers, corresponding to a completion rate of 66,22% and a representative sample of 12,25% of total number of employees.

The questionnaire followed the same structure as the online survey conducted by GfK for Altran to evaluate the customer's perception regarding the brand. This study focused on a quantitative approach, as the ability to measure and further compare the results with the existing ones would allow to reach more objective conclusions. The questions were the same, but some of them were adapted to the new target (employees), as the previous study was directed to consumers. All of these questions required an answer, avoiding respondents from skipping questions.

The study was divided into 7 major subjects: (1) Image; (2) Business Relationship; (3) Quality of Service delivered; (4) Delivery Models; (5) Solutions; (6) Altran Competition and (7) Recommendation of the company (Net Promoter Score). The first 3 subjects were subdivided into other topics which were related with each theme and followed the liker scale structure. The liker scales presented four possible options, avoiding to have neutral answers and allowing to make a better comparison with customers' perspective. (4) Delivery Models and (5) Solutions have similar questions allowing to evaluate the awareness, usage and maturity of each offer. There were presented both multiple choice and liker scale questions. Regarding (6) Altran Competition, it was assessed, under specific topics, how the employees positioned Altran regarding their main competitors by placing them behind, on pair or ahead them. Finally, the last subject was related with the recommendation of the company by employees to other companies, which was measured through Net Promoter Score. NPS is very popular among business executives and allow to measure the loyalty level among customers. The respondents just had to rate from 0 to 10, being 0 very unlikely and 10, very likely, if they would recommend Altran Portugal to colleagues or acquaintances. In the end, it was included one open-ended question in which respondents were able to make comments or suggestions regarding the reinforcement of the brand in the Portuguese market. Although, once this question was made free of response, it was only collected one answer, which in turn didn't allow to draw any conclusion from it.

4.2. Sample analysis

For this study, it was collected 49 valid answers which corresponded to a completion rate of 66,22% and a representative sample of 12,25% of total number of employees **(Exhibit 10.1)**. This sample was characterized by:

(1) Predominance of young employees, as the majority of the respondents (31%) had between 26 and 30 years old. There was also a great predominance of employees in the 30's (25% between 31 and 36, followed by 21% between 36 and 40). Only 17% of the sample had less than 25 years old and 4% between 41 and 45;

(2) Mostly male respondents, corresponding to 78% of the sample;

(3) Consultants represented 87% of the sample. Only 10% corresponded to project managers and 2% to pre-sales/sales managers;

(4) Nearshore (32%) and Telecom & Media (27%) were the business areas with highest impact, followed by Government (16%) and Financial Services (12%). The rest of the areas had quite similar distribution between them: Energy, Industry & Life Sciences (6%), Automotive, Infrastructure & Transports (5%) and Aeronautics & Defense (2%);

(5) Almost half of the sample had a relatively low seniority as 45% only worked in the company the maximum of two years. On the other hand, there was also a great predominance of employees which are working in the company for more than 6 years as one quarter of the sample presented a seniority between 6 and 10 years in the company and 22% worked in the company for more than 10 years. Only 8% were in the company between 3 and 5 years, which revealed a huge gap between old and new employees.

4.3. Results

4.3.1. Image

This topic was considered as the most important for the study as one of the major objectives of the market research was to evaluate the perception of the brand within employees once they were the most responsible for communicating the brand. In order to better evaluate this subject employees were asked about seven subtopics regarding Altran's image:

(1) A company with which you would like to work/continue working

(2) A flexible and adaptable company

(3) A company which is close to its clients

(4) A partner/potential partner for innovation

(5) A company with an international scope

(6) A company which is capable to manage complex projects

(7) A company with a clear organizational structure

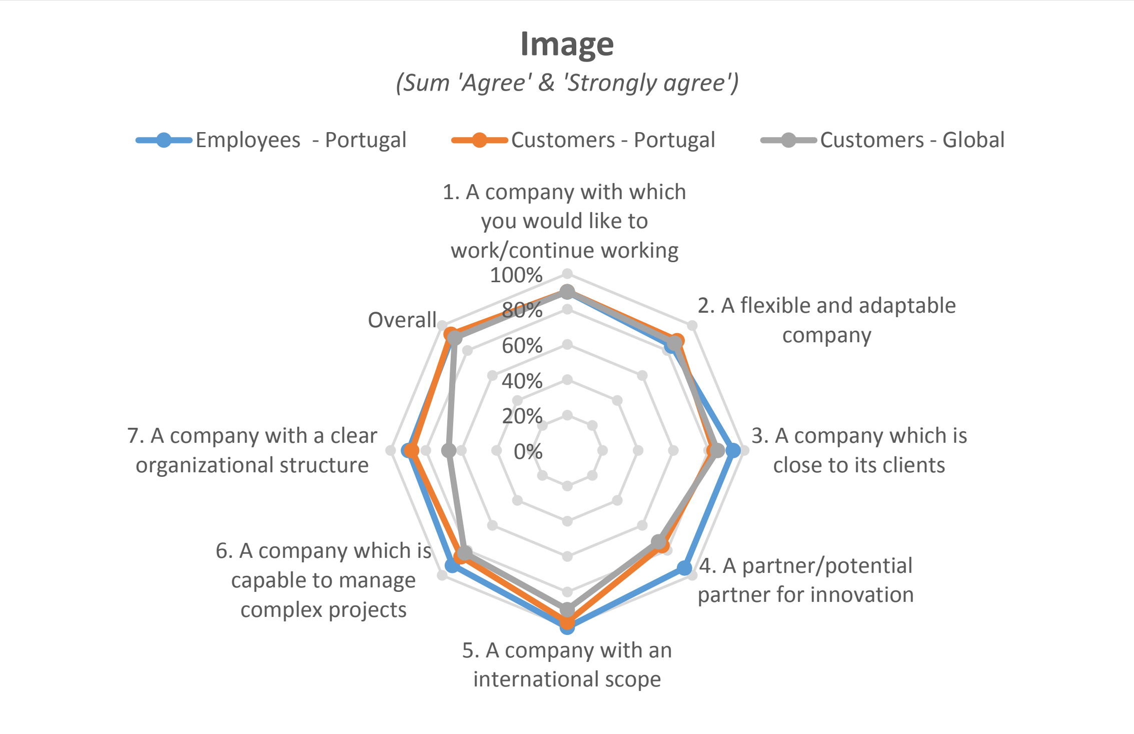
<u>"A company with an international scope" was the best rated subtopic</u>, with 100% of the employees agreeing with this statement. The respondents also saw Altran as a company which was close to its clients (93,88%) and as a partner/potential partner for innovation (93,88%). Curiously, all of these subtopics are closely related with the new vision defined by the brand repositioning proposed by the group. On the other hand, only 83,67% of the employees considered that the company was flexible and adaptable. Even so, all of the answers were rated relatively high, recording values above 80%, which suggests that consultants' perception regarding the image of the company is quite positive (Overall Image - 91,84%).

Comparison with Customer's point of view (both local and global)

Overall, when comparing with the results obtained with the previous research, it can be concluded that <u>both employees (100%) and customers (97%) of Altran Portugal, considered that the company has a great international scope</u>. Although, employees had a better perception of the brand than customers, both in Portugal and globally.

Regarding the worst rated subtopics, employees and customers registered opposite views. While employees thought that Altran Portugal was not really perceived as a flexible and adaptable company (83,67%), customers gave a better grade (88%). On the other hand, when Portuguese clients didn’t considered the company as a partner for innovation (76%) neither as a company which was close to its clients (83%) and capable of managing complex projects (85%), those topics were better rated by employees (93,88%; 93,88%, 91,84%). Globally the perception of the clients was very similar with the local clients, with the only exception for ‘company with a clear organizational structure’ which was worst rated **(Graph 2)**.

Graph 2. Perception of Altran Portugal's Image



4.3.2. Business Relationship

When it comes to assess the Business Relationship, three different stages where considered: (1) General Relationship, (2) Pre-sales relationship ad (3) After-sales Relationship. For each stage, there were considered subtopics divided by the following:

(1) General Relationship:
   a. Diligence of the person handling the relationship
   b. Capacity to understand clients' issues and constraints
   c. Capacity to anticipate clients' needs

(2) Pre-sales relationship:
   a. Capacity to put forward an innovative solution
   b. Relevancy of the solutions put forward
(3) After-sales:
   a. Follow up of customer relationship
   b. Responsiveness to changing demands and schedules

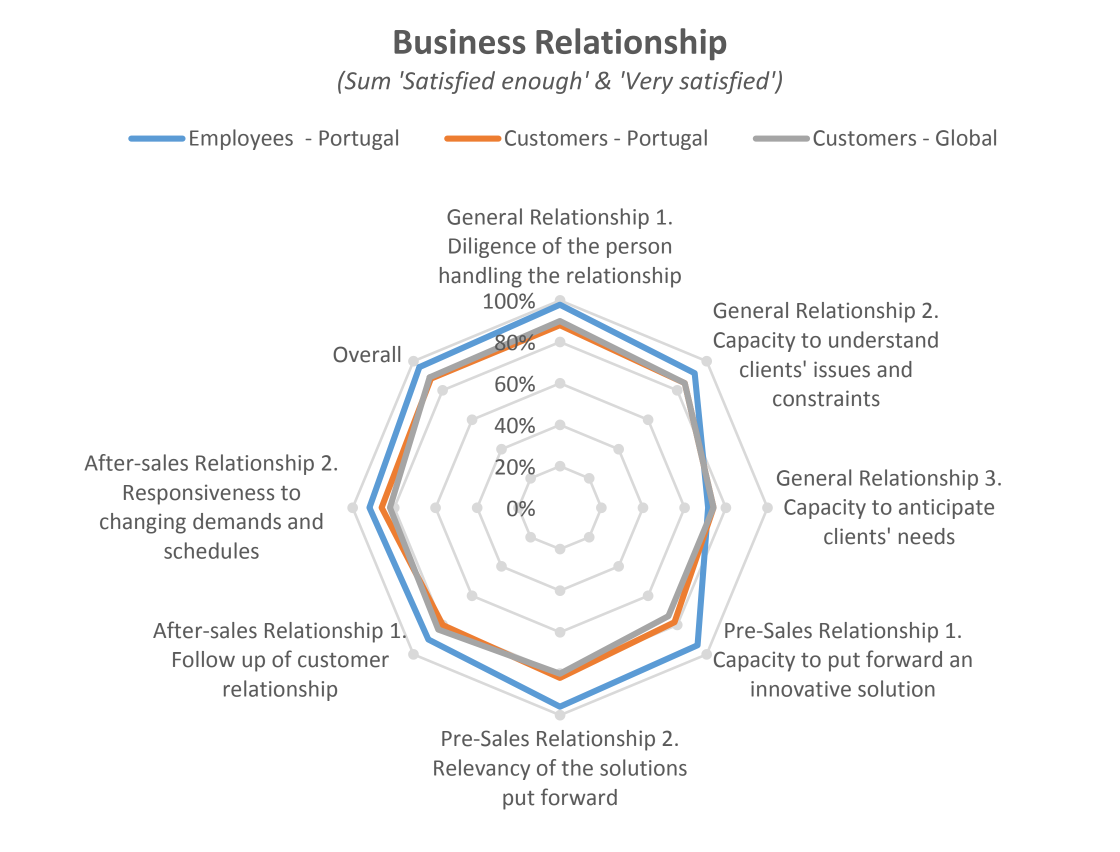
‘Diligence of the person handling the relationship’ was considered as the main strength of the company regarding General Business Relationship, once the majority of the employees (97,96%) had considered that clients were satisfied with this issue. ‘Relevancy of the solutions put forward’ (95,92%) and ‘Capacity to put forward an innovative solution’ (93,88%) were the second best rated subtopics, being both of them related with Pre-sales relationship. Although, the ‘Capacity to anticipate clients’ needs’ was poorly evaluated, with only 71,43% of the employees agreeing with statement.

Nevertheless, overall, the business relationship was better rated than image as 95,92% of the employees considered that their clients were satisfied with Altran Portugal’s business relationship.

Comparison with Customer’s point of view (both local and global)

When comparing these results with Customer Survey results, it is clear that, regarding Business Relationship, both employees and customers had agreed regarding the best and worst rated subtopics. Although, overall, employees had rated the business relationship almost by 10 percent points more than the costumers (95, 82%), both locally (88%) and globally (89%). On the other hand, it was interesting to notice that regarding ‘capacity to anticipate clients’ needs’, Portuguese customers felt relatively more satisfied (74%) than what employees consider that their clients were (71,43%). Moreover, the perception of the clients was also very similar between domestic and global realm **(Graph 3)**.

Graph 3. Perception of Altran Portugal's Business Relationship



4.3.3. Service delivery

For the purpose of this question, the subject was divided into (1) Delivered Value and (2) Quality of Service delivered. For each topic, there were considered the following ones:

(1) Delivered Value:
  a. Value for money
(2) Quality of Service delivered:
  a. Quality of project management
  b. Quality of deliverables
  c. Stability of teams
  d. Respect of deadlines
  e. Team competences
  f. Team sector-specific expertise
  g. Team capacity to manage complex projects
  h. Team capacity to manage international projects
  i. Team seniority
  j. Team proactiveness
  k. Team autonomy
  l. Team involvement

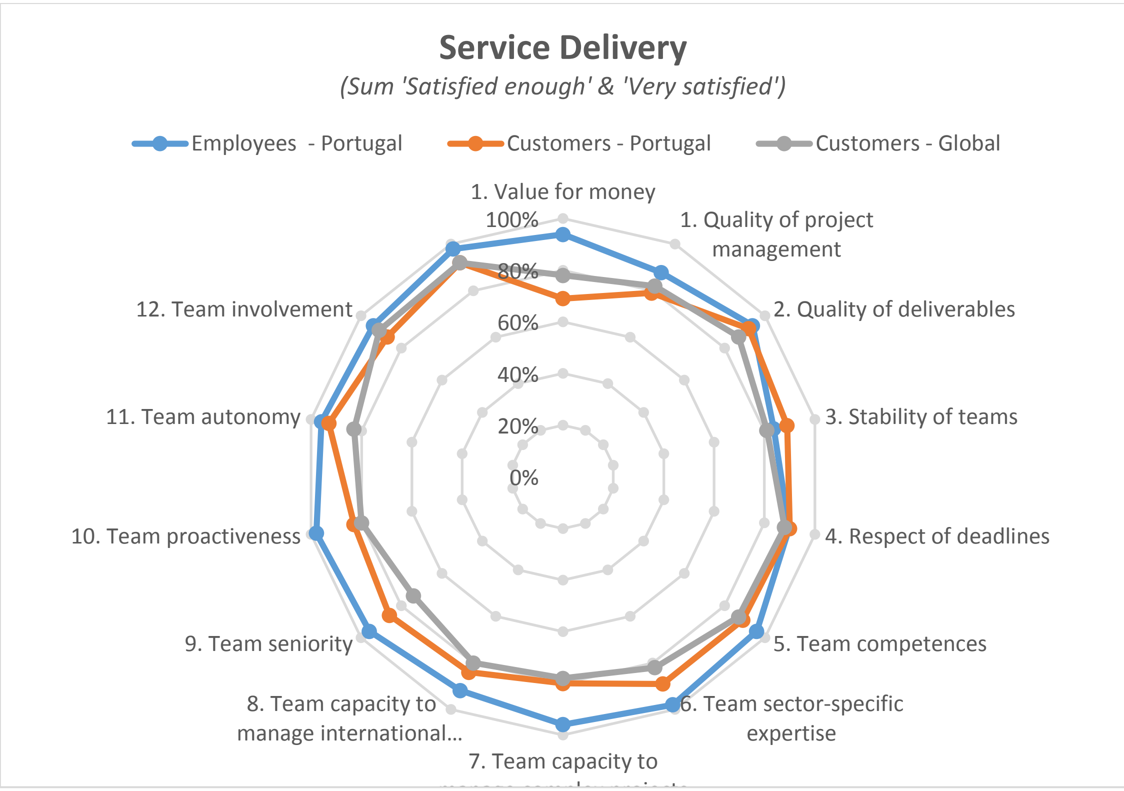
The results for this theme showed that <u>'Team sector-expertise' and 'Team proactiveness' were the subtopics which employees considered that the clients are most satisfied with (97,96%).</u> 'Team competences', 'Team capacity to manage complex projects', 'Team seniority' and 'Team autonomy' were the second best rated according to employees (95,92%). However, under employees' opinion, clients were less satisfied with 'Stability of teams' (83, 67%), due to the high staff turnover. Generally, Service Delivered was the subject better rated by the employees (97,96%), in comparison with Image (91,84%) and Business Relationship (95,92%).

Comparison with Customer's point of view (both local and global)

For the first time, <u>the opinions of employees and customers didn't coincide regarding the best and worst rated subtopics. Even so, Portuguese clients and employees had agreed regarding 'Quality of deliverables', 'Respect for deadlines' and 'Team autonomy' by rating them at similar level.</u> Curiously, clients had better evaluated 'Stability of teams' (89%), which was the worst topic according to employees (83,67%). In addition, likewise the first two topics, employees had rated the Service Delivery better (Overall - 97,96%) than the customers (Overall - 92%), in the majority of the subtopics.

Furthermore, the perception of the subject between Portuguese customers and Global customers was quite different, showing that Portuguese clients had a tendency to better evaluate the service. The only exception was for 'Value for money', 'Quality of Project Management' and 'Team involvement', which the global clients had better rated than the Portuguese clients **(Graph 4)**.

Graph 4. Perception of Altran Portugal's Service Delivery



4.3.4. Service Offer

4.3.4.1. Delivery Models[45]

Awareness and Usage

Regarding the Delivery Models, the majority of the employees were more aware of the Offshore/Nearshore Services (29,20%), which can been explained by the predominance of Nearshore consultants in the sample chosen for this study (31%). Considering the other Delivery Models, the awareness and usage of those was more or less equal (Time & Material – 20,35%, Projects – 23,01% and Outsourced Services – 20,35%). Besides, only 7,08% wasn't aware or didn't use any of the four Delivery Models.

Comparison with Customer's point of view (local)

When comparing the results, it is interesting to notice that both Employees and Customers had completely different levels of awareness and usage of the Delivery Models. Curiously, the level of awareness and usage was higher for customers, mainly regarding Time & Material (32%), Projects (47%) and Outsourced Services (52%). Unlike the results showed by employees, Offshore/Nearshore Services were the ones which clients were less aware and use less (6%). Almost 20% of the customers wasn't aware or didn't use any of the four Delivery Models.

Maturity level

When it comes to Maturity of Delivery Models, Project was the one which employees considered to be more mature (65,31%) and Outsourced Service Center as the less mature (44,90%).

Comparison with Customer's point of view (local)

Once again, Customers considered that the Delivery Models were more mature in comparison with employees' point of view. According to them, Time & material was the more mature (90%), while Project was less mature (73%). The only exception went for Offshore/Nearshore services in which 100% of the customers considered that this delivery model was still beginning to mature.

4.3.4.2. Business Solutions[46]

Awareness and Usage

About the available solutions, employees were more aware of Information Systems solutions (35%), while were less aware of Product Lifecycle Management (11,76%).

Comparison with Customer's point of view (local)

[45] For the purpose of the market research, the designations used for Delivery Models are previous to the ones defined by the new Strategic Plan (2011).
[46] For the purpose of the market research, the designations used for Solutions are previous to the ones defined by the new Strategic Plan (2011).

When comparing with customers, Information Systems was the solution also within the most popular solution, recording the same level of awareness as employees (35%). Furthermore, when it comes to Product Lifecycle Management, the level of awareness (19%) was higher than employees (11,76%). Even so, the majority of the customers (58%) wasn't aware of any of the solutions.

Maturity level

Regarding the level of Maturity, Information Systems was considered by the employees as the most mature solution (27%), while the less mature was Mechanical Engineering (18,37%), which can be explained by the low number of projects in this area.

Comparison with Customer's point of view (local)

It is interesting to notice that in both cases, the level of maturity was rated considerable higher by costumers in comparison with employees (Product Lifecycle Management – 100% and Information Systems – 75%).

