Enterprise 2.0 in Prime Cargo

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Master Thesis

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Resume

Denne kandidatafhandling handler om Enterprise 2.0 og hvordan dette værktøj kan anvendes i den globale speditørvirksomhed Prime Cargo A/S. Opgaven fokuserer på hvordan Enterprise 2.0 kan påvirke udvalgte processer i virksomheden og har derved til formål at vise at belyse og diskutere forskellige relevante perspektiver i relation til processerne.

De tre udvalgte processer er: 1) Prissætning af transporter, der i speditørbranchen sket ved udveksling af priser på tværs af kontorer. 2) Den operationelle process, herunder konsolidering af transport og udvekling af relevant information på tværs af kontorer. 3) Salgsprocessen, der består af den interne udveksling af informationer der er nødvendig når en speditørvirksomhed skal sammensætte tilbud til såkaldte 'tenders'. Opgavens videnskabsteoretiske fundament er aktør-netværk teori, der dels fastlægger den grundlæggende virkelighedsopfattelse, samt danner grundlag for opgavens metode og empirisk research i virksomheden. Udover overstående, indeholder opgaven kapitel 2 en detaljeret gennemgang af de anvendte metoder herunder opstilling af hypotese og gennemgang af interviews med medarbejdere i Prime Cargo der udgør opgavens primære empiriske grundlag.

Kapitel 3 indeholder en gennemgang af teori i relation til Enterprise 2.0, samt andre teoretiske perspektiver indenfor knowledge management, tillid og kontrol, netværksteori og transaktionsomkostninger. Disse teorier og perspektiver anvendes i opgavens analyseafsnit i sammenspil med kernebegreber indenfor aktør-netværk teori, samt det empiriske materiale.

I opgavens kapitel 4 præsenteres virksomheden Prime Cargo med udgangspunkt i faktuel information og empirisk materiale der er stillet til rådighed af virksomheden. Herefter redegøres for virksomhedens anvendelse af informations teknologi og processer, samt en række betragtninger knyttet til logistik-og speditørbranchen.

Opgavens analysedel findes i kapitel 5. Her analyseres de tre processer med ud

gangspunkt i den indhentede empiri, samt udvalgte teoretiske perspektiver fra kapitel 3. Herved lokaliseres en række udfordringer i relation til den enkelte proces, hvorefter der argumenteres for hvordan Enterprise 2.0 vil kunne påvirke disse udfordringer og dermed den enkelte proces i almindelighed.

Kapitel 6 indeholder opgavens diskussion del, der udover at diskutere de forskellige fund fra analysen, også indeholder en række videnskabelige refleksioner, inddragelse af andres litteratur på området, samt andre perspektiver der anses som relevante i relation til opgavens fokusområder og fund.

Kapitel 7 præsenterer opgavens konklusion, mens kapitel 8 udgør en perspektivering til anvendelse af Enterprise 2.0 i et ekstern perspektiv.

Opgavens vigtigste betragtninger og konklusioner

- De tre udvalgte processer i Prime Cargo er forbundet med en række udfordringer. Eksempler på disse udfordringer er kunstigt forhøjede priser på transporter, manglende udveksling af information på operationelle niveau, samt manglende samarbejde i virksomhedens interne salgsproces.
- Enkelte af disse udfordringer skyldes praktiske forhold og manglende værktøjer, mens andre kan forklares ved hjælp af teori indenfor knowledge management, tillid og kontrol, netværks teori og transaktionsomkostninger.
- Enterprise 2.0 er i stand til at påvirke alle de udvalgte processer og muligvis afhjælpe de relaterede udfordringer. Derved anses værktøjet for at kunne understøtte Prime Cargo´s strategi og styrke virksomhedens konkurrenceevne.
- Aktør-netværk teori, herunder teoriens kernebegreber og måde at anskue verden på, kan anvendes til at analysere Enterprise 2.0´s påvirkning af processer i Prime Cargo.