Note: *Embedded & Critical Systems and Mechanical Engineering didn't registered any data from the consumers, so it was not possible to infer any conclusion from these two solutions.*

4.3.5. Altran Competition

In order to better evaluate Altran Portugal competition, employees were asked about how they would position the company in comparison with their competitors, by placing them 'ahead of', 'on pair' or 'behind' regarding the following topics:

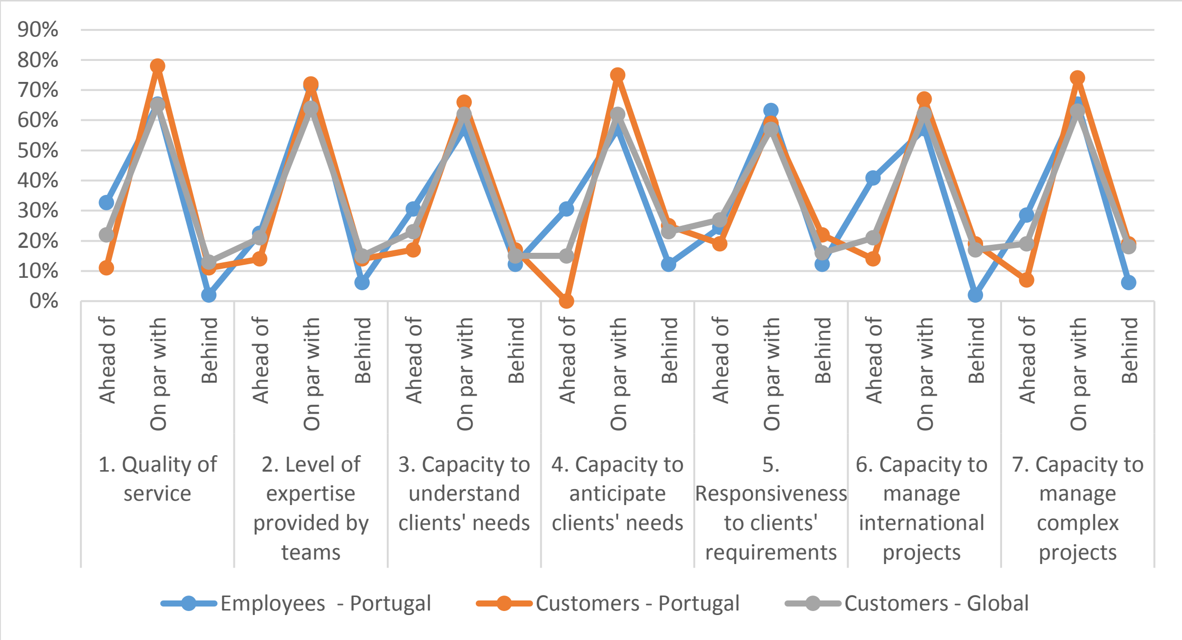
(1) Quality of Service
(2) Level of expertise provided by teams
(3) Capacity to understand clients' needs
(4) Capacity to anticipate clients' needs
(5) Responsiveness to clients' requirements
(6) Capacity to manage international projects
(7) Capacity to manage complex projects

By analyzing the results, it can be concluded that the majority of the employees considered that Altran Portugal was on par with their competitors. Even so, regarding Altran Portugal's capacity of managing International Projects, a considerable percentage of the employees perceived them as being ahead of their competitors (40,82%).

Comparison with Customer's point of view (both local and global)

When comparing these results with customers' perspective, both in Portugal and globally, it can be pointed out that employees had a relative better perception about the company than their clients. For the classification 'Ahead of competitors', employees were the ones which gave better grades in all the subtopics. The only exception went to 'Responsiveness to clients' requirements', in which employees considered that Altran Portugal was more on pair with their competitors, rather than ahead. Portuguese Customer were the more neutral as they had considered that Altran Portugal is on pair with their competitors, more than the other respondents, for the majority of the subtopics **(Graph 5)**.

Graph 5. Altran Portugal vs Competition



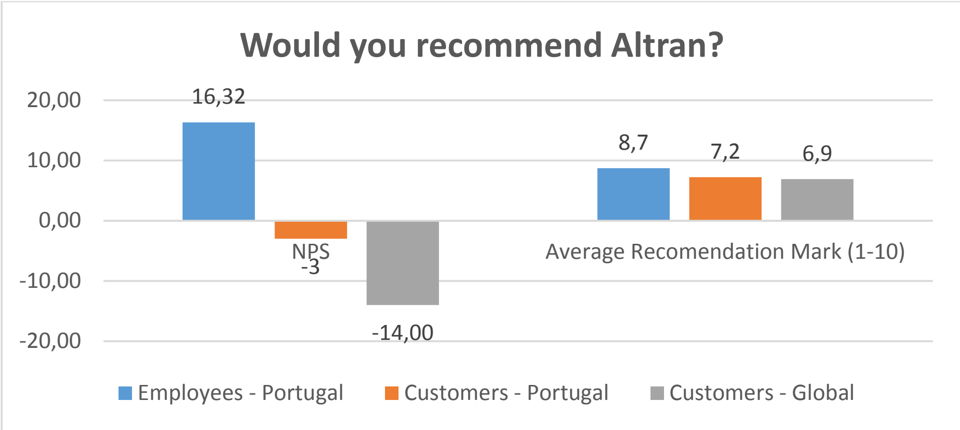
4.3.6. Net Promoter Score

Finally, the last subject is related with the recommendation of the company by the respondents which is measured through Net Promoter Score. Employees gave an average recommendation mark of 8,7 and a NPS of 16,32, meaning that the number of promoters was much higher than the number of retractors among this target.

Comparison with Customer's point of view (both local and global)

When comparing with customers, both in Portugal and globally, the average recommendation mark was lower and the level of NPS recorded negative values, which meant that the number of detractors was higher than the number of promoters. Even so, Portuguese customers had rated NPS and average recommendation mark better the global customers **(Graph 6)**.

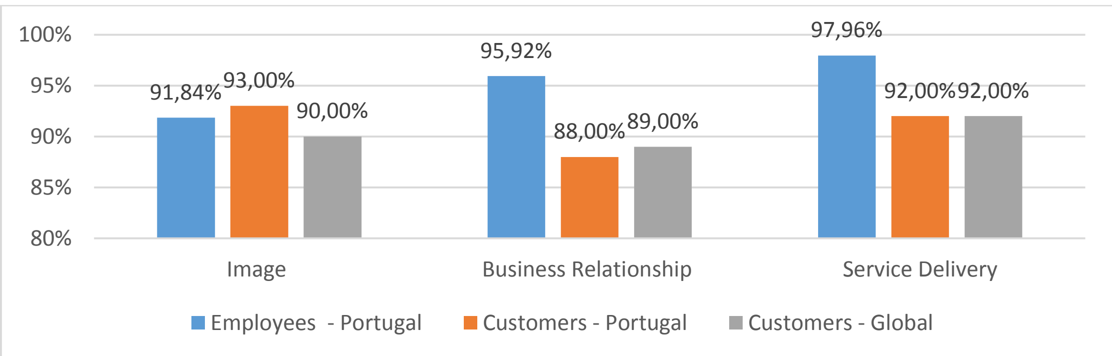
Graph 6. Recommendation level for Altran Portugal



4.4. Wrap-up

The conclusions of first three topics (Image, Business Relationship and Service Delivery) are able to sum up the overall vision regarding each type of respondent about the perception of the image and business practices of the company **(Graph 7)**. Generally, Service Delivery was the best rated subtopic, with a clear percentage of the employees considering the great level of quality of the service delivered. On the other hand, Image was not so well evaluated by the majority of the respondents, claiming the need to reinforce the image of Altran not oly locally, but also globally. Overall, employees revealed a tendency to better rate all the subtopics, comparing with the other respondents. The only exception was for Image, in which, curiously, Portuguese customers considered has the main strength of the company. For the purpose of the local subsidiary, there must be gave special attention to Portuguese customers and Portuguese employees perception with the aim of evaluating the brand perception on external and internal level, respectively. It is clear the gap between both perspectives mainly for Business Relationship and Service Delivery, even if the variation is relatively low. Regarding this, the company must focus on improving their relationship marketing practices with the aim of closing the existing gap.

Graph 7. Overall Vision



The rest of the market research results are summed up in **Exhibit 10.2**.

5. Conclusion

Altran was an international high-tech engineering and innovation consulting company which was leader in IT and R&D consulting industry around Europe. The company was present in the Portuguese market since 1998, but despite the potential in intelligence, knowledge and innovation capabilities, it was still not being recognized as innovator among the national realm. In 2011, with the entrance of a new CEO, Philippe Salle, a new strategic plan came along and a new opportunity to reinforce the brand within the Portuguese market appeared.

Although, at that moment, Altran Portugal had to face the economic reality of the Portuguese market. IT Service industry was passing through difficult times, having reduced the investment since 2008. Besides, the number of players in the market was numerous and the clients were putting pressure by demanding lower prices and lengthening the terms of the decision-making process, which increased even more the competition.

Furthermore, the consumers' market research allowed to find out that, most critically, Altran Portugal was still not being recognized as a partner for innovation, even if the new brand reposition claimed the opposite. Also, the results of the internal market research showed that Image was the worst rated subtopic and there was tendency to overrate internally the company's brand, revealing a gap between employees' and customers' perception.

Nevertheless, IT Services represented the industry with highest impact within IT market in Portugal (50%) and there was still some new trends and opportunities that could be exploited, allowing to be better positioned among the competition. Moreover, the clients were overall satisfied with Altran's Image, Business Relationship and Quality of Service, having the majority claimed that it was a company with which they would like to work or continuing to work.

Regarding this, it was time for Altran to embrace a new challenge and make use of the existing tools in order to reinforce the brand in the Portuguese market. The company would have to make a balance between the new strategic plan defined by the new CEO and the local market opportunities. In addition, it was necessary to revise their business practices and the level of consistency between internal and external marketing communication in order to strengthen the brand and being recognized as innovators. Thereafter, was Altran Portugal up to the challenge?

5.1. Main Outcomes

The aim of this dissertation was to **understand the positioning of the brand Altran in the Portuguese market and further realize the challenges it has to overcome in order to reinforce the brand in the national realm**. By answering the proposed four key research question, it would be possible to achieve that objective:

RQ#1: What are the Critical Success Factors and Value Proposition of the group Altran? How to define the current positioning of the local subsidiary, Altran Portugal, in the Portuguese market?

Altran was considered as the leader of high-tech and innovation consulting industry on Europe. For this successful position, the company relied on **four Critical Success Factors: (1) Strong international scope** of the company, by covering the largest economic areas in the world (Europe, United States of America and Asia); **(2) Highly oriented for technological progress**, by being able to design and develop innovative and complex technological projects from scratch with the ultimate goal of creating adaptable solutions for their clients' needs; **(3) Consistent level of service among the subsidiaries**, which allowed them to support global projects around the world, as well as offering specific support to dedicated local markets; and **(4) Strong investment in expertise and R&D**, guaranteeing excellence in the execution of their projects. As a result, **the group was able to support companies worldwide on the creation and development of new products/services with high technological content (Value Proposition).**

In Portugal, the local subsidiary was presented in the domestic market since 1998, although they were not able to benefit from the same leader position as the group. At that moment, the leaders in the Portuguese market were Novabase and Accenture. Despite the fifteen years of experience in the Portuguese market and the proved potential in the field, Altran Portugal was still not being recognized as innovative as it expected to be among Portuguese clients. Nevertheless, in 2011, they registered a total turnover of 17,7 M€, managing to be the 4th country with the highest EBITDA and 5th biggest country in terms of market share for the group in 2011. Furthermore, they were considered within the Top 15 Portuguese biggest Suppliers of Consulting & Implementation[47] (11th position) in 2010 and within the Top 50 biggest companies of Portuguese IT market[48] (43th position) in 2011, having this way a potential to grow in the domestic market.

RQ#2: What are the main characteristics of IT and R&D consulting market in Portugal? How to define the competition in the field?

In Portugal, IT Service Market represented the industry with highest impact within local IT Market, being able to generate half of the total turnover in 2010 (2 347,3 Million Euros)[49]. Although, the sector was passing through difficult times having reduced the investment in this market since 2008. According to IDC, this tendency was expected to last till 2013, having then

[47] Source: IDC Portugal (2011), "Competitive market analysis of IT services in Portugal, 2011"
[48] Source: Semana Informática (31st October 2012), "Ranking of the top 200 IT companies in Portugal, 2011". Available at: http://www.semanainformatica.xl.pt/neg%C3%B3cios/277-as-200-maiores-empresas-de-ti-em-portugal.html. [Accessed May 2013]
[49] Source: IDC Portugal (2011), "Competitive market analysis of IT Services in Portugal, 2011"

a turning point on 2014 with a positive investment rate of nearly 2%[51]. Moreover, the Portuguese IT Service sector demonstrated a tendency to internationalize their activities and investments as 57% of the IT Portuguese Companies had defined an internationalization strategy, while 45,6% of the companies in the same market were exporting their activities[52]. In addition, there was a quite similar distribution among IT companies' clients within the main business sectors of the Portuguese market[53]: Telecom, Energy & Utilities (24%), Government (23%), Industry, Distribution & Retail (22%), Financial Service (20%) and Others (11%).

Regarding R&D market, in 2010 Portugal R&D investment (1,5% of GDP) was lower than the average invested by the European countries[54] (2% of GDP). Nevertheless, the value was expected to be higher than 2500 Million Euros for the following years. Furthermore, two thousand Portuguese companies were responsible for almost half (46%) of the total R&D investment in the domestic market in 2010 (2749 Million euros)[55].

Altran Portugal was highly challenged by its competitors regarding simple IT Service operations as the number of players in the market was numerous and the majority of the clients were used to work with several players at the same time. Besides, clients were starting to put pressure on the suppliers by demanding lower prices and lengthening the terms of the decision-making process, which increased even more the competition and ability to stand out in the market. Their main competitors were Novabase, Accenture and GFI.

RQ#3: What were the main advantages for Altran Portugal in aligning the strategy with the Group? What kind of opportunities did the New Strategic Plan brought for Altran Portugal?

As a subsidiary of a multinational, Altran Portugal was able to benefit from central management cooperation in technology sharing, financial support and other support services. The local subsidiary followed the requirements defined globally by the group, but it was allowed to make some local adaptations in terms of business strategy. The aim of the group was not only to guarantee a consistent level of service among all countries, but also offer specific support to dedicated local markets.

As for the opportunities that the new Strategic Plan brought, the local subsidiary was able to benefit from both business and marketing opportunities. Concerning the first ones, as Portugal was within non-core countries of the group, it was expected a business strategy optimization through the (1) Fulfillment of the financial objectives defined for the group; (2) Performance

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[51] Source: Semana Informática (12nd August 2013), "Mercado nacional de TI caiu 25% em quatro anos". Available at: http://www.semanainformatica.xl.pt/neg%C3%B3cios/289-mercado-nacional-de-ti-caiu-25-em-quatro-anos.html. [Accessed May 2013]
[52] ANETIE: Associação Nacional de Empresas de Tecnologias de Informação e Eletrónica
[53] Source: IDC Portugal (2011), "Competitive market analysis of IT services in Portugal, 2011"
[54] European Union - 27 countries
[55] Source: Pordata (2011), "Despesas em actividades de investigação e desenvolvimento (I&D): total e por sector de execução - Portugal". Available at: http://www.pordata.pt/Portugal/Despesas+em+actividades+de+investigacao+e+desenvolvimento+(I+D)+total+e+por+sector+de+execucao-1106. [Accessed May 2013]

optimization of current service offer and (3) Exploitation of local and international expertise. Accordingly, Altran Portugal presented a competitive level of profitability, representing the 4th country with the highest EBITDA and 5th biggest country in terms of market share for the group in 2011. Besides, it was considered as the competence center for Nearshore Projects in Information Systems for Altran Group so there was a great potential to grow in the domestic market. Regarding marketing opportunities, within the new strategic plan, the creation of the new image consistent with the brand repositioning would allow the local company to reinforce the image of innovators, as well as giving credibility to the brand among the Portuguese clients.

RQ#4: Do customers and employees of Altran Portugal have the similar brand perception? What are the main similarities and differences between both perspectives?

Overall, both employees and customers had considered Image, Business Relationship and Service Delivery of Altran as quite good, even if it was registered some discrepancies in their answers. While employees had better rated the Service Delivery (97,96%), customers had considered that Image was the main strength of Altran Portugal (93%).

Customers were highly satisfied regarding Altran Portugal's image due to the large international spectrum (97% agreement), flexibility and adaptability of the company (88% agreement) and a clear organizational structure (88% agreement). Clients felt that it was a company with which they would like to work or continuing to work with (90% agreement). Furthermore, customers felt satisfied with the level of diligence of the person handling the relationship between them and the company (88% satisfaction) as well as with the ability of the company to meet their needs through team autonomy (93% satisfaction), the quality of derivables (92% satisfaction) and the respect of deadlines (90% satisfaction).

Employees on the other hand, considered that their clients were more satisfied with the Service Delivery due to 'Team sector expertise' (97,96% satisfaction) and 'Team Proactiveness'(97,96% satisfaction). In respect to Altran's Image, employees also considered the company with a great international scope (100% agreement) and a partner/potential partner for innovation (93,88% agreement) which was close to its clients (93,88% agreement). 'Diligence of the person handling the relationship' was also considered as the main strength of the company by the employees (97,96% agreement).

When it comes to Service Offer evaluation (Delivery Models and Business Solutions), the level of awareness and usage and the maturity was quite different, revealing high discrepancies in terms of perception of the service offer of the company. About the company's competition, all the respondents considered that the company is on par with their competitors. Finally, employees (Average Recommendation Mark: 8,7) revealed to be more willing to recommend the company to colleagues or acquaintances, rather than customers (Average Recommendation Mark: 7,2).

6. Limitations and Future Research

On the execution of this dissertation there were found several limitations that had somehow conditioned the final results.

To start, in what concerns to secondary data, there were no market studies specifically about consulting services in IT and R&D, only in the aggregate with other type of consulting services, which made it difficult to draw conclusions about the market. Furthermore, there were some constraints regarding the available data about service and business practices of the competitors, as it a type of information only shared internally or by specialized market study companies. In turn, it became difficult to make reliable comparisons of the company with the competition. In addition, the inability to get more financial information about the company since its establishment in the Portuguese market, limited in a way the capacity to evaluate its evolution in the Portuguese market and the impact of the new brand name in its turnover.

The market research conducted brought important contributions for the study, although it presented some limitations that may had biased the final results. On one hand, the sample size was limited representing only 12,25% of the total number of employees of Altran Portugal. On the other hand, as the survey was communicated by the company, there may be some overrated answers from the employees, fearing some kind of repercussion on their jobs.

For future research, it would be interesting to make focus groups with clients in order to better understand the main strengths and weaknesses of the company, as well as their own recommendations to the improvement and reinforcement of the brand in the Portuguese market. Furthermore, as the sample size used for the previous consumer market research was also limited, it would advisable to repeat it and include some questions about the new brand reposition of the group and the impact it had on the client. For this purpose, it could be used some kind of compensation in order to encourage clients and prospects to answer. Finally, to have even more reliable data to analyses the impact of the employees in the relationship with the clients, it would be interesting to apply the Gaps Model of Service Quality in order to assess the level of quality of the service delivered by the company.

7. Teaching Notes

The objective of this section is to provide a better understanding of the proposed case-study. It starts by giving an initial overview of the case and pointing out the key issues that reader will face while studying it. Insights about the target audience and the teaching objectives are also given. Finally, it is proposed an example of a teaching plan that could be used for both individual and group approach.

7.1. Synopsis

This case study is built around Altran Portugal, the representative of the multinational Altran in the domestic market. The group was considered as the European leader in IT and R&D consulting industry, although it wasn't able to achieve that position in the Portuguese market. Regardless of the potential of the local subsidiary, there was still some measures to take in order to be recognized as an innovative brand. In 2011, with the entrance of the new CEO, Philippe Salle, there was a turning point for the company. It was defined a new strategy for the group with the aim of reinforcing the brand not only globally, but also locally. Altran Portugal was no exception: the new strategic plan represented a great opportunity for strengthening the brand in the national realm.