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1 Introduction

In recent years we have witnessed an upsurge in digital innovations that are developed with close connection to the Internet and the possibilities it offers to individuals and organizations. New functionalities have changed the way we interact with the Internet and the services it is fostering. During the first decade of the millennium these changes have significantly impacted how users can search and communicate. One of the most illustrious offspring of the technological development is the social networking site, Facebook.com, which had 1.65 billion users at the end of April this year (CNBC, 2016). Additionally other social network sites have gotten comparable level of success but what is more interesting is how they have impacted social life in the way we interact and especially how we organize our daily lives. A ramification of the social networking sites are the internal social networking platforms, named Enterprise 2.0 by professor Andrew P. McAfee (2006), who illuminates the phenomena from an organizational perspective. Many organizations are having difficulties in evaluating the implications of Enterprise 2.0 as they do not understanding the tools and whether they can contribute to develop the particular business model of the organization.

Enterprise 2.0 systems are said to be able to leverage collaboration and knowledge sharing, resulting in better learning, by novel technological tools. Some of the most popular cloud-based Enterprise platforms are Yammer, Slack, Chatter and IBM Connections. These new tools are in particular interesting for organizations that are spread geographically as new media networks are said to enhance communication across hierarchical as well as coordination of communication within dispersed groups (Bar & Simard, 2006: 1)

Thus, Zammuto et al., stresses the link between technology and organizational form and function has been in the interest of organizational scholars for a long period, however the attention the last decades has been limited (2007). This is especially striking when taking into account how tremendous changes in information technology, for the last 20 years, have changed the way individuals employ information technology.

This thesis sheds light on some of the same topics that the contingency theory debate brought to life in the 1970's, primarily being that the most optimal way of organizing is dependent on the internal and external situation (Scott, 1981). These themes are seen as just as relevant with the present urge for digitalization. In a more digitalized world companies face progressively more competition and as response have to cut costs and adapt to an ever-changing environment. Within the stream of digitalization, Enterprise 2.0 can be a tool for corporations to become more digital and exploit the advantages of automatization and speedier processes. Harnessing from the benefits of Enterprise 2.0 can therefore be seen as a instrument in leading companies to utilize present times information technologies (McAfee, 2009).

In order to illuminate the impacts of Enterprise 2.0 this thesis is examining the international freight forwarding company, Prime Cargo A/S. Prime Cargo is providing global freight and logistics services through a dozen branches primarily located in China, and are having external agents through out the rest of the world. A freight forwardinhas been chosen for examination due to its dispersed network of actors and their need for collaboration and interpersonal communication technology. Knowledge is considered as one of the key resources of companies, and the sharing of knowledge is therefore a key strategic asset (Nielsen & Razmerita, 2014:1). Moreover, Enterprise 2.0 is said to facilitate better knowledge sharing across geographic boundaries (Andriole, 2010). This is in particular interesting when freight forwarders are having dispersed organizational structures. In relation to freight forwarding companies and Prime Cargo, this could be an advantage as they operate in extremely volatile market conditions (Krajewska, 2008), where local knowledge and the speed of sharing it with geographically spread colleagues are key in order to deliver value and real-time advantages for the customers. The implication of an Enterprise 2.0 system in relation to Prime Cargo is the objective of this thesis.

1.1 Purpose of the thesis

The purpose of this thesis is to illuminate the possible impact of Enterprise 2.0 focused on specific processes within a company in a specific industry. The study is seen as relevant for the case company as well as for scientists and practitioners.

1.2 Relevance for the case company

The thesis is seen as relevant for the participating case company based on knowledge of their current situation and future needs and aims. Additionally the characterizations of the conclusions as well as the findings, which have been done during the research, is considered as relevant in the daily management of the company, as well as the future development of their business, organization, processes etc. Due to a combination of the research question, the methods and findings of this thesis, the main purpose is not to advise whether Enterprise 2.0 should be implemented in case company. However a kind of recommendation will be stated by the last chapter of thesis in c, and the findings and conclusions that are illuminated during the thesis should provide the management in the case organization with a basis of knowledge which can be used to make strategic decisions in relation to Enterprise 2.0 and possible other related areas.