Even though, the local economic reality, the increased competition among IT consulting industry and price pressure from the clients brought some growth limitations for the affiliate. Nonetheless, there were still few market opportunities that could be used by the company. At that moment, the challenge taking advantage of the new strategic plan, while overcoming the threats and make use of the company potential and market opportunities. By doing this and by further developing a strong marketing communication plan, there was a chance for Altran Portugal for finally achieve the proposed objectives.

7.2. Key issues faced in the case study

- ✓ The challenge of offering a consistency and aligned of business strategy for multinational companies among the countries where they are present, while being able to make some local adaptions in order to grow in each market;
- ✓ Ability of local subsidiaries to follow the global requirements, even if the dimension, competition and conditions of the local market could limit their operations.
- ✓ The challenge of improving and reinforcing a B2B brand within IT and R&D consultancy market, where the level of competition is really high and ability to reach the target is relatively limited.

7.3. Target Audience

The key topics faced in this case study are related with Marketing in B2B, Services Marketing, Marketing Planning, Brand Management, Marketing Communication, Strategic Marketing, Strategic Management and International Business Strategies. The target audience for this case must be students, either undergraduate or master level, taking courses related with these topics. Depending on the objective of the course, the instructors can use two different approach regarding the case. On one hand, they could focus on more a strategic point of view: how the Altran Portugal business approach is aligned with the international business strategy and whether Altran Portugal is able to achieve the objectives of the new strategic plan in terms of market expansion in the domestic realm. On the other hand, they also have the chance to explore the marketing sphere of the case by evaluating the effectiveness of the brand Altran or by proposing a new marketing communication strategy to reinforce the brand in the domestic market.

7.4. Teaching Objectives

This case-study is a perfect example for raising students' awareness and understanding of the most important concepts and phenomena associated with B2B marketing. In business market, namely in IT consulting industry where the competition is really high, it is also critical to build strong brands as well as to improve the relation with business clients. So concepts related with Branding in B2B, Services marketing and Relationship Marketing are essential to include in the study of this case.

Besides, this case focuses on the analysis of Altran business as a group and its local operations, in this case, in Portugal. This is one great example of how multinational companies struggle to offer a consistent and aligned strategy among the countries where they are present and how they are able to grow in each market at the same time. This brings the adaptation/standardization dilemma as MNC's have to manage local clusters and international competitiveness. Theoretical knowledge related with International business strategies and Management in a global context can be also used.

Furthermore the overview of the company in Portugal and the analysis of the domestic market allow to understand the positioning of Altran in Portugal. This comprehension is crucial to realize whether Altran Portugal is able to fulfill the objectives of the new strategic plan defined by the group and if don't what are the required steps to achieve them.

In addition, the case ends up by challenging the students to think about the best strategy in terms of marketing communication as to reinforce the brand in the Portuguese market. Regarding this there are some insights through the case that would allow the students to have enough information to develop a successful marketing communication plan for the company.

7.5. Teaching plan

The proposed teaching plan is divided in two type of assignments: one individual and one in groups. In the individual assignment students will receive the case and have the chance to prepare it in advance before the in-class discussion. The aim is to answer some questions that would allow to understand some key issues from the case and guide the debate in class. Regarding this, it is advisable to apply some theoretical knowledge learned in class. Furthermore, the discussion would also allow to collect different points of view regarding the future strategy of the company.

In the context of the group assignment, students will be asked to propose some marketing communication strategies by taking into account key information present in the case-study, while making reference to the elements of an Integrated Marketing Communication program. This phase would be also crucial to stimulate the creativity of the students.

Before solving the case and in order to be better prepared for answering the questions, students must read the following articles that cover important theoretical issues from past literature:

(1) Lynch, J. & Chernatony (2004). The power of emotion: Brand communication in business-to-business markets. *Journal Of Brand Management*, *11*(5), 403-419.

(2) Coleman, D., de Chernatony, L., & Christodoulides, G. (2011). B2B service brand identity: Scale development and validation. *Industrial Marketing Management*, *40*(7), 1063-1071.

7.5.1. Assignment questions

Questions:

(1) In the context of Brand in B2B, explain why it is crucial to a balance between emotional and functional brand values, including consideration of both internal and external perspectives by making reference of B2B Service Brand Identity Scale.

(For this question, it is advisable that the student read both proposed articles)

Conclusions and ideas to be covered:

<u>Balance between Emotional and Functional Brand values:</u> according to Lynch, J. & Chernatony (2004), business clients are influenced by both rational and emotional brand values as buying decisions are influenced emotions and will vary according to organizational factors such as: (1) product type, (2) purchasing situation, (3) individual factors such as personal characteristics, (4) the role and influence of the buying center, and (5) the buyer's level of involvement in the purchase decision. Regarding this, brands based on intangible, emotive characteristics such as trust, reassurance, reputation, image and responsiveness are seen as more durable and less likely to suffer from competitive erosion. A mix of functional and emotional values will

contribute to a more robust and enduring strategy that would promise a unique and welcome experience between a buyer and a seller.

Including consideration of internal and external perspectives: Coleman et al. (2011) proposed a **B2B service brand identity scale** which comprises five dimensions: (1) Employee and Client focus, (2) Visual identity, (3) Brand personality, (4) Consistent communications and (5) Human Resource initiatives. This model considers both internal (employees, managers) and external (clients, upstream members of supply chain) perspectives by advocating the need for B2B brands to actively engage employees in the brand building process. So, emotional brand values need to be communicated effectively both internally (within the organization) and externally through the industrial sales forces in order to better connect with organizational customer. Regarding this, Lynch, J. & Chernatony (2004) also concluded that an increased recognition that internal brand understanding and commitment have a positive impact on business performance which enables a more balanced cluster of functional and emotional values that will positively influence brand choice.

(2) What were the main business and marketing opportunities that the new strategic plan proposed by the group Altran brought to the local subsidiary in Portugal? How it would allow to reinforce the brand in the domestic market?

Conclusions and ideas to be covered:

Business Opportunities: In the context of the new strategic plan, Portugal was within non-core countries where it was expected a business strategy optimization, which included:

(1) **Fulfillment of the financial objectives defined for the group:** In terms financial growth, the aim of the group was to achieve revenue of more than 2 Billion Euros in 2015 by boosting sales through organic growth and strategic medium-sized acquisitions afterwards. Plus, the objective was also to reach an EBITDA of 11%-12% of Sales and generate cash by having a free cash flow between 2% and 4% of the sales. Altran Portugal was on the right path to achieve the defined objectives as it had a competitive level of profitability, representing the 4th country with the highest EBITDA and 5th biggest country in terms of market share for the group in 2011;

(2) **Performance optimization of current service offer: O**n a local basis, the company aimed to continuing focusing on the existing service offer, allowing to maintain the competitive position of each country. Regarding this, Altran Portugal had strengthen the local offer by aligning the services portfolio with specific challenges and opportunities in the domestic market;

(3) **Exploitation of local and international expertise**: For the non-core countries, the objective was to leverage the presence of the company on those countries through specific growth opportunities. In the case of Altran Portugal they were considered as

the competence center for Nearshore Projects in Information Systems for Altran Group, which main objective was to serve domestic and international market. Given its strategic location, Portugal was one of the largest nearshore centers in Europe and comparing with the rest of the European countries granted extremely competitive conditions that make the domestic market a good choice to allocate certain projects. It presented a competitive time-to-market, reduced costs, increased flexibility in management capacity, high maturity level, high expertise of professionals, uniformed services, language skills, proximity with European countries and it was a credible alternative to traditional offshore platforms, existing in some emerging countries. Besides Cyril Roger, Senior Executive Vice-President for Southern Europe, believed in the potential of the Portuguese market: *"I am confident that our teams in Portugal will meet the expectations of the Group. Aligned with the Group's strategy, Altran Portugal will have new business opportunities and will represent a new platform for the Group Nearshore"*

<u>Marketing Opportunities:</u> Within the new strategic plan, it was also created a new image consistent with the brand repositioning. The aim of the group was to be recognized as innovators, so it was necessary to build an appropriate and integrated marketing strategy that would allow to reach that goal. Regarding it was released:

(1) **A new corporate website** allowing to strengthen the Group as one single identity, while leaving room for individuality and differentiation of each country. This was a great opportunity for Altran Portugal as it allowed to be seen as an International company who could provide an innovative, consistent and complex offer at the same time. In fact, clients were more demanding regarding the complexity of the projects, increasingly looking for strategic partners who could support global projects and guarantee a consistent level of service whilst operating in local markets and still delivering under a fixed price contract;

(2) **A new corporate image** associated with the slogan 'Innovation Makers' that would reinforce the image of innovators. The image was a prism with multiple faces that represented the innovative and multifaceted service offer of the group. This allowed the local subsidiary to better communicate the brand by having a new and fresh image, further increasing the brand awareness within clients;

(3) **New corporate values** that allowed to strengthen not only the new image, but also the corporate culture of the Group. Five corporate values were defined: INNOVATION, EXCELLENCE, DYNAMISM, RESPONSIBILITY and CARE. Regarding this, Altran Portugal produced a video to be released within the countries of the Group in which five employees explained how they perceived and embodied the corporate values on their daily work. The objective of this great idea was to promote the values internally and externally, enabling each employee to identify themselves with the values and bring the company closer to its clients with real testimonials.

(3) What were the main outcomes (positive and negative) of the customer research conducted by Altran (2012) regarding the impact of the brand in the Portuguese market? Regarding the negative results, what kind of recommendations would you give the company in order to improve those areas?

Conclusions and ideas to be covered:

Positive outcomes:

(1) High level of satisfaction regarding Altran Portugal's image driven by a large international spectrum(97% agreement), flexibility and adaptability of the company (88% agreement) and a clear organizational structure (88% agreement);
(2) Clients felt that it was a company with which they would like to work or continuing to work with (90% agreement);
(3) Business Relationship was considered to have a good follow-up due to the diligence of the person handling the relationship with the client (88% satisfaction);
(4) Great ability to meet the clients' needs through their team autonomy(93% satisfaction), quality of derivables (92% satisfaction), respect of deadlines (90% satisfaction), stability and competences of teams (89% satisfaction), and sector-specific expertise (89% satisfaction);
(5) Time & Material and Outsourced Services which represented the biggest slice of services offered in Portugal were seen as mature delivery model, with maturity level of 90% and 83% respectively;
(6) Information Systems was within the most popular solution, as the majority of the clients (35%) was more used to work with it;
(7) Recommendation Mark (7,2) and Net Promoter Score (-3) higher than the group (6,9;-14).

Negative outcomes:

(1) The image of partner/potential partner for innovation was the worst rated statement within Altran's image, even if the new corporate image claimed the opposite. Only 74% of the clients agreed with it;
(2) Customers' considered that Altran was not able to anticipate their needs (26% of dissatisfaction), put forward an innovative solution (22% of dissatisfaction) neither making the follow-up of customer relationship (20% of dissatisfaction);
(3) The value for money delivered was not well perceived by 31% of the customers;
(4) There was a low acknowledge and use of Mechanical Engineering and Intelligent systems by 100% of the customers;
(5) Altran Portugal was highly challenged by its competitors in terms of IT services once 94% of the clients were used to work with several players at the same time. Furthermore, the company was considered to be on pair with its competitors by the majority of the respondents in what concern to the level of service provided.

Recommendations:

- ✓ Altran Portugal should revise their marketing communication strategy by reinforcing their image of innovators within its target. The first step is to take advantage of the new image released by the group and the associated slogan 'Innovation Makers' by smartly communicate the new values in the appropriate Media, like website, social media, newspapers, magazines, etc. Besides, rather than claiming that they are innovators, they should give a proof of that side. Sponsoring innovative projects and communicating them through Media could be a great alternative. Furthermore, the company should bet on giving notice of previous successful projects and presenting targeted and innovative ideas to their customers. This would allow the clients to gain confidence and trust on the company through previous experiences and through the ability of create and adjust innovative projects for their own company.
- ✓ The company should focus on anticipating the customers' needs and presenting them innovative solutions that could leverage and optimize their business practice. There must be developed new ideas and creating new opportunities with customers. Regarding that, it is crucial to make constant meeting with the clients before, during, and after the projects, which would allow to have a more proactive approach, rather than reactive. Furthermore, both Practice Managers and Business Managers should work together as they could use their previous experience and know-how to apply to new projects and propose new alternatives.
- ✓ Invest more in R&D by making partnerships with research centers and Universities. Working close with Universities could be a great opportunity to offer state of the art technology and being ahead their main competitors. Besides, Altran Portugal should contract more engineers, both recent graduates and specialized, in order to make more robust their internal know-how in R&D. It also should take advantage of the C.A.R.E. program promoted by the group, which would allow in-house training, giving the existing consultants the necessary knowledge to meet the needs of its clients. As there is a low acknowledge of 100% of the customers regarding Intelligent Systems and Mechanical Engineering, this measures would enable the company to have more projects in those areas.
- ✓ Revise the pricing policies as the value for money is not well-perceived by 31% of the customers. If the company is able to offer a higher quality of service by the same price, including some of the previous described measures, the value for money would be better perceived by the clients, justifying the price they pay for the project. This would also allow to be more competitive in the domestic market, as most of the clients tend to view add-on benefits as a differentiator for Customer Value among providers with equal core benefits.

7.5.2. Group assignment

Imagine that you make part of the Marketing & Communication team of Altran Portugal. Making use of the information present in the Case-study and other type of information that you may find useful, propose some Marketing Communication Strategies that could be used by the company in order to reinforce the brand in the domestic market. (Please make reference to the basic six elements of an Integrated Marketing Communication Program).

Proposed methodology:

Once Marketing in business markets is an understudied topic, students are advisable to search for complementary information, rather than the case-study to better answer this question. In this case they could support their answer by looking for:

(1) Case-study:
   a. Competition Benchmark: by analyzing the marketing communication of the main players in the market, students are able to collect some information regarding the most used and successful strategies to use;
   b. Consumers' market research: the results would allow to understand what are the most critical points in terms of perception of the brand within the consumers and proposing the most suitable strategies.

(2) Past Literature: key topics like B2B Marketing, Brand in B2B, Services Marketing, Relationship Marketing and Social Media in B2B would allow the students to find some insights about the most suitable communication strategies to be used in business markets.

(3) Complementary Market Research: in this case evaluating employees' perception is crucial as marketing in Business markets, mainly in consulting industry, is all about one-to-one interaction. So by analyzing what employees think about the brand and company's business practices, the students would be able to propose the most appropriate internal brand communication.

Conclusions and ideas to be covered:

A successful marketing communication strategy must be integrated and have a clear and consistent message about the organization and the brand. Altran Portugal main objective should be having a strategy that would allow them to attract both clients and prospects and being able to communicate the innovative side of the company. In this sense it is crucial to integrate the various communication channels to achieve that objective and built a strong relationship with the customer. In the case of business markets, where the number of buyers is fewer and have a higher impact on the sales, the aim is to invest more in relationship marketing as it represents the most successful way to interact with the clients. Besides, the message should be built under functional and emotional brand values in order to deliver a strong message to the clients in which they can feel attached to.

Furthermore, with one-to-one interactions, employees are the main responsible for communicating the brand and the company message to the customers, so Altran Portugal should communicate the brand both:

- ✓ Internally: this would allow to increase the identity and interest of employees with the brand as well as increasing the team spirit. By being more attached with the company, more easily they will sell the brand to the clients.
- ✓ Externally: it would be possible to increase the brand awareness within clients and potential clients through Media/Social Media. The last one could be used also to promote recruitment;

<u>A strong link between both messages would allow to communicate the brand more effectively.</u>

Regarding this, and taking into account the **six elements of an Integrated Marketing Communication Program**, marketers would invest more on Personal Selling, Direct Marketing and Website/Social Media followed by Sales Promotion/Sponsorships, Advertising, and Public Relations. Despite its lower importance in B2B, advertising still plays an important role in this type of market as it allows to build brand awareness and knowledge about the company as developing sales leads.

The proposed Marketing Communication Strategy is the following:

(1) <u>Personal Selling:</u> represents the most used promotion tool among Business markets. So, employees must be prepared to communicate effectively the message to the clients and believe in what they are selling. In this case, employees could schedule frequent meetings with targeted clients and prospects and propose new innovative projects adjusted to the consumers' needs. Presenting previous successful projects and collect clients testimonies would be a great alternative as it would allow to attract more clients as it increases the level of commitment and trust of the message receivers. The meetings could also have technological support such as live content in tablets and other devices in order to give proof of the level of innovation of the company.

(2) <u>Direct Marketing:</u> very effective for building one-to-one customer relationship as it allows to target the message for each client/prospect. Direct mail and email marketing are suitable tools that could be used by Altran Portugal to better reach their clients and prospects. There could be sent a newsletter on a monthly basis that may include examples of the most innovative projects of the company and some news that were present on Media in order to increase brand awareness. The newsletters could be customized according to each business sector. Also the group magazine 'Altitude Magazine' which collects the most important news about the company worldwide could be distributed the same target, in order to reinforce the international and innovative characteristics of the company.

(3) <u>Social Media/Website:</u> The investment in this type of communication by Altran Portugal would allow to have a deeper engagement between buyers and sellers, functioning as

a vehicle for soft marketing through relationship and brand development. Furthermore it allows to effectively reach the business clients/prospects with a limited marketing budget. The company should bet on Social Media channels like Facebook, Linkedin, Youtube and blogs, as even if they are present in some of this media, they should invest more on communicating interesting content about the company and attract more users. The Website is also an effective tool to present the company and communicate specific information to the target, while benefiting from an improved image released by the Group. This media tools could be further used for recruitment as it allows to better target the students from Engineering and Management areas. Having a strong recruitment program allows the company to attract new potential employees for the company and increases the brand awareness among the youngest target.

(4) Sponsorships/Events: in consulting industry, it is crucial to sponsor partners' events like SAP, Oracle, Microsoft, etc. These events usually gather different consultancy companies, from IT and R&D area, and allow to be closer to the clients/potential clients which are willing to meet new companies and their business. This allows to make one-to-one marketing which is crucial for the success of brand within the target. Making special events for specific clients is also a very successful strategy used by the main players in the market and allow to endure business relationships with clients, creating trust and long-term commitment with the company. These events could be business breakfasts, golf games and special trips. Besides, they should sponsor other type of events or projects that associate the brand with innovation and offer their clients technological devices like smartphones, tablets, between others.

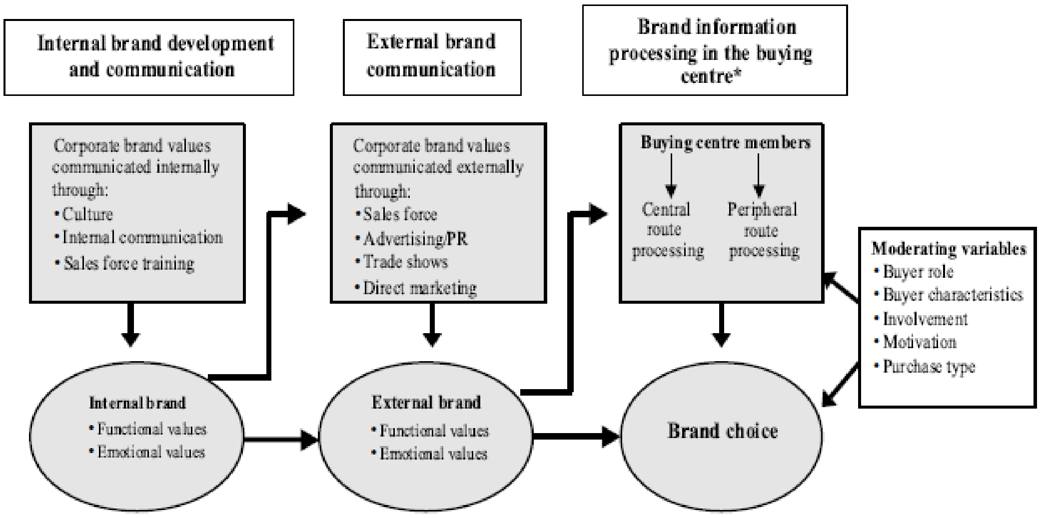
(5) Advertising: in order to stand out in the market it is necessary to build a strong brand and strong corporate values that would increase brand awareness within the target. As the group had created a new image and slogan, Altran Portugal could take advantage of that and promote the company in the domestic market by invest strongly in media relations. They must increase presence in press by communicating online, in targeted websites, and offline, in economic newspapers and magazines. They should also explore new channels of communication, like TV and Radio.