1.3 Relevance for the practitioners

The thesis is considered as relevant for practitioners with interest in Enterprise 2.0 as well as elements such as knowledge management, IT strategy or business development. Additionally the thesis is considered as especially relevant for practitioners working in companies from a similar or related industry as the case company due to the methodological and theoretical basis of the study.

1.4 Relevance for the scientists

Enterprise 2.0 is a relatively new research field and the need for scientific knowledge is seen as huge due to its relevance and current appearance in modern organizations. Additionally the master thesis is seen as an example of how to apply a specific methodology in relation to a combination of topics, theory and empirical findings, which is considered as relevant for similar as well as other types of study. The interdisciplinary approach to the study means that scientists within different research areas might find parts or the entire thesis interesting and possibly motivating for future studies.

1.5 Research question

The overall research has been made based on the earlier outlined main purpose of the thesis. To illustrate the possible impact of Enterprise 2.0 in a specific company within a specific industry, it is seen as important to create a research question which is taken the methodology and theory into account in order to secure a valuable process and outcome of the research. The research question of this thesis is therefore the following:

How can Enterprise 2.0 impact Prime Cargo in relation to 1) the pricing process, 2) the operational process and 3) the sales process?

The three mentioned processes are defined later in the thesis as well as Enterprise 2.0 and the case company Prime Cargo is to be presented in depth before starting to analyze, in the purpose of answering the research question. However, the research question should be taken into account for the rest of thesis, since it is considered to be the overall defining element in relation to the methodology, theory analysis and conclusions of the thesis.

1.6 Delimitations

In the purpose of maintaining focus and ensuring thoroughness and depth in the thesis a few delimitations is seen as necessary.

When studying the case company the focus will mainly be on the internal perspectives, which mean that elements outside organizational barriers are left out. However pragmatic awareness of general business elements such as competition or customer relations are taken into account through the chapters of the thesis. The case company has a complex organization and structure with a diverse geography. In order to clarify the key points and limit the scope of the research the focus will only be on the Danish and Chinese divisions of the company. This is seen as fair since this relation is the most relevant based on the company´s business model and characteristics.

In relation to Enterprise 2.0 and IT in general it is the ambition to be as realistic and specific as possible. In order to ensure this the thesis will present and examine a number of relevant software and hardware functionalities. However, some of the more advanced technological aspects are seen as to complex to include in the thesis. Additionally the constant development in relation to this is seen to make it less relevant to discuss concrete technological elements, since many of those might be out-dated in a few years.

Even tough Supply Chain Management (SCM) is seen as a highly relevant element when studying logistics, the area is considered as to broad to examine in depth. However some SCM related elements will be included in relation to the given context, but in depth concepts, models and theories concerning SCM will remain left out.

Communication is highly related to most of the presented themes and topics of the thesis. However it has not been the aim to examine all the aspects in depth, meaning that traditional analysis within the field of communication such as transmissions model, media analysis, rhetoric analysis etc. are left out.

To sum up, the analyses and findings within the thesis should be seen with the outlined delimitations taken into account. The delimitations are seen a as a consequence of the limited space and time of the study, and neither of them is considered devastating for the conclusions that are made.

1.7 Clarification of key concepts

Most of the key concepts in this study are defined, examined and analysed in the third chapter of the thesis. The key concepts are exceptions, which means that they are playing an important role in the study, but not examined theoretically under awareness of the possible consequence.