(6) Public Relations: In this case, it is crucial to invest in Corporate Social Responsibility has it rise the brand attachment not only between customers but also between employees. The kind of social actions should be related with the type of business of Altran Portugal. Investing in technological devices in hospitals, schools and other public institutions could be a great alternative. Furthermore, the company should also invest in internal events to increase the level of identity and attachment with the company between employees. This would allow to increase the level of commitment of the workers with the company and better perform on their jobs.

8. Exhibits

Exhibit 1: Literature Review - Brand in B2B Markets

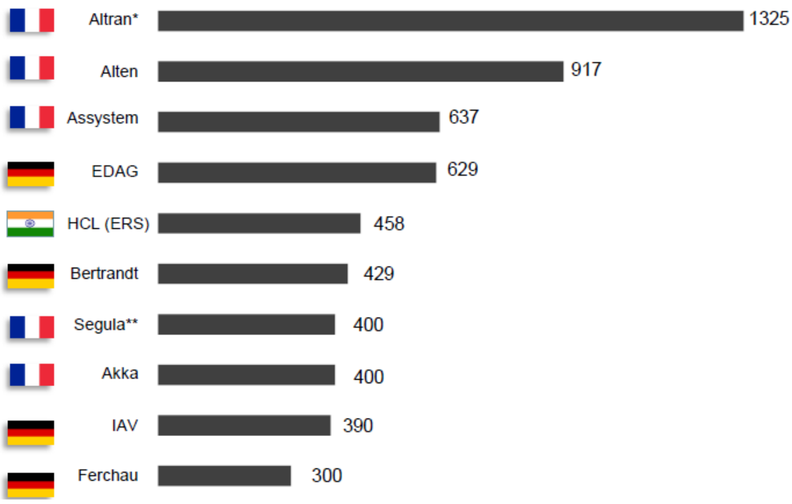
Fig. 1. Process of building B2B brands with balanced functional and emotional values



Source: Lynch and Chernatony, 2004

Exhibit 2: Group Altran

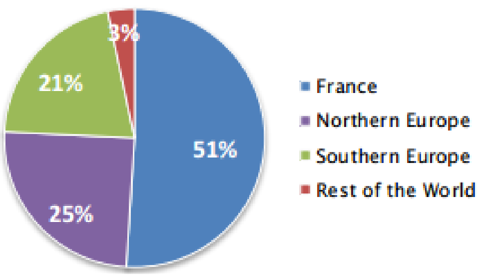
Exhibit 2.1.: Top 10 Companies in IT/R&D Consulting Industry, Europe (Revenues 2010, €M)



(Companies' financial communication, Altran data, BCG interviews and estimates)

Source: Altran Strategic Review

Exhibit 2.2.: Sales breakdown of Group Altran by operating zone



Source: Altran 2012 Annual Report

Exhibit 2.3.: Altran Group - Main Clients

Source: Altran Strategic Review 2012-2015, Report (October, 2011)

Exhibit 2.4.: Altran Service Offer - Model

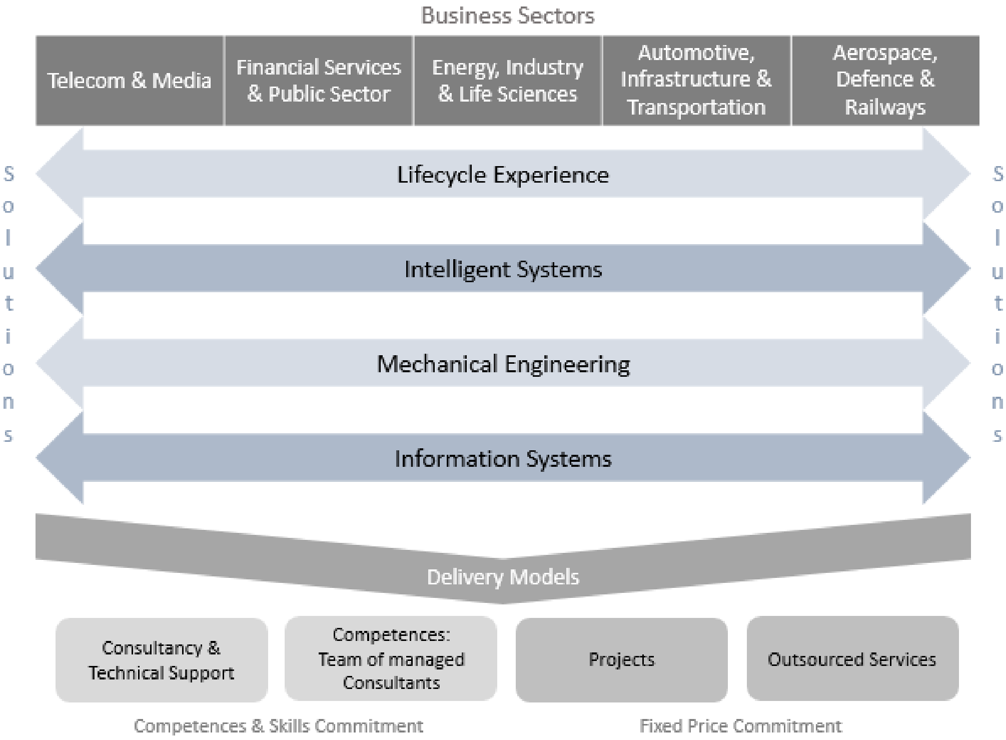
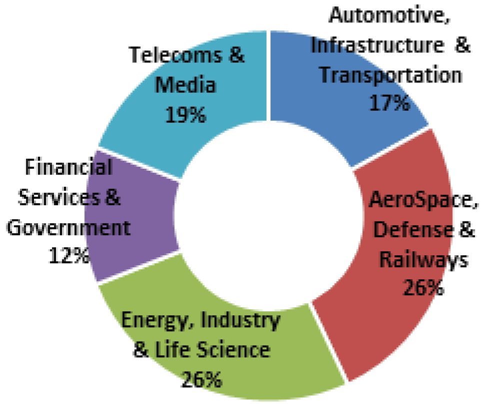
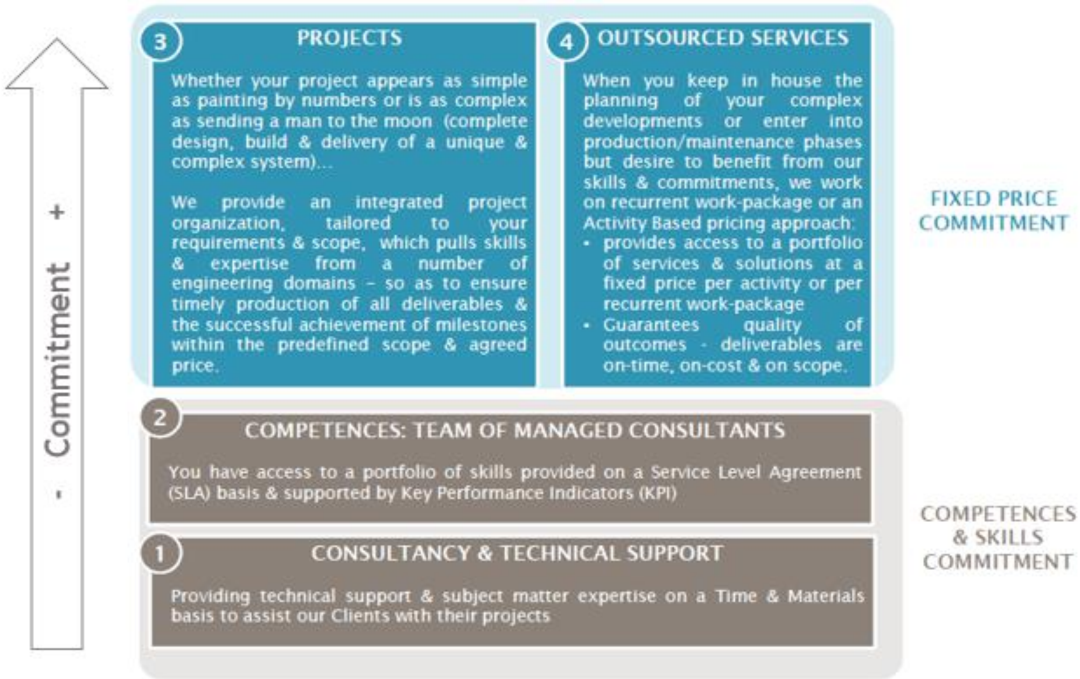


Exhibit 2.5.: Business Sectors - Altran Group *(% of total Sales Volume)*



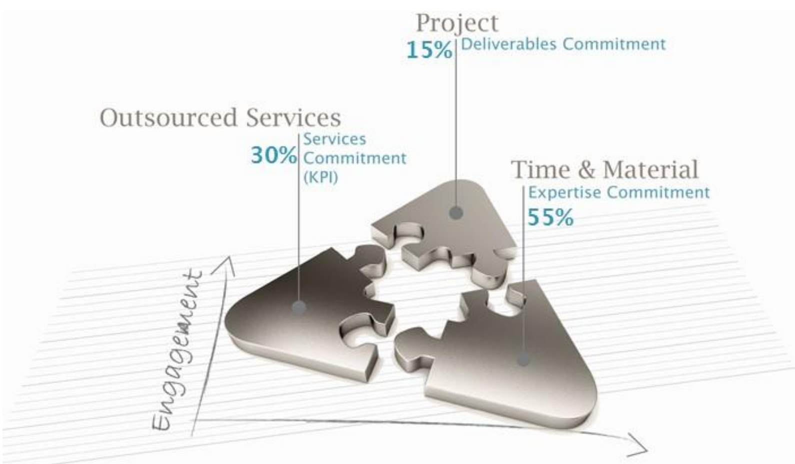
Source: Altran 2012 Annual Report

Exhibit 2.6.: Altran Delivery Model



Source: Altran Internal Information

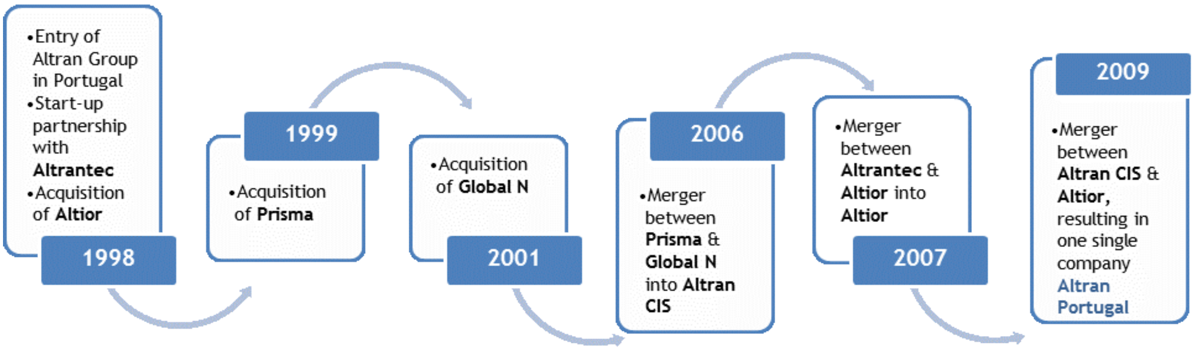
Exhibit 2.7.: Distribution of Altran Group Delivery Model



Source: Altran Internal Information

Exhibit 3: Altran Portugal

Exhibit 3.1.: Evolution of Altran in Portugal

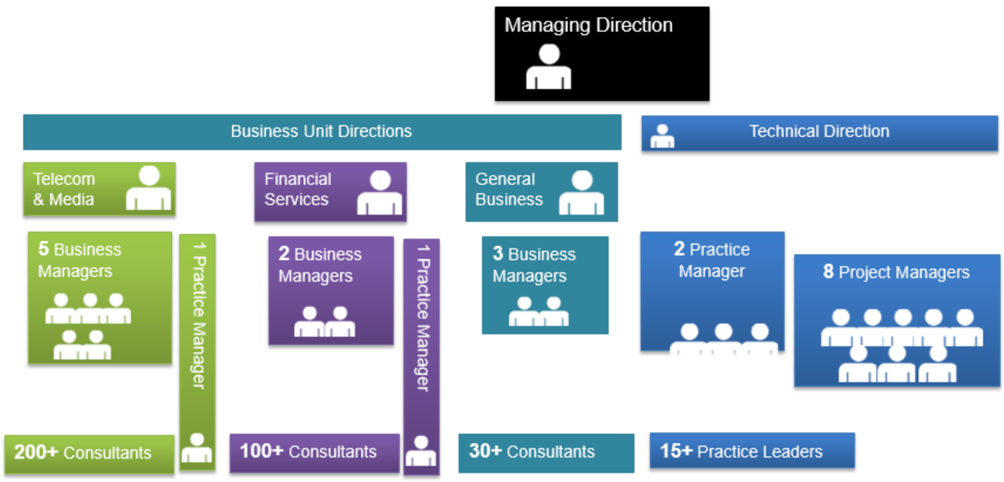


Source: Altran Portugal website

Exhibit 3.2.: Altran Portugal – Main Clients

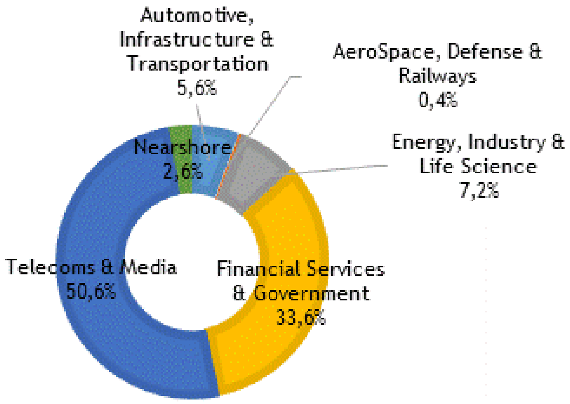
Source: Altran Portugal, Internal Presentation (2012)

Exhibit 3.3.: Altran Portugal – Organizational Structure



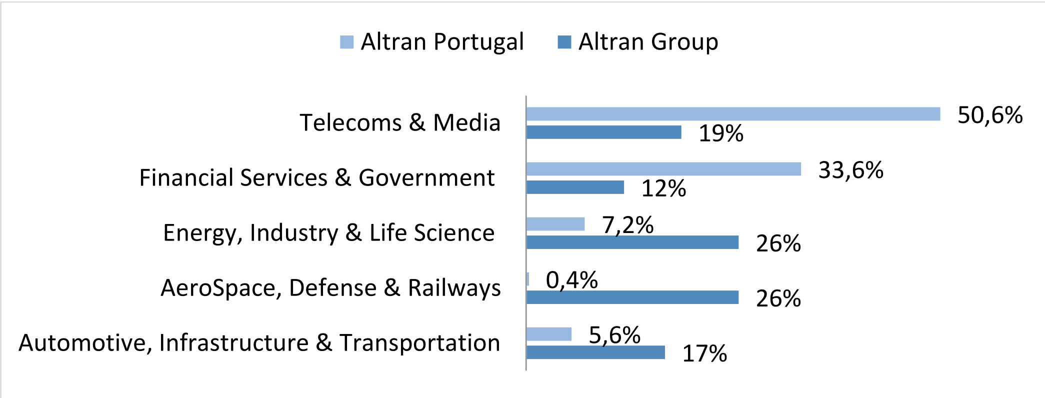
Source: Altran Portugal, Internal Presentation (2012)

Exhibit 3.4.: Business sectors - Altran Portugal (% of Total Sales Volume)



Source: Altran Portugal 2012 Annual Report

Exhibit 3.5.: Business sectors - Altran Portugal vs Altran Group *(% of Total Sales Volume)*



Source: Altran Portugal 2012 Annual Report

Exhibit 3.6.: Nearshore Project

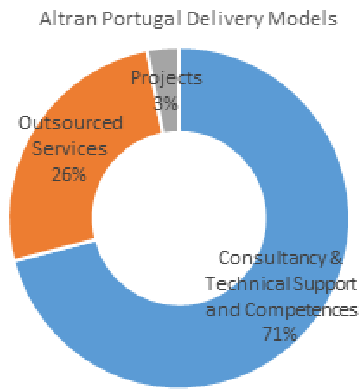
Nearshore could be explained as the transfer of business processes and projects for companies in nearby countries. The principles of this approach relied on the common place of delivery, the reuse of resources, the standardized processes and certificates and finally the ability of developing a continuous improvement plan. Given its strategic location, Portugal was one of the largest nearshore centers in Europe and comparing with the rest of the European countries granted extremely competitive conditions that make the domestic market a good choice to allocate certain projects. It presented a competitive time-to-market, reduced costs, increased flexibility in management capacity, uniformed services, language skills, proximity with European countries and it was a credible alternative to traditional offshore platforms, existing in some emerging countries.

Altran Portugal was selected as the competence center for Nearshore Projects in Information Systems for Altran Group, which main objective was to serve domestic and international market. The focus of the Group in Nearshore projects resulted from a transfer of a project to Portugal, previously performed in Russia via offshoring, which consisted in supporting a human resources applications for the company Technicolor, a leading producer of 3D digital animation and Sound & Image related technologies. Regarding this, in the beginning of 2013, Altran Portugal and the Portuguese Government signed an agreement concerning a two-year investment through the development of the Nearshore project in Fundão (a city located in the North of Portugal). Cyril Roger, Senior Executive Vice President for France, South Europe and Middle East of Altran was confident of the success of the new project and the positive impact it would have for the Group:

> *"We believe that Portugal is an appropriate place to contribute to the growth and the positioning of Europe. The strong commitment, the high level of education and expertise of Portuguese people are the reasons that convinced us to invest within Portugal since many years. Together with a team of 400 Altran experts, supported by the government's determination to reinforce Portugal competitiveness and the huge interest for our customer's projects, our ambitious for the future Nearshore centre is to reach a new step by hiring 120 new employees"* [70]

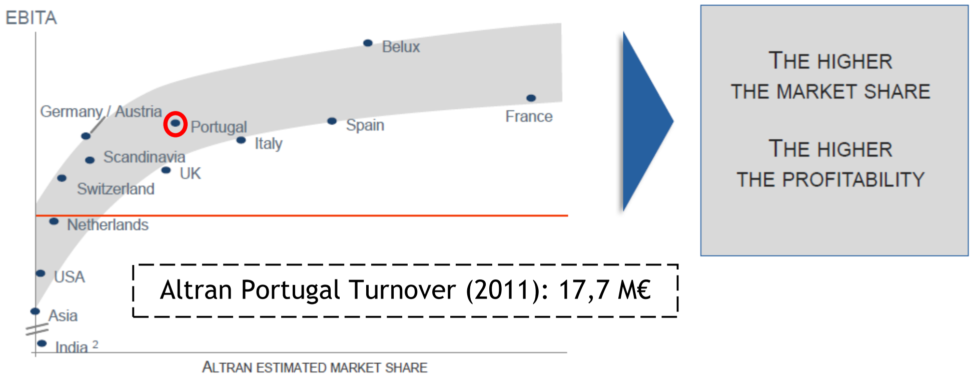
This project represented almost 3% of the total turnover of the company. Altran Portugal was able to provide a consistent service of high quality in order to guarantee the success of the project. Their approach was mature and flexible at the same time, allowing to develop the best operational model according with customer's requirements.

Exhibit 3.7.: Distribution of Altran Portugal Delivery Models



Source: Altran Portugal 2012 Annual Report (Internal Information)

Exhibit 3.8.: EBITDA and Estimated Market Share of Altran Portugal (2011)



Source: Internal data, BCG analysis, Altran (2011)

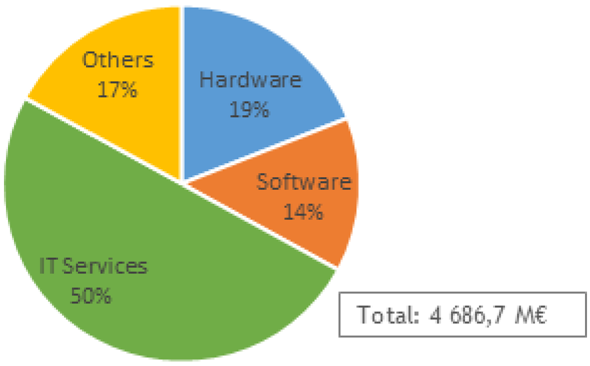
[70] Cyril Roger (Senior Executive Vice President for France, South Europe and Middle East of Altran) quote regarding the new Nearshore project in Fundão, Portugal.

Exhibit 3.9.: Partnership - Altran Portugal

Source: Altran Portugal website

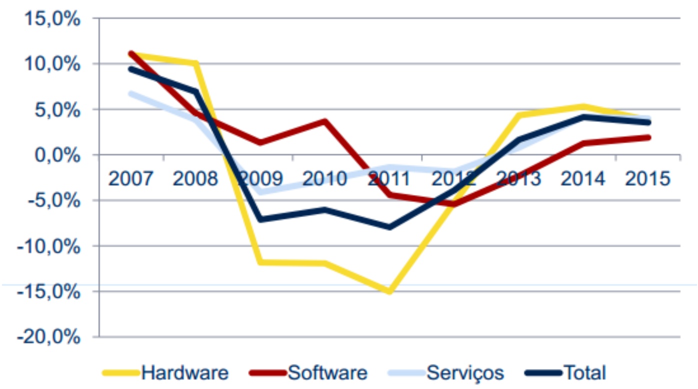
Exhibit 4: Market Analysis

Exhibit 4.1.: IT market turnover by type of activity in Portugal, 2010



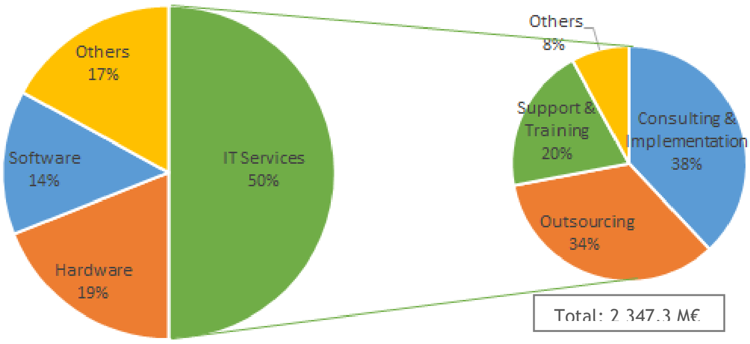
Source: IDC Portugal, 2011

Exhibit 4.2.: Expected evolution of IT Spending in Portugal



Source: IDC Portugal, 2011

Exhibit 4.3.: IT Service market turnover by type of Service in Portugal, 2010

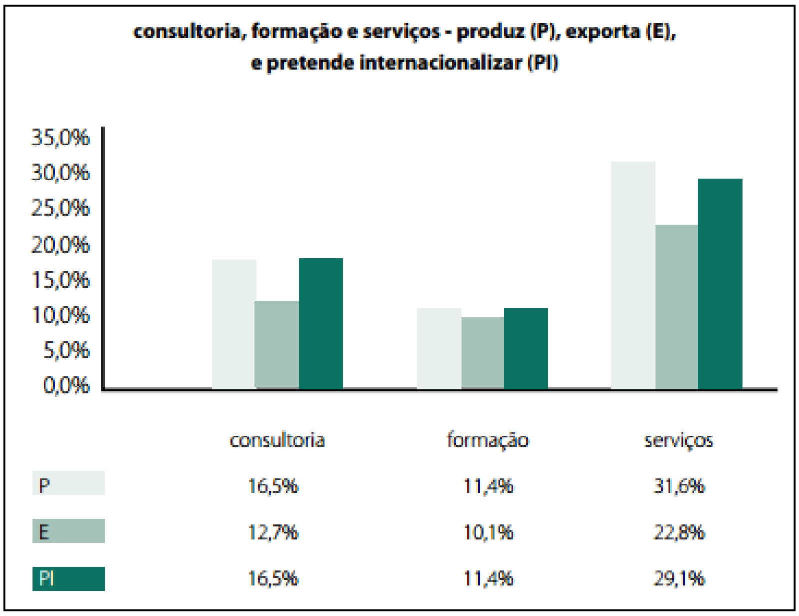


Source: IDC Portugal, 2011

Exhibit 4.4.: Internationalization Strategy for IT Portuguese Companies

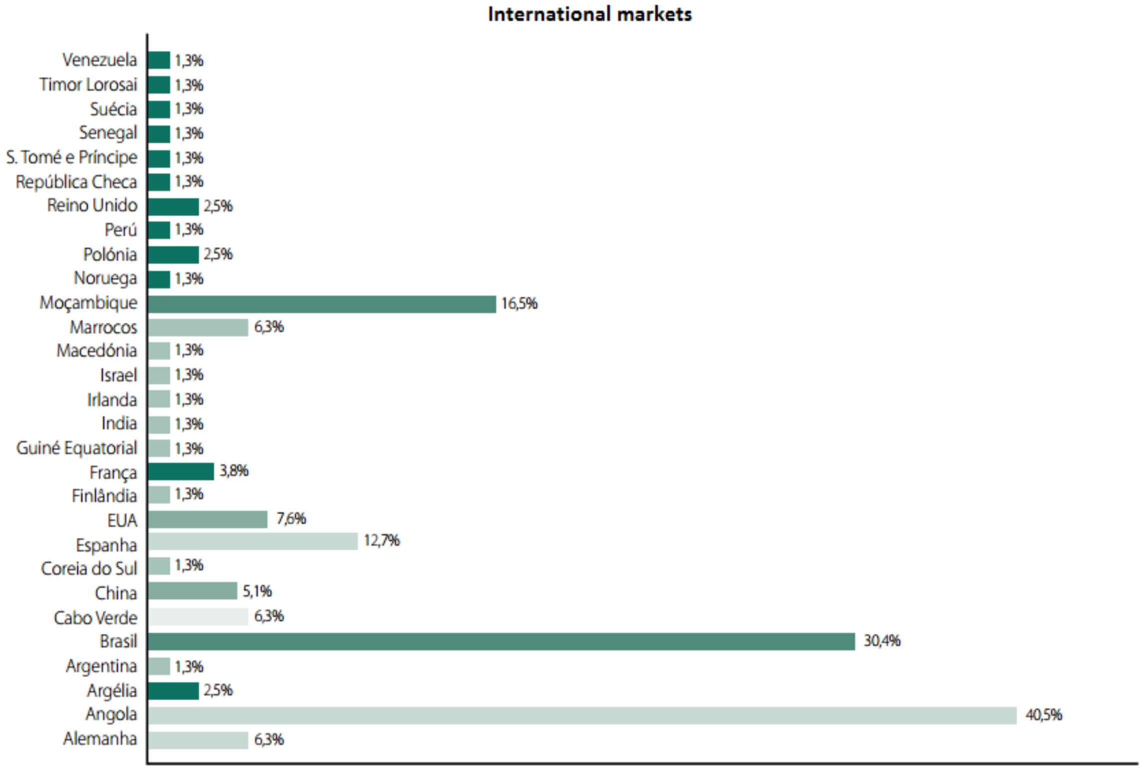
Source: ANETIE, 2012

Exhibit 4.5.: Internationalization strategy in IT Service Sector



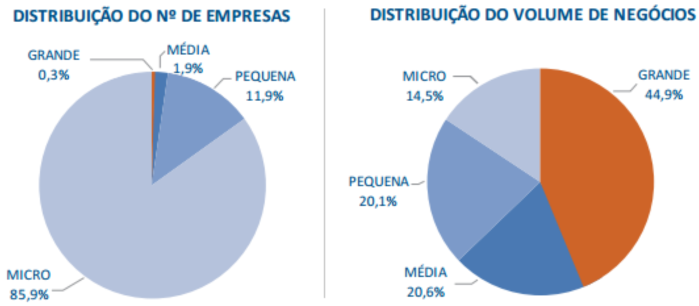
Source: ANETIE, 2012

Exhibit 4.6.: What are the International Markets in which you obtain a higher turnover?



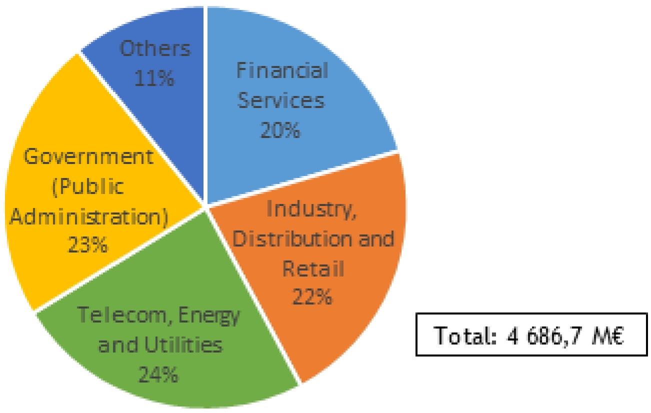
Source: ANETIE, 2012

Exhibit 4.7.: Business structure of Portuguese companies



Source: Informa D&B Portugal, 2013

Exhibit 4.8.: IT market turnover by business sector in Portugal, 2010



Source: IDC Portugal, 2011

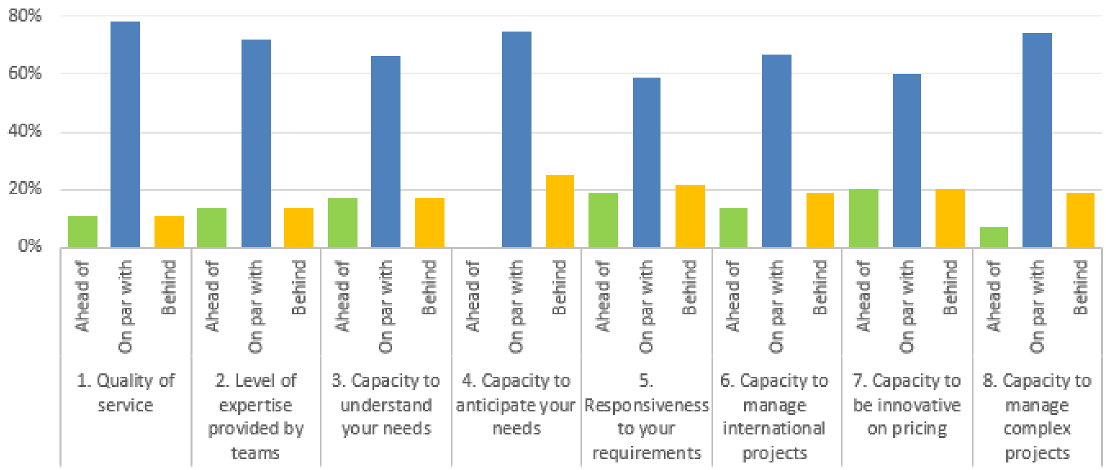
Exhibit 5: Competitive Analysis

Exhibit 5.1.: Altran Portugal's Competition

Source: GfK for Altran, 2012

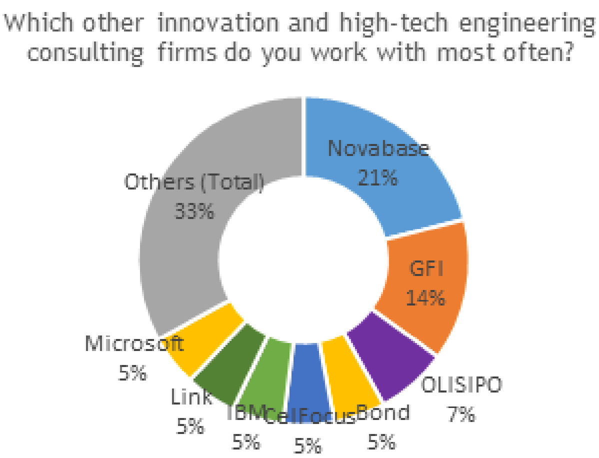
Exhibit 5.2.: Perspective of Altran Portugal's clients regarding their main competitors

For the following factors, how would you position Altran in comparison with its main competitors?



Source: GfK for Altran, 2012

Exhibit 5.3.: Altran Portugal main competitors



Source: GfK for Altran, 2012

Exhibit 5.4.: Characterization of Altran Portugal main competitors

Novabase

Novabase was a Portuguese company, leader in the IT and R&D domestic market, especially in software development. It was present in the Portuguese market for 24 years and during this time had also expanded their operations in Brazil and Spain. They had a structure of 2000 employees working for three main business areas: Consulting, Infrastructures & Managed Services, and Venture Capital. They were able to cover 5 main business sectors: Aerospace & Transportation, Energy & Utilities, Financial Services, Government & Healthcare, and Telecoms & Media. It was considered within the Top 20 IT Service companies[71] in Portugal by IDC, occupying the 2nd place in the ranking and representing market share of 5,8% in IT Service market by 2010. Consulting & Implementation was the area with highest impact with a market share of 8,8%, followed by Outsourcing (4% market share) and Support & Training (1,8% market share). Within their main clients there was Vodafone, Portugal Telecom, CGD, Galp Energia, Barclays, Portuguese Ministry of Justice and others. As a business strategy they wanted to increase their international portfolio, particularly in Spain and Brazil, focusing in consulting projects and engineering activities and bet on Public Administration with new strategic projects in the sector.[72]

Accenture

Accenture was a global management consulting company including also technology services and outsourcing. In 2001 they changed the name from Andersen Consulting to Accenture and started operating as an independent company worldwide. They relied on a considerable global network and specialized Competence Centers that allows them to be the major proponent of offshore services. It was present in 120 countries, being Portugal one of them. It was present in Portugal since 1985 and was able to count on 1200 employees. They were present in 20 different business sectors, allowing to cover almost all the market. It was present in the Top 20 IT Service companies in Portugal by IDC, occupying the 4th place in the ranking and representing a market share of 4,9% in IT Service market by 2010. IDC also considered them as the leading consultancy company in Consulting & Implementation with a market share of 9,1%. It had also a good position (7th place in the ranking) regarding Outsourcing with a market share of 4,4%. Worldwide, they had a considerable client portfolio, allowing them to work with three quarters of the companies in the Fortune Global 500 ranking. In Portugal, the company worked with a great number of companies present in Top 100 Portuguese companies and several Public Administration organisms. They assumed as main guidelines for their strategy, the growth of Outsourcing Services and BPO, especially in Public Administration, Telecom and Banking.[73]

[71] Ranking IDC – 20 IT Services (2010) corresponds to the Portuguese companies that represent about 60% of total Turnover generated in IT services according to IDC.
[72] Source: IDC Portugal (2011), "Ranking IDC-20 IT Services (2010)"
[73] Source: IDC Portugal (2011), "Ranking IDC-20 IT Services (2010)"

GFI Portugal

GFI was a multinational company of consulting services, outsourcing and information technologies, which was mainly present in France and South Europe. They entered in Portugal in 1992 and had extended their operations in the domestic market with the acquisition of Compuquali (1999), Netual (2005) and BULL Portuguesa (2007). 20 years later they were able to rely on a team of 600 workers. The company was organized into four different business units: Business Solutions, Technologies, Vertical Solutions and Managed Services. These business units were distributed among five main business sectors where they operated: Public Administration, Telecom, Banking & Insurance, Health and Energy & Utilities. IDC Portugal considered them within the Top 20 IT Service companies in Portugal, representing a market share of 1,5%. Outsourcing was the area with highest impact for the company with a market share of 2,2%, followed by Consulting & Implementation (1,5%) and Support & training (0,5%). Vodafone, Ministry of Finance and Public Administration, HP and Millenium BCP were some of their major clients. They followed a strategy of focusing in outsourcing services due to cost reduction and process optimization of the majority of Portuguese companies, as well as reinforce their presence in Angola, Guiné, Cabo Verde and Brazil.[20]

Exhibit 5.5.: <u>Competition Benchmark - Analysis of Marketing Strategies of Novabase and Accenture</u> [74]

<u>Novabase</u>

Novabase, as a Portuguese company, aimed to invest in the recognition of the brand globally in order to become top of mind and compete in the global market. Therefore, in 2010, they created a new image in order to reinforce the brand internationally. The marketing strategy relied more on WOM, as the budget for marketing and communication campaigns was reduced. They invested highly in the relations with their clients through specific events directed to targeted companies and using successful cases to attract more clients. The company communicated specially through Web, Social media (Facebook, Youtube, Twitter and Linkedin) and Economic newspapers and magazines. This allowed them to communicate more effectively with their target. They also invested in internal events within employees and social responsibility. Furthermore, marketing campaigns for recruitment of engineering and management students deserved a great investment from the company. Novabase Academy was the name of the new trainee program created to reinforce their human resources. This was considered as a step forward to be recognized as a great place to work, which would ultimately allow the company to grow internally and consequently achieve new markets.

<u>Accenture</u>

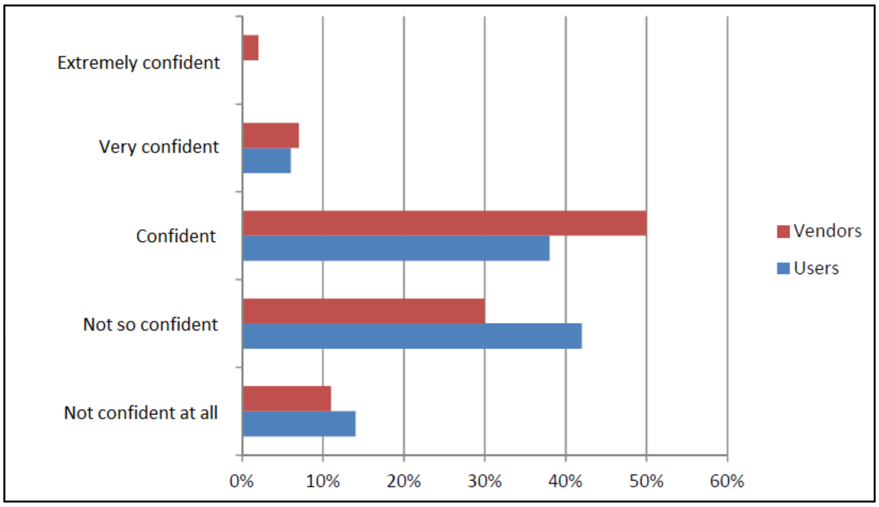
Accenture had a strong marketing communication strategy as one of its major objectives was to constantly reinforce the brand and become top of mind. Globally, the investment in

[74] Data collected from Interviews with Marketing & Communication Director of each company

marketing campaigns corresponded to $14 Billion Euros/year. They were considered as the 43th most valuable brand in the world by Interbrand in 2012 and the 2nd most admired company within sector of Information Systems by Fortune Magazine, in 2012. The brand positioning allowed them to being recognized as an excellent brand due to great know-how and experience of working with the biggest companies in the world. Globally they invested highly on advertising and integrated marketing campaigns, while locally they promoted strategic areas and relied on successful local case-studies. They communicated mostly through web and social media (Facebook, Youtube, Twitter and Linkedin) as well as on targeted newspapers and magazines. One-to-one marketing was also crucial for the success of brand within the target, by making special events for specific clients, sponsors with partners and media relations. Internally, they had also strong marketing within employees and built an Alumni community.