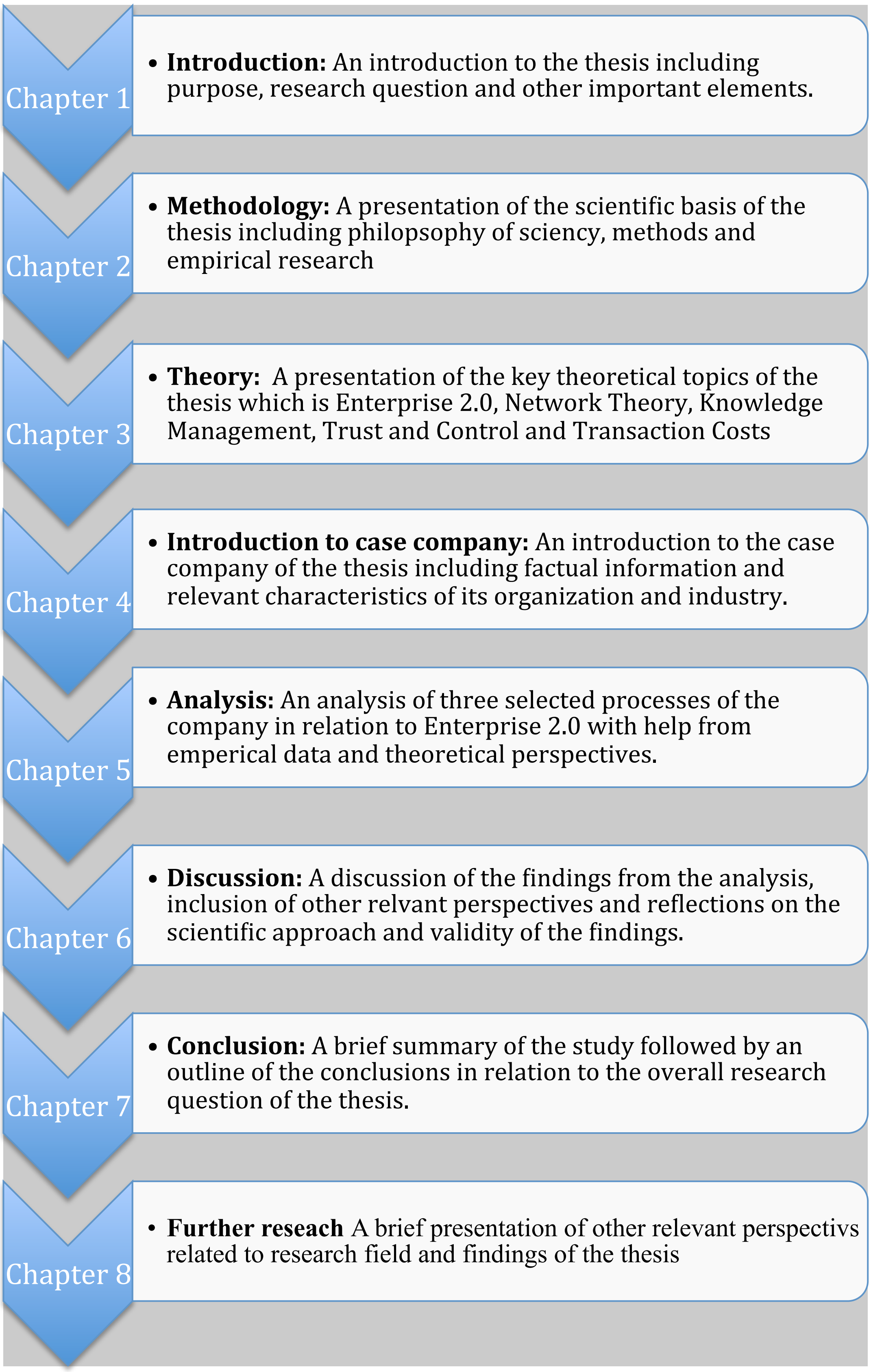
Transparency: There exists several definitions of transparency and the element has been examined theoretically from several perspectives. In general transparency is seen as present when actions and content are possible to see from the perspective of the observer.

Visibility: The visibility concept is seen as closely related to transparency. However, visibility is seen as the ability of something to be seen. Theoretically visibility is especially seen as relevant in relation to digitalized content and tools.