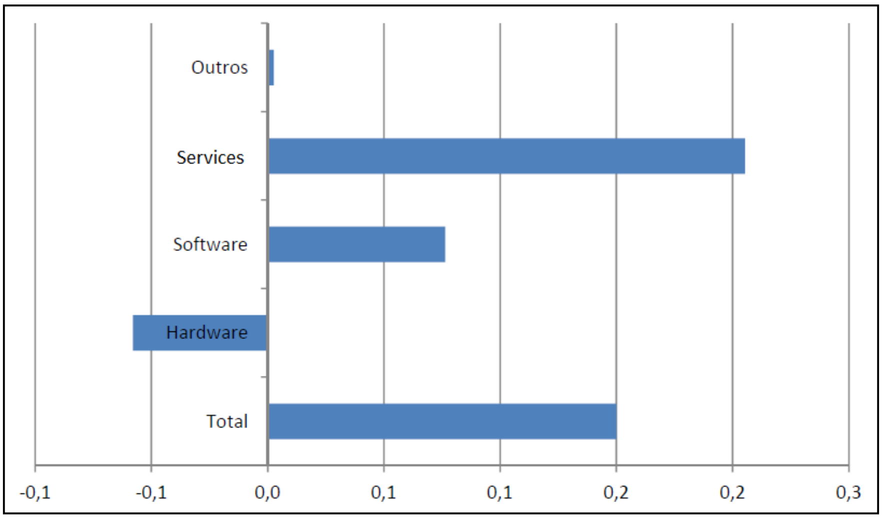
Exhibit 6: Finding Future Market Opportunities

Exhibit 6.1.: Degree of confidence in the IT turnover evolution



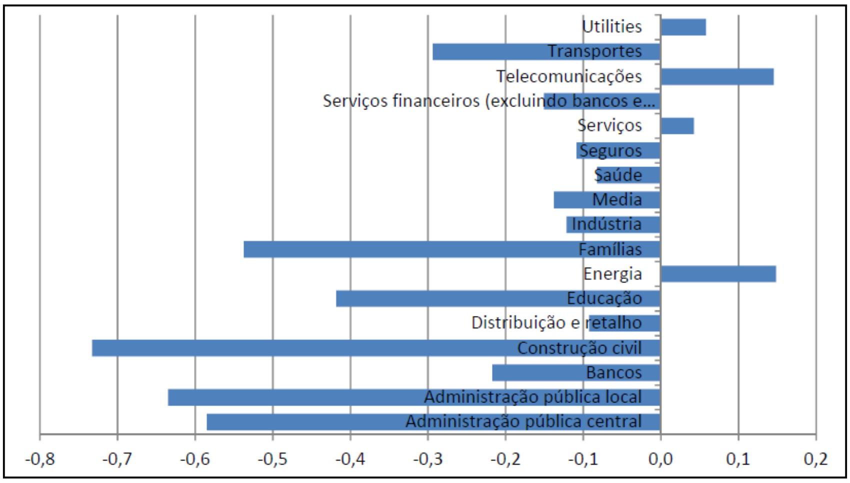
Source: IDC Portugal, "Portugal IT Overview, 2011"

Exhibit 6.2.: Predicted evolution in terms of turnover for the IT suppliers



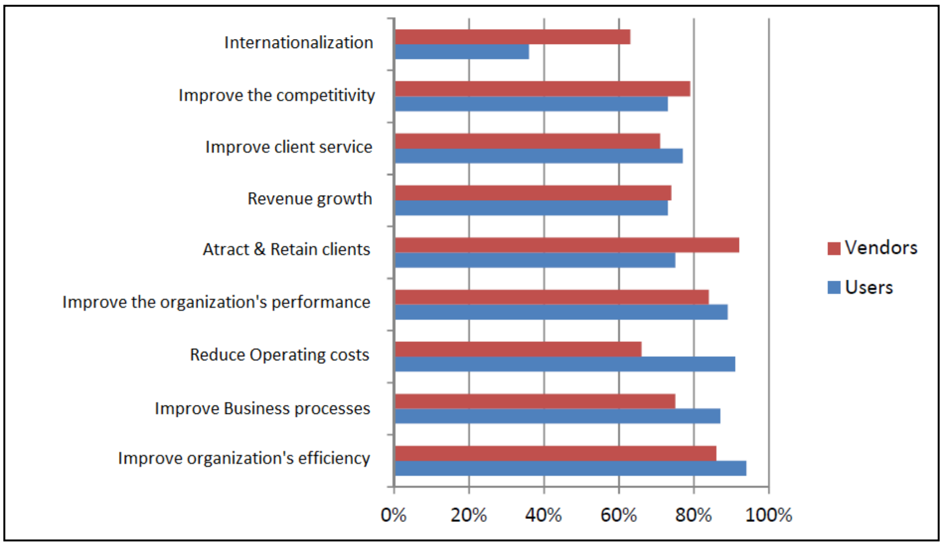
Source: IDC Portugal, "Portugal IT Overview, 2011"

Exhibit 6.3.: Expected IT budget growth by business area for IT Suppliers



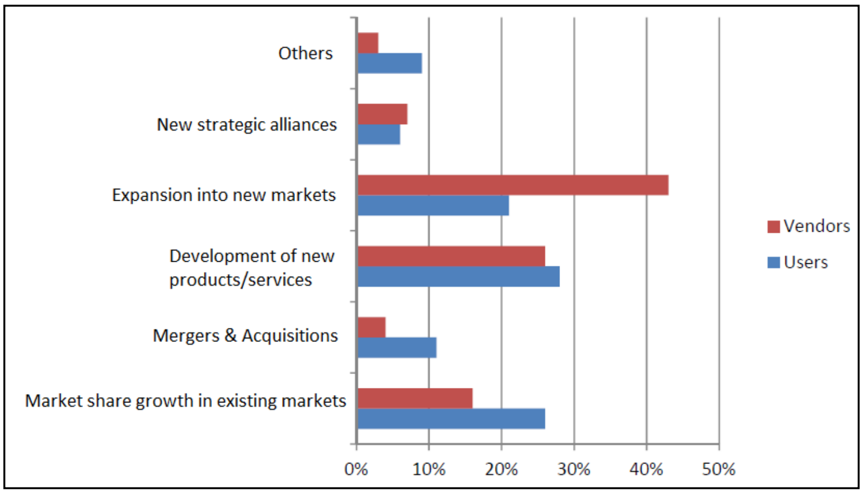
Source: IDC Portugal, "Portugal IT Overview, 2011"

Exhibit 6.4.: Business Priorities



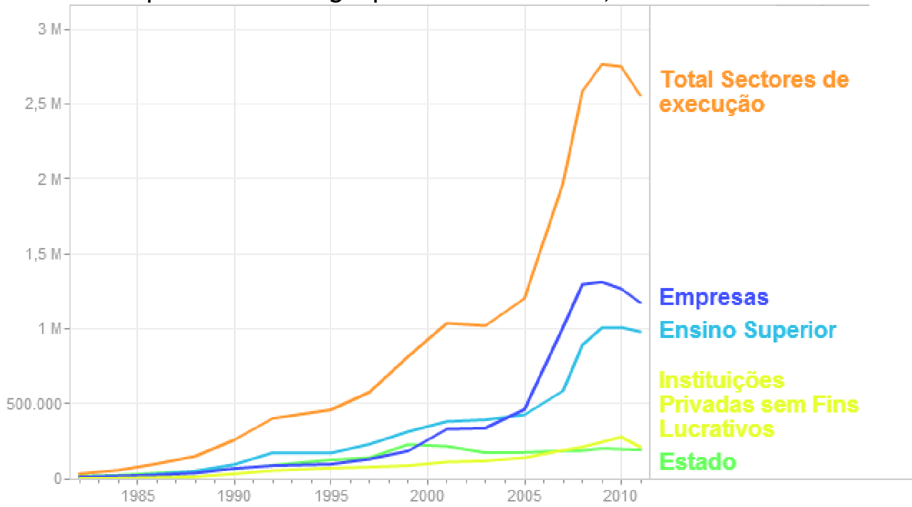
Source: IDC Portugal, "Portugal IT Overview, 2011"

Exhibit 6.5.: Adopted strategies in IT market



Source: IDC Portugal, "Portugal IT Overview, 2011"

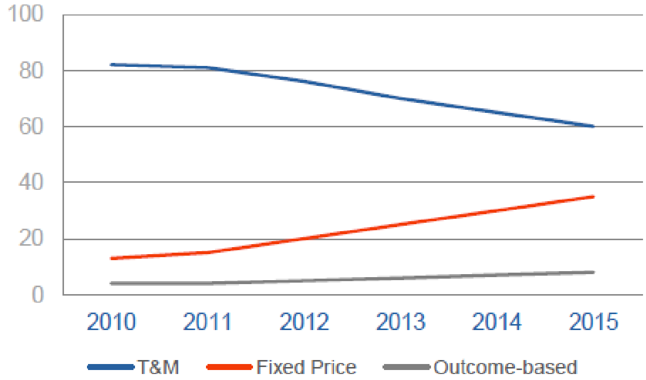
Exhibit 6.6.: R&D expenses in Portugal per Business Sector, in Million Euros



Source: Pordata, 2011

Exhibit 7: The new strategic plan

Exhibit 7.1.: Worldwide R&D Market by type of contract



Source: Forrester Research, Inc.

Exhibit 7.2.: Free Cash-Flow of Altran Group 2011

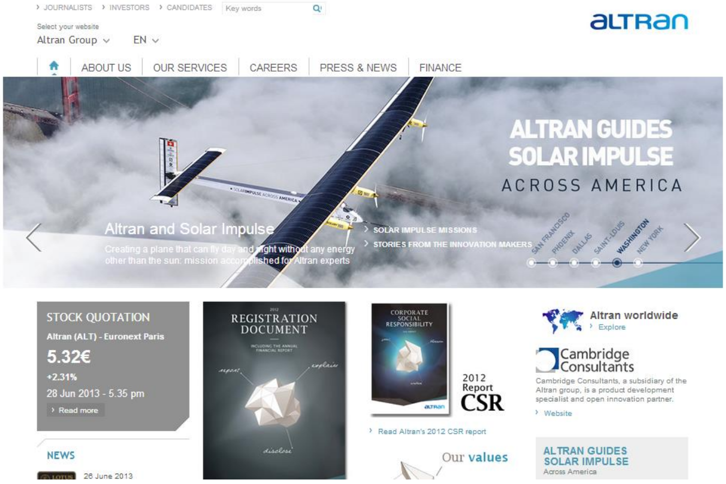
2011 Free Cash-Flow reached 4.0% of Sales vs. 0.8% in 2010

(in €m)	2011	2010
RECURRING OPERATING PROFIT	113.1	72.6
Depreciation & Amortisation	25.2	(10.2)
Non Recurring Items (Cash Impact)	(23.2)	(14.2)
CASH-FLOW	115.1	48.2
Change in WCR	(16.1)	(6.4)
Tax paid	(27.7)	(10.4)
Capex	(15.0)	(20.3)
FREE CASH-FLOW	56.3	11.1
% of Revenues	4.0%	0.8%

Source: Altran 2011 Annual Report

Exhibit 8: Brand Repositioning

Exhibit 8.1.: New Corporate Website

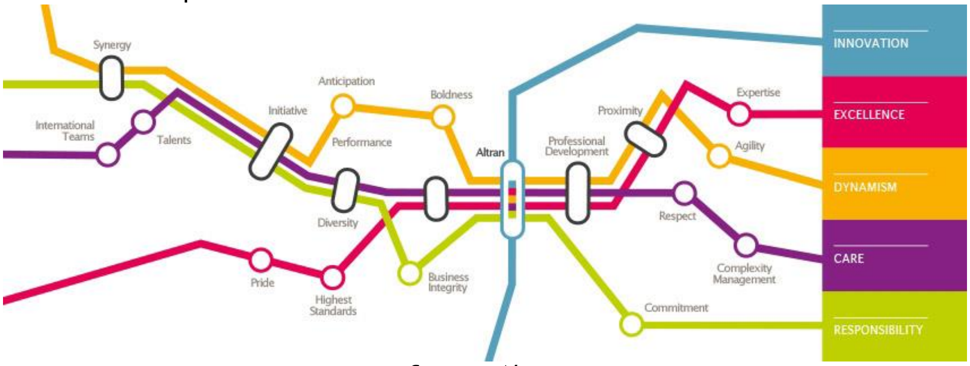


Source: Altran

Exhibit 8.2.: New Corporate Image

Source: Altran

Exhibit 8.3.: New Corporate Values



Source: Altran

Exhibit 8.4.: Five Portuguese Employees incorporate the Group values

Source: Altran

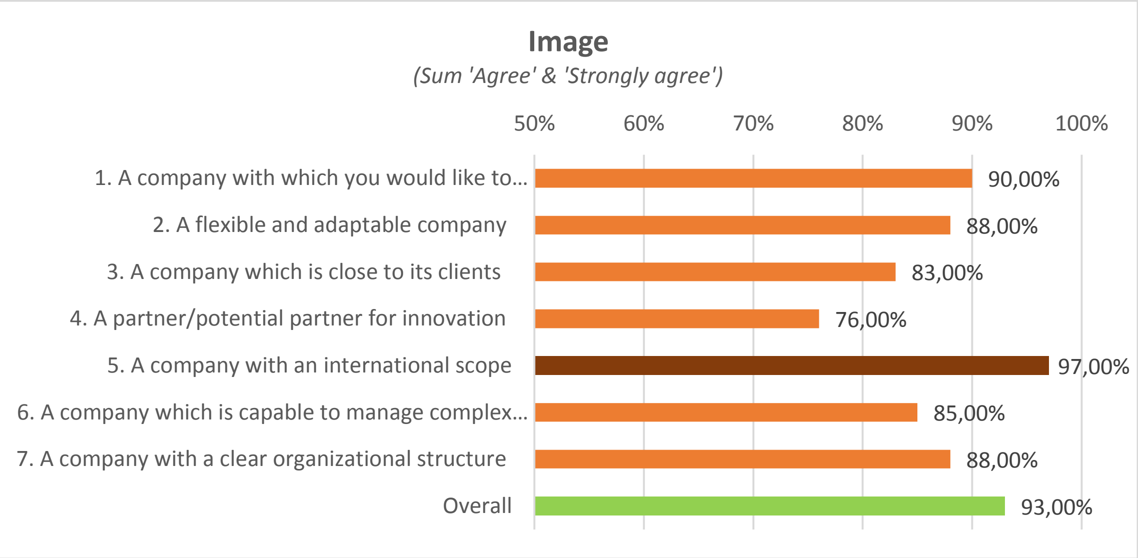
Exhibit 9: Customer Research

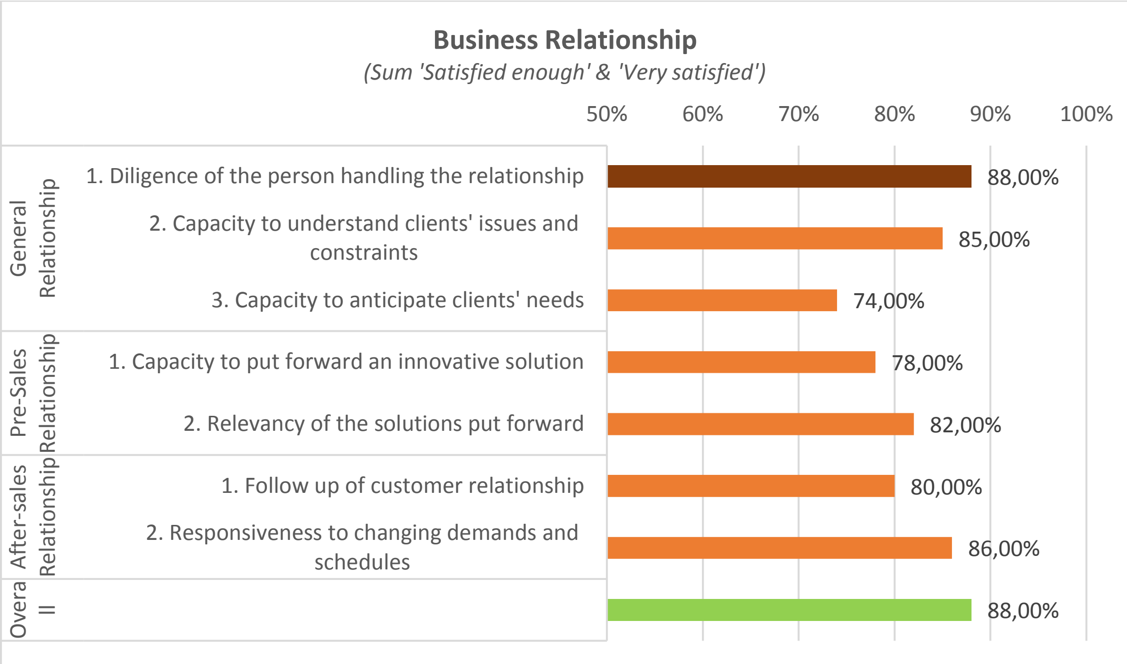
Exhibit 9.1.: 2012 Image and Satisfaction Survey (Portugal)

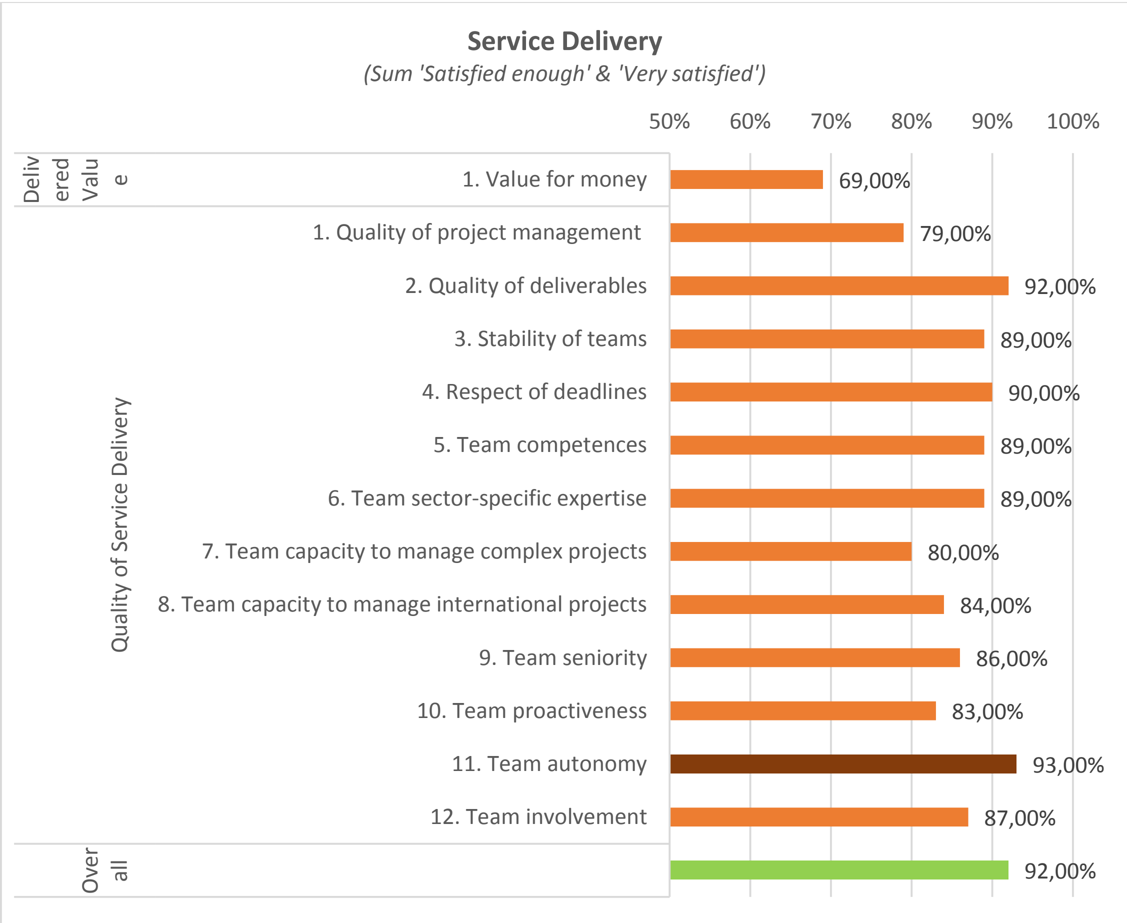
Survey conducted by a specialized supplier, GFK (Released on February 2013)