Communities: A group of subjects can be described as a community. This thesis will apply communities of practise as an expression of work related groups where the included subject are connected physically or digitalized.

1.8 Structure of the thesis

The thesis consists of eight chapters structured in order to secure a structured and clear process in answering the research questions. Each chapter consists of a number of sections that are contributing to the purpose of the given chapter. It has been the ambition to state a clear purpose of each chapter and section of the thesis, which is supported by an introducing and some summarizing statements in order to connect the different parts of the thesis. Most of these statements do also illuminate some of the reflections that has been appearing in relation to the described elements of the thesis, which is seen as necessary to understand the different choices that have been made when producing and structuring the thesis. However it is not recommendable to read single chapters or sections as arguments, clarification, considerations etc. are made throughout the thesis and should be taking into account in order to understand each chapter appropriately. The appendixes of the thesis has the purpose of support for the understanding of methods, research and findings in the chapters, but should not be seen as crucial for the overall purpose.



Structure of the thesis, Source: own creation

2 Methodology

This chapter has the purpose of clarifying the methodology of this thesis including the scientific basis, applied methods and empirical research. These elements are seen as crucial for the approaches to key elements of the study, the analysis and the conclusions that have been made. It should be clear that other methodological choices would have changed, not only the characteristics of the study, but also impacted the findings and conclusions. The methodology has also impacted the choices of included theory and topics as well as defined the approach to key elements such as individuals, technology and organizations, which is considered as required in this type of study. The chapter is introduced by early thoughts on philosophy of science in relation to this study, followed by a comprehensive presentation of actor network theory, which has the role of being the key methodology of the study. The next section focuses on scientific perspectives on technology, which is considered as relevant based on the research question and main field of interest. The next section describes the applied methods and empirical research that has been carried out in the study.

All relevant elements and details within the empirical research are illuminated in order to secure a clear and detailed understanding of the applied methods and techniques. By the end of the chapter all key elements within the methodology should be clear and taken into account in the following chapters of thesis.

2.1 Philosophy of science

Philosophy of science is an unavoidable discipline in order to produce knowledge on a basis of reflections in relation to the scientific practice and validity (Hviid Jacobsen, 2010:11). Philosophy of science can be seen as a meta-discipline that goes beyond the individual discipline within researching, analyzing, concluding etc. It is important to distinguish between normative philosophy of science, which is focusing on defining and describing *how* to do science, and descriptive philosophy of science, which are defining and describing the *existing*. (Hviid Jacobsen, 2010:12ff). Another important distinction is between empirical and philosophical philosophy of science, which is focusing on respectively the defined and real, and the more abstract and undefined. Philosophy of science has a key role within social science due to the characteristic of the key elements, the already existing theory and knowledge, as well as the applied methods within this area of science. Social studies will be affected by the scientific approaches to specific elements and ways of investigating them. The possible implications in order to produce valid knowledge within social science is reinforced by the many different paradigms and scientific approaches that are applied within the field, where many of them has a more or less diverse perception and understanding of key elements within the field.

The key methodology of this thesis is the *actor network theory*. The actor network theory derived from a scientific movement during the 1970´s based on the American scientist Thomas Kuhn´s thoughts on science as a product of social factors and the understanding of reality as something affected by humans' way of constructing it (Jensen, 2005:186). Actor network theory can be seen as a relational methodology focusing on the *relation* instead of on the subject or the society (Hviid Jacobsen, 2010:366). Actor network theory should not be seen as a well-defined specific scientific paradigm, but rather as a mixture of other exiting theories, which is applied in a specific way (Jensen, 2014:186). Actor network theory does also exist in different variants, which makes the theory complex to define in a comprehensive manner (Jensen, 2014:186).). Actor network theory can be applied in studying topics including technology, science, social structures, society, nature and power, but is characterized by analyzing the different topics by the use of a similar framework (Jensen, 2014:186). Based on these considerations it should be clear that this thesis is not committed to a specific paradigm. However actor network theory has a close relation to social constructivism by having the potential of deconstructing and constructing at the same time (Wenneberg, 2002:3). Social constructivism does not see science as being something established and incontrovertibly, but rather as an everlasting striving for constructing the truth in recognition of this as being impossible (ibid). There exist several ontological and epistemological variants of social constructivism, which are more or less divergent in their perception of the world and its logics. However the shared understanding of reality to be constructed is the main ontological basis of the paradigm, which should be taken into account in relation to the use of actor network theory within the thesis and thereby also the methodologies, analysis and conclusion.