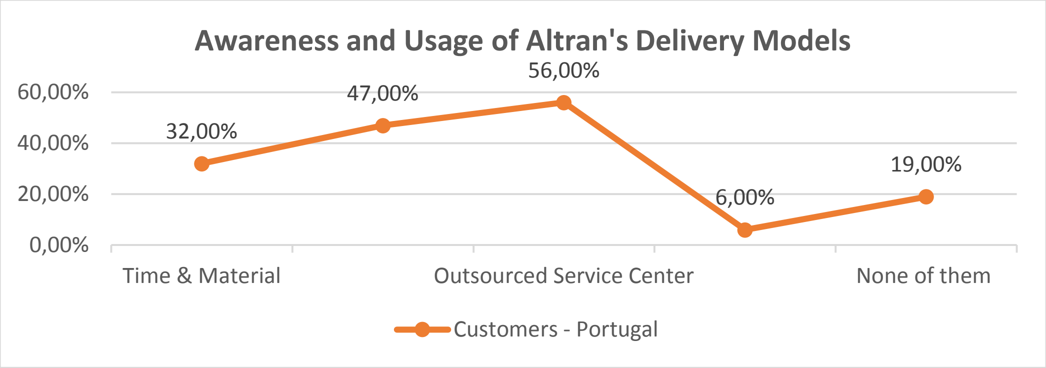
	Methodology
Mode	Quantitative: online questionnaires
Target	Clients and prospects registered in the CRM / BiZ All countries and industries included
Profiles	C1: Innovation, R&D, IT, Strategy, Purchasing Directors
	C2: Division / Department Managers
	C3: Project Managers
Objectives	1. Identify rooms for improvement relating to 7 major axes: (1) Image (2) Business Relationship (3) Quality of Service (4) Delivery Models (5) Group Transformation (6) Altran Competition (7) Recommendation 2. Identify strategic issues and market opportunities 3. Measure and analyze evolutions between 2011 and 2012 4. Encourage operational teams to set up action plans

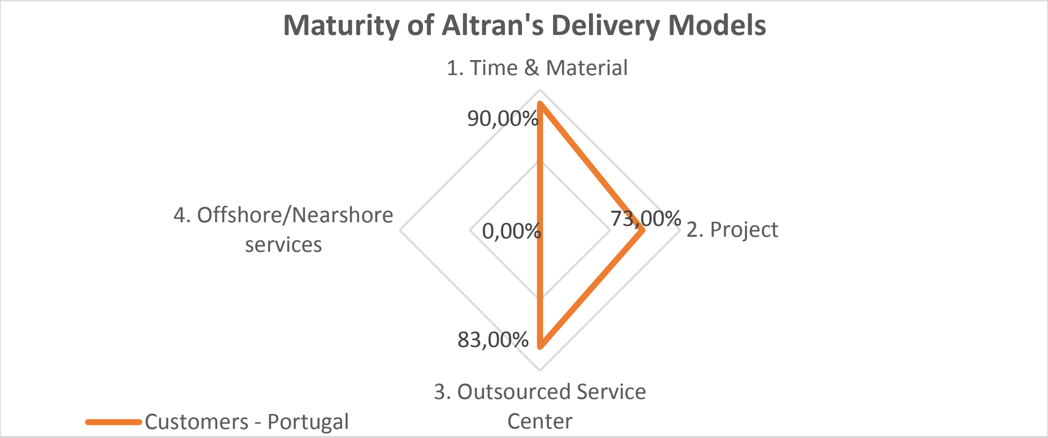
Customer Survey Results

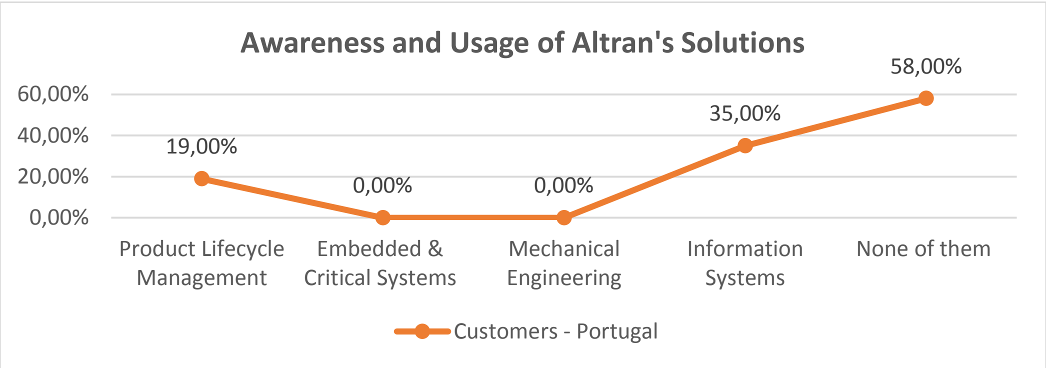


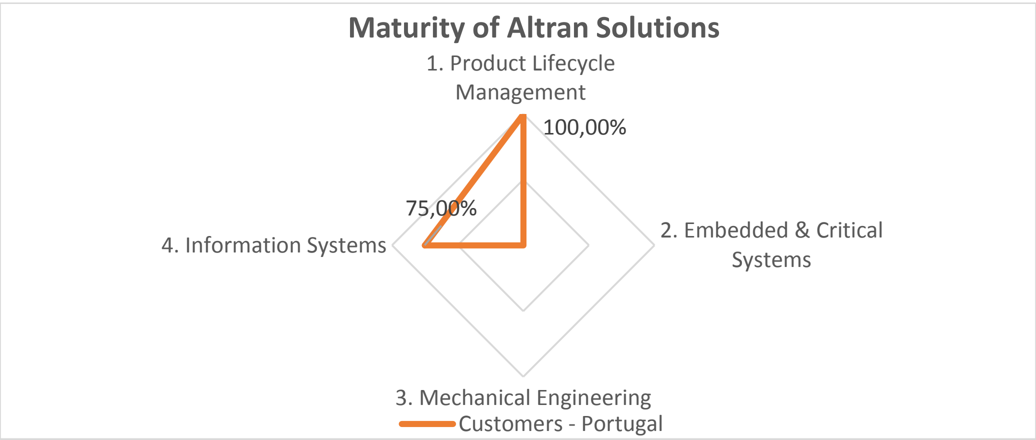

Business Relationship
(Sum 'Satisfied enough' & 'Very satisfied')
50%
60%
70%
80%
90%
100%
General Relationship
1. Diligence of the person handling the relationship
88,00%
2. Capacity to understand clients' issues and constraints
85,00%
3. Capacity to anticipate clients' needs
74,00%
Pre-Sales Relationship
1. Capacity to put forward an innovative solution
78,00%
2. Relevancy of the solutions put forward
82,00%
After-sales Relationship
1. Follow up of customer relationship
80,00%
2. Responsiveness to changing demands and schedules
86,00%
Overall
88,00%


Service Delivery
(Sum 'Satisfied enough' & 'Very satisfied')
50%
60%
70%
80%
90%
100%
Delivered Value
1. Value for money
69,00%
Quality of Service Delivery
1. Quality of project management
79,00%
2. Quality of deliverables
92,00%
3. Stability of teams
89,00%
4. Respect of deadlines
90,00%
5. Team competences
89,00%
6. Team sector-specific expertise
89,00%
7. Team capacity to manage complex projects
80,00%
8. Team capacity to manage international projects
84,00%
9. Team seniority
86,00%
10. Team proactiveness
83,00%
11. Team autonomy
93,00%
12. Team involvement
87,00%
Overall
92,00%









(Note: There is no data regarding 'Embedded & Critical Systems' and 'Mechanical Engineering)

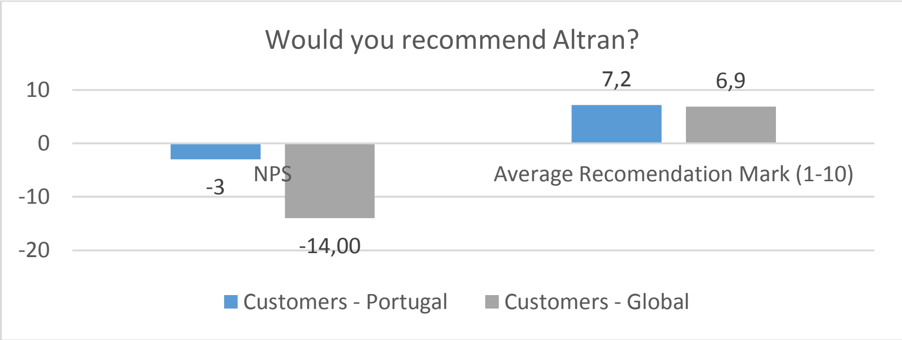


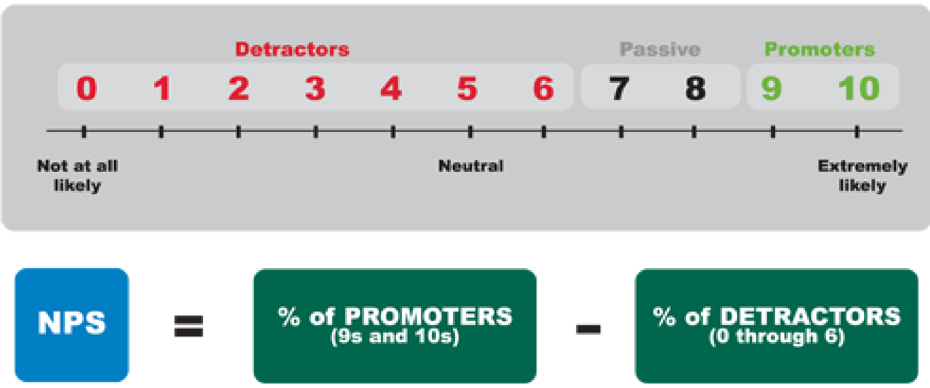
Exhibit 9.2.: Net Promoter Score[75]

The Net Promoter Score, or NPS®, is based on the fundamental perspective that every company's customers can be divided into three categories: Promoters, Passives, and Detractors.

By asking one simple question — How likely is it that you would recommend [your company] to a friend or colleague? — you can track these groups and get a clear measure of your company's performance through your customers' eyes. Customers respond on a 0-to-10 point rating scale and are categorized as follows:

- **Promoters** (score 9-10) are loyal enthusiasts who will keep buying and refer others, fueling growth.
- **Passives** (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- **Detractors** (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

To calculate your company's NPS, take the percentage of customers who are Promoters and subtract the percentage who are Detractors.



[75] Source: http://www.netpromoter.com/why-net-promoter/know/ [Accessed June 2013]

Exhibit 10: Employee Research

Exhibit 10.1.: Sample Analysis

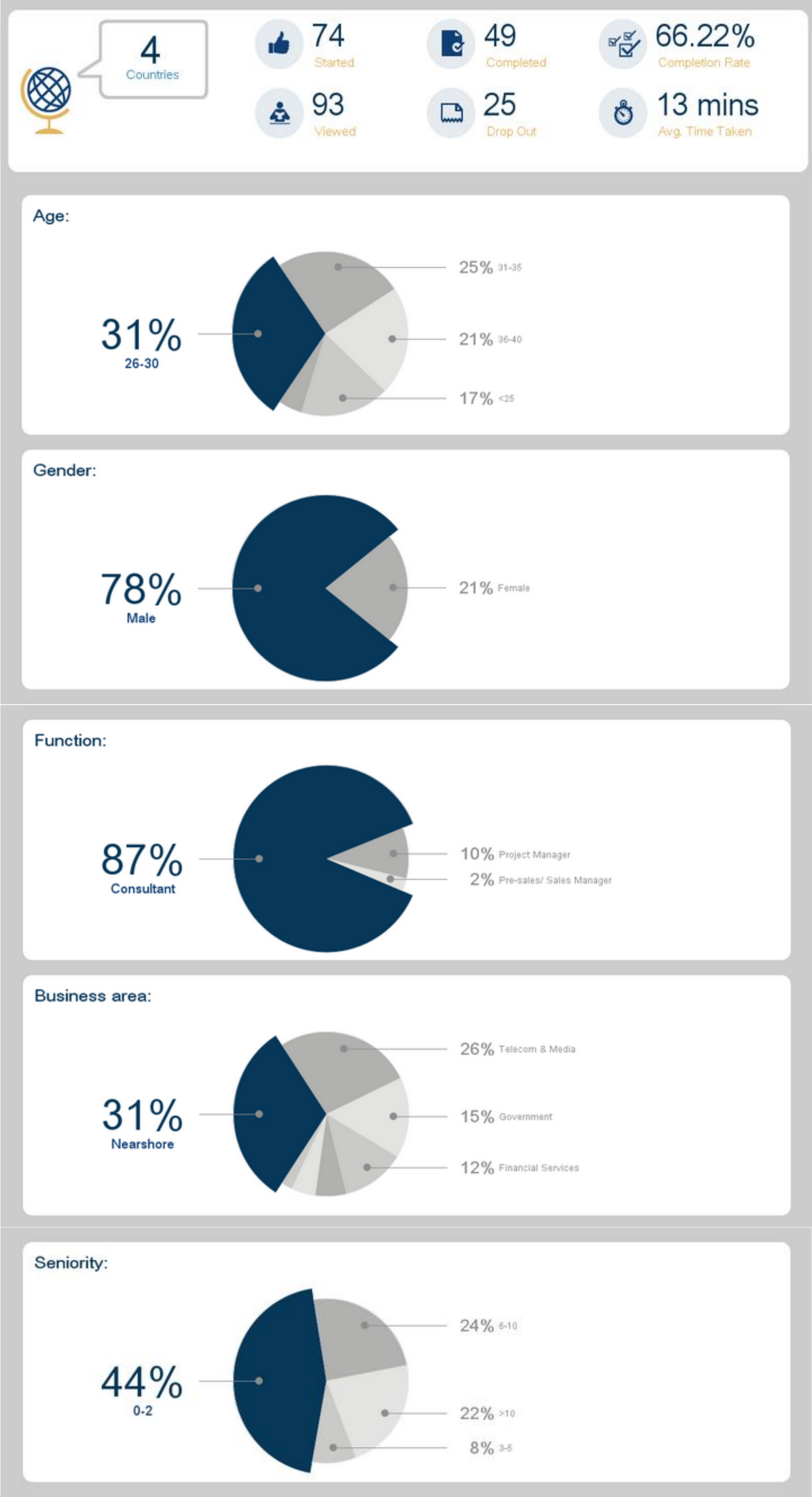
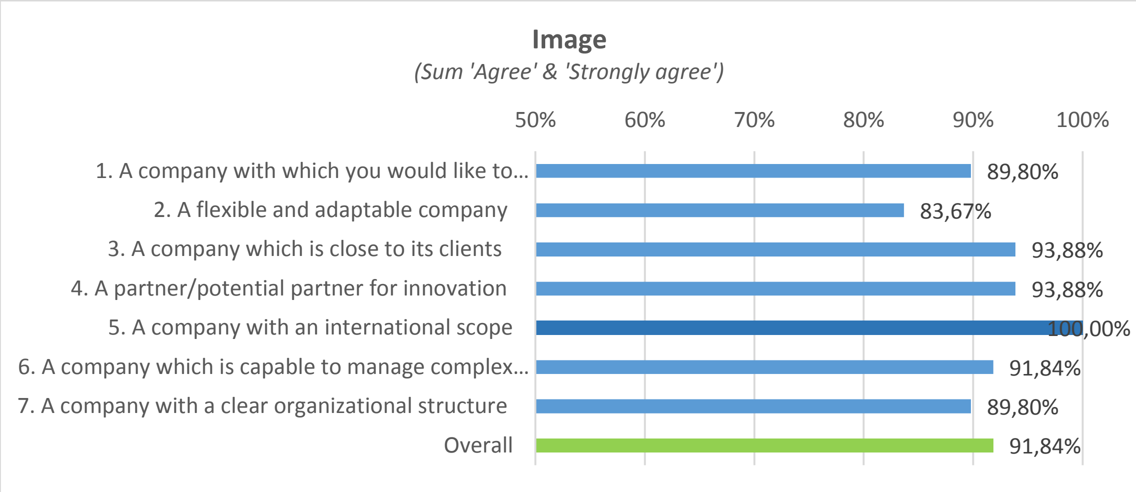


Exhibit 10.2.: Survey Results

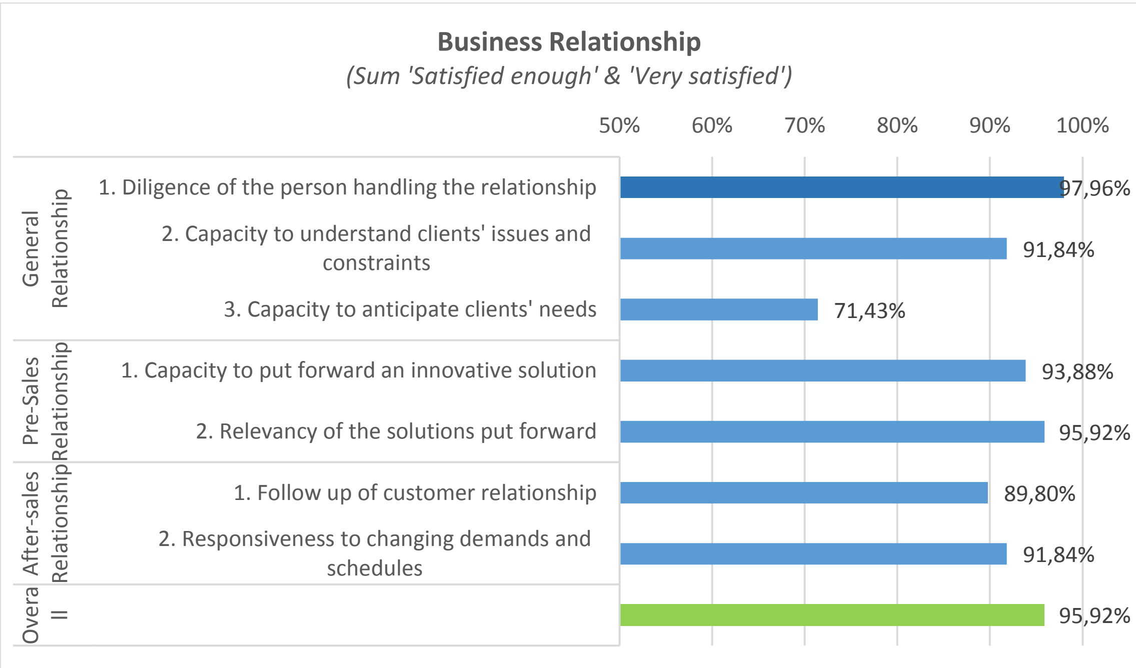
(1) Image



Comparison with Customer Research Results

Image	Employees - Portugal	Customers - Portugal	Customers - Global
1. A company with which you would like to work/continue working	89,80%	90,00%	90,00%
2. A flexible and adaptable company	83,67%	88,00%	86,00%
3. A company which is close to its clients	93,88%	83,00%	85,00%
4. A partner/potential partner for innovation	93,88%	76,00%	73,00%
5. A company with an international scope	100,00%	97,00%	90,00%
6. A company which is capable to manage complex projects	91,84%	85,00%	82,00%
7. A company with a clear organizational structure	89,80%	88,00%	67,00%
Overall	**91,84%**	**93,00%**	**90,00%**

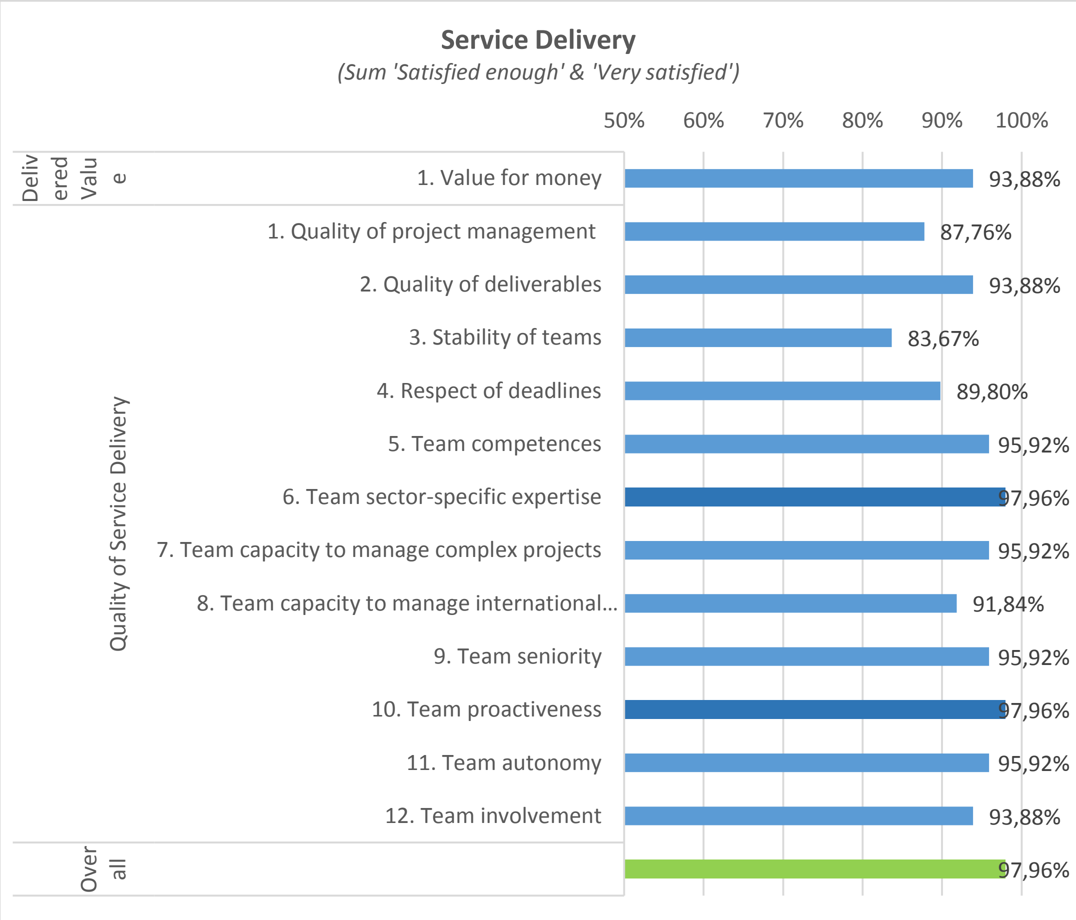
(2) Business Relationship



Comparison with Customer Research Results

Business Relationship		Employees - Portugal	Customers - Portugal	Customers - Global
General Relationship	1. Diligence of the person handling the relationship	97,96%	88,00%	90,00%
	2. Capacity to understand clients' issues and constraints	91,84%	85,00%	85,00%
	3. Capacity to anticipate clients' needs	71,43%	74,00%	74,00%
Pre-Sales Relationship	1. Capacity to put forward an innovative solution	93,88%	78,00%	74,00%
	2. Relevancy of the solutions put forward	95,92%	82,00%	80,00%
After-sales Relationship	1. Follow up of customer relationship	89,80%	80,00%	83,00%
	2. Responsiveness to changing demands and schedules	91,84%	86,00%	82,00%
Overall		**95,92%**	**88,00%**	**89,00%**

(3) Service Delivery

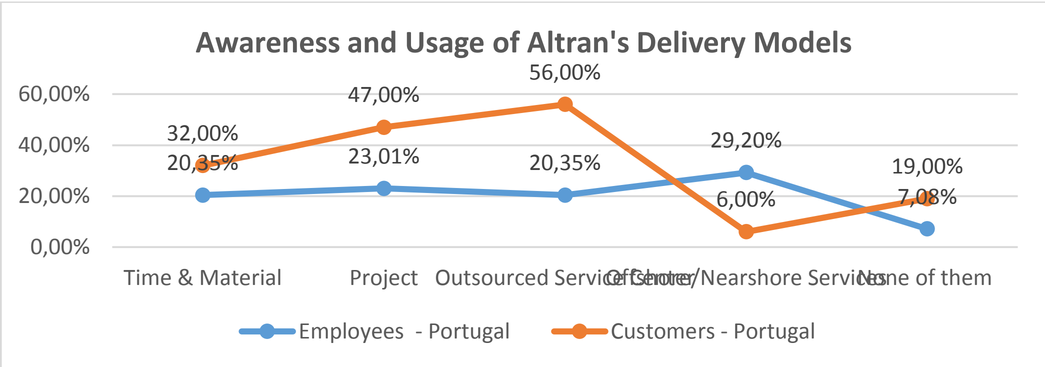


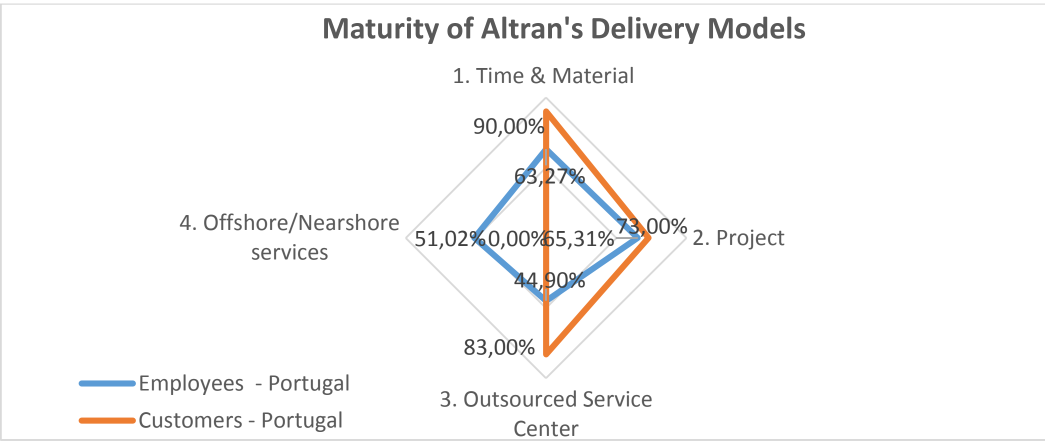
Comparison with Customer Research Results

Service Delivery		Employees - Portugal	Customers - Portugal	Customers - Global
Delivered Value	1. Value for money	93,88%	69,00%	78,00%
Quality of Service Delivery	1. Quality of project management	87,76%	79,00%	82,00%
	2. Quality of deliverables	93,88%	92,00%	87,00%
	3. Stability of teams	83,67%	89,00%	81,00%

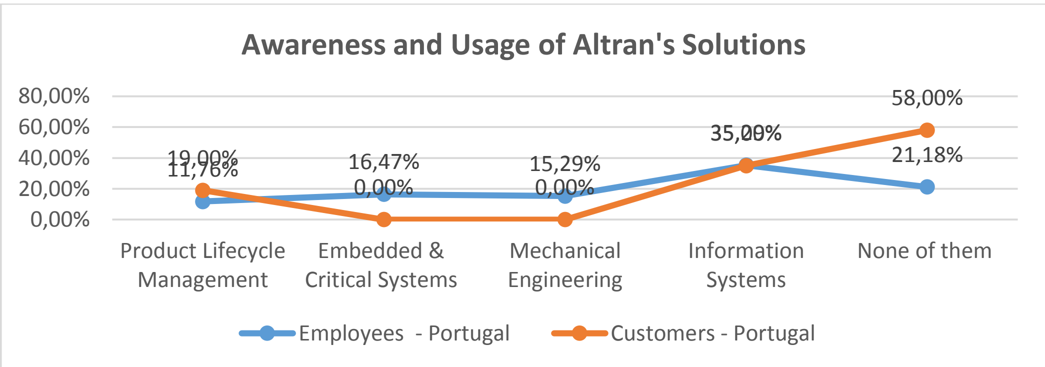
	4. Respect of deadlines	89,80%	90,00%	88,00%
	5. Team competences	95,92%	89,00%	87,00%
	6. Team sector-specific expertise	97,96%	89,00%	82,00%
	7. Team capacity to manage complex projects	95,92%	80,00%	78,00%
	8. Team capacity to manage international projects	91,84%	84,00%	80,00%
	9. Team seniority	95,92%	86,00%	74,00%
	10. Team proactiveness	97,96%	83,00%	80,00%
	11. Team autonomy	95,92%	93,00%	83,00%
	12. Team involvement	93,88%	87,00%	91,00%
Overall		**97,96%**	**92,00%**	**92,00%**

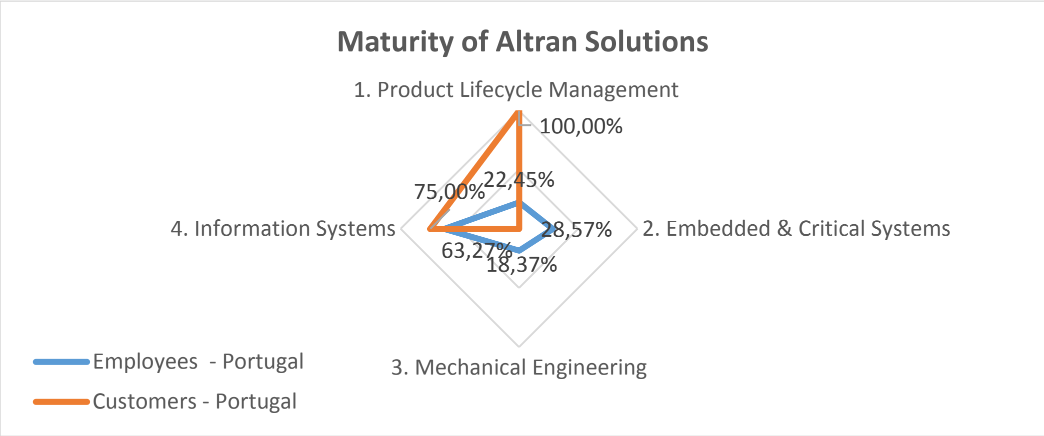
(4) Delivery Models



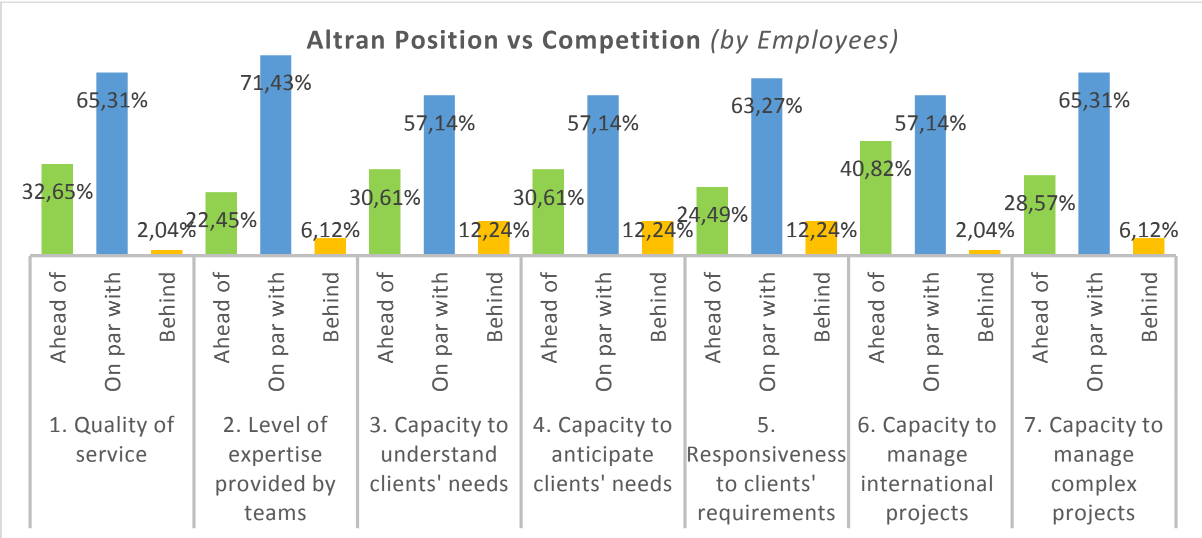


(5) Solutions

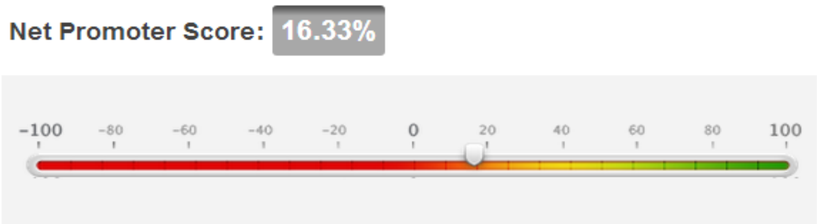




(6) Competition



(7) Recommendation of the company (NPS)



Net Promoter Details

1.	Promoter	15	30.61%
2.	**Passive**	**27**	**55.10%**
3.	Detractor	7	14.29%

9. Appendixes

Appendix 1. Interview guideline for Célia Reis, CEO of Altran Portugal

Interview questions:

(1) What is the current situation in terms of brand perception of Altran Portugal?

(2) How to describe the evolution of the brand in Portugal?

(3) In what business areas do you operate? What are the most important ones in terms of turnover for the company?

(4) Regarding the Delivery Models defined globally by the Group, what are the ones mostly used in Portugal?

(5) What kind of business constraints do you find in the Portuguese market that may limit the strategy defined globally by the group?

(6) What are the major competitors of Altran Portugal?

(7) How has the new strategic plan brought a business opportunity for Altran Portugal?

(8) What was the impact in terms of image for the company regarding the new investment in the Nearshore for the Group?

(9) What kind of actions do you think that must be used in order to improve the brand perception in the domestic market?

Appendix 2. Interview guideline Managers of Altran Portugal

Selected interviewees:

- Mr. Luis Alves, Practice Manager (March 2013)
- Mr. Gonçalo Cunha, Project Manager (March 2013)
- Ms. Natalina Sanches, Business Manager of Telecom & Media (March 2013)
- Mr. Carlos Valente, Business manager of General Business (March 2013)

Interview questions:

(1) What kind of attachment do you have with the clients? How do you think it is possible to improve the relationship with them?

(2) What is the level of commitment of each of Delivery Model? What is the advantage of investing in projects rather on outsourced services?

(3) Since Altran' main objective to be recognized as an innovative company, how do you think you are able to innovate on the projects? Is there any chance to show the innovatve side of the company?

Appendix 3. Interview guideline for Competition Benchmark

Selected interviewees:

- Dr. Rui Rodrigues, Marketing & Communication Director of Accenture Portugal (April 2013)
- Dr. Cristina A. Teixeira, Marketing & Communication Director of Novabase (June 2013)

Interview questions:

(1) Your company is known for strong advertising campaigns. What is the investment weight on Advertising?

(2) What are the impact it has on the company turnover? Are you able to measure that (by number of customers, projects, etc)?

(3) How do you segment your clients?

(4) What are the values that the company want to communicate to your clients?

(5) What are the media tools most used?

(6) Do you usually make direct campaigns for specific clients? Do you make lobbying actions with those (special breakfasts, golf games, etc)?

(7) How do you use successful case-studies to attract/retain clients? What kind of marketing strategies do you use?

(8) How do you choose your partners? What is the marketing strategy you use with them?

(9) What is the criteria used for sponsoring consulting events? How do you select them?

(10) What do you do in terms of merchandising?

(11) What do you do in terms of internal marketing? How do you keep your employees motivated?

Appendix 4. Market Research – Employee Survey Template

Questionnaire - Altran Brand Perception

Dear Altran employee,

You are invited to participate in a study about Altran Portugal. The questionnaires main objective is the analysis of the positioning of Altran as a brand in the Portuguese market. This study is being conducted by Maria Inês Rodrigues within her Master Thesis, as a student from Católica-Lisbon School of Business & Economics. Your participation will involve completing a short survey that will last approximately 5 minutes. You will be asked a number of questions related with your perception as an employee of Altran's image within the market.

Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. Even so, your response will be crucial for the success of the project.

Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, you may contact Maria Inês Rodrigues by email (maria.rodrigues.ext@altran.com).

Thank you very much for your time and support. Please start with the survey now by clicking on the Continue button below.

1. Global Image

In your opinion, the Altran Group is…

	Strongly disagree	Disagree	Agree	Strongly agree
1. A company with which you would like to work/continue working	❑	❑	❑	❑
2. A flexible and adaptable company	❑	❑	❑	❑
3. A company which is close to its clients	❑	❑	❑	❑
4. A partner/potential partner for innovation	❑	❑	❑	❑
5. A company with an international scope	❑	❑	❑	❑
6. A company which is capable to manage complex projects	❑	❑	❑	❑
7. A company with a clear organizational structure	❑	❑	❑	❑
Overall	❑	❑	❑	❑

2. Business Relationship & Global Perspectives

Regarding clients business relationship with Altran, how satisfied do you think they are with each of the following criteria?

General Relationship	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
1. Diligence of the person handling the relationship	❑	❑	❑	❑
2. Capacity to understand clients issues and constraints	❑	❑	❑	❑
3. Capacity to anticipate clients needs	❑	❑	❑	❑
Pre-Sales Relationship	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
1. Capacity to put forward an innovative solution	❑	❑	❑	❑
2. Relevancy of the solutions put forward	❑	❑	❑	❑
After-sales Relationship	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
1. Follow up of customer relationship	❑	❑	❑	❑
2. Responsiveness to changing demands and schedules	❑	❑	❑	❑
	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
Overall	❑	❑	❑	❑

3. Service Delivery

How satisfied do you think your clients are with each of the following criteria regarding Altran service delivery?

Delivered Value	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
1. Value for money	❑	❑	❑	❑
Quality of Service Delivery	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
1. Quality of project management	❑	❑	❑	❑
2. Quality of deliverables	❑	❑	❑	❑
3. Stability of teams	❑	❑	❑	❑
4. Respect of deadlines	❑	❑	❑	❑
5. Team competences	❑	❑	❑	❑

6. Team sector-specific expertise	❑	❑	❑	❑
7. Team capacity to manage complex projects	❑	❑	❑	❑
8. Team capacity to manage international projects	❑	❑	❑	❑
9. Team seniority	❑	❑	❑	❑
10. Team proactiveness	❑	❑	❑	❑
11. Team autonomy	❑	❑	❑	❑
12. Team involvement	❑	❑	❑	❑
	Not satisfied at all	Not very satisfied	Satisfied enough	Very satisfied
Overall	❑	❑	❑	❑

4. Delivery Models

4.1. Awareness and Usage of Altrans Delivery Models

Do you know any of the following Altran delivery models?

1. Time & Material - Expertise Commitment
2. Project - Deliverables Commitment
3. Outsourced service - Service Commitment
4. Offshore/Nearshore Services
5. None of them

4.2. Maturity of Altrans Delivery Models

How mature would you consider Altran regarding the following delivery models? (based on your experience with the delivery model and/or knowledge regarding the companys experience)

	Immature	Beginning to mature	Mature	Very mature	N/A
1. Time & Material	❑	❑	❑	❑	❑
2. Project	❑	❑	❑	❑	❑
3. Outsourced Service Center	❑	❑	❑	❑	❑
4. Offshore services	❑	❑	❑	❑	❑

5. Solutions

5.1. Awareness and Usage of Altran Solutions

Do you know any of the following Altran solutions?

1. Lifecycle Experience
2. Intelligent Systems
3. Mechanical Engineering
4. Information Systems
5. None of them

5.2. Maturity of Altran Solutions

How mature would you consider Altran regarding the following delivery solutions? (based on your experience with the solution and/or knowledge regarding the companys experience)

	Immature	Beginning to mature	Mature	Very mature	N/A
1. Lifecycle Experience	❑	❑	❑	❑	❑

2. Intelligent Systems	❑	❑	❑	❑	❑
3. Mechanical Engineering	❑	❑	❑	❑	❑
4. Information Systems	❑	❑	❑	❑	❑

6. Competition

On each of the following aspects, how would you position Altran in comparison with its main competitors?

	Behind	On par with	Ahead of
1. Quality of service	❑	❑	❑
2. Level of expertise provided by teams	❑	❑	❑
3. Capacity to understand your needs	❑	❑	❑
4. Capacity to anticipate your needs	❑	❑	❑
5. Responsiveness to your requirements	❑	❑	❑
6. Capacity to manage international projects	❑	❑	❑
7. Capacity to manage complex projects	❑	❑	❑

7. Net Promoter Score (NPS)

Excluding the fact that you are an Altran employee, if you had to advise a colleague or a close acquaintance on choosing an innovation and high-tech engineering consulting firm, would you recommend Altran? (Please select a number from 1 - Very Unlikely to 10 - Very Likely)

Do you have any comment or suggestion that you would like to make about Altrans image within the Portuguese market? Do you have any recommendations for the future? If yes, please write below:

General questions:

Age: 1. <25 2. 26-30 3. 31-35 4. 36-40 5. 41-45 6. >45 **Gender:** 1. Male 2. Female **Function:** 1. Pre-sales/ Sales Manager 2. Project Manager 3. Consultant 4. Other	**Business area:** 1. Telecom & Media 2. Financial Services 3. Energy, Industry & Life Sciences 4. Government 5. Automotive, Infrastructure & Transports 6. Aeronautics & Defense 7. Nearshore **Seniority:** 1. 0-2 2. 3-5 3. 6-10 4. >10

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