2.2 Actor Network Theory

The purpose of this section is to outline the basics of Actor Network Theory (ANT) and explain the key elements of the theory. ANT plays a substantial role in the methods, study design and approaches within this thesis, which is why it is important to be aware of the scientific characteristics of the theory. The approach also influences the choice of theory in the thesis as well as how key elements such as organizations, communications, individuals and relationships are considered.
The purpose of this section is not to compare ANT to other paradigms or scientific approaches and comparatives will only be made for explanations of the different statements and argues related to ANT.

The science and technology scholars Bruno Latour, Michell Callon and John Law are considered as the main developers of ANT as it is known today (Jensen, 2014:187f). Latour theories was based on the American philosopher of science Thomas Kuhn`s approach, which earlier had argued that science was related to social structures and that scientific approaches and paradigms had their limitation in relation to what could be analyzed and how (Jensen, 2014:186). Latour invented a network perspective and an analytic approach that, inspired by several paradigms and theories, constituted ANT as a way to study different structures within a particular topic or area (ibid). Latour sees scientific truth as constructed and valid at the same time, believing that facts can be found with help from constructive processes and inclusions of the different key elements of the approach (Wulff Jensen, 1012:18).

ANT is based on a few key concepts, which is important to understand when applying the theory. *Networks* play an important role in the theory, since networks are seen as defining objects (Law, 1999: 3). ANT argues that the meaning and role of an object is created based on its relations to other objects (ibid). Those relations are not necessarily visible, structured or established and can consist of several types of relations at the same time (Latour: 1996). However, without any network an object does not have any meaning, which is why the networks are impossible to ignore when investigating them. An *Actor* is seen as something, which is acting or is given *agency* by others (Latour, 1996:53). Actors are vertices of a network and the two concepts cannot be separated from each other, since they provide each other with sense and predictable acting in given circumstances (Jensen, 2014:189). Networks are defining the role of an actor, and the actor represents the structure of a network. It is important to notice that actors are not necessarily humans, but can be everything from groups or organizations to technologies and physical things. The actors are put into order by the characteristics of the network by the use of the concept *translations* (Jensen, 2014:190). Translations are the processes, which build the relations between actors and creates action nets (Callon, 1986:224) (Czarniawska, 2008:16). This translation process creates a connection between two elements that is different from each other, which provides an actor with the possibility to represent other actors in the network (ibid). The characteristics of the translations is therefore crucial to the understanding of actors and networks, and due to their importance, actors will often try to gain power of the translations of a network (ibid). The first part of a translation is named *The obligatory passage point*, which is something that all actors need to decide their attitude to in order to reach the target of the translation (Jensen, 2014:201). The obligatory passage point can be used in locating elements that are unavoidable in the translation between actors, which can be relevant when investigating the possibilities and limitations.

ANT is a practical approach on how to construct an order, which can be used in analyze humans, technologies and other objects (Jensen, 2014:195). It is the objects position in the network, as well as its relations to other objects that facilitates the opportunity to analyze them and draw conclusions of practical findings in a given situation or case study. The structure and key concepts of ANT has been applied on various types of research thorough the years within completely different fields. The practical and concrete approach is important, since ANT does differ from social constructivism and does analyzes elements based on findings that can be linked to exiting elements or relations. ANT wish to describe the existing instead of explaining it, which means that the perspective can avoid subjective presuppositions, political impacts or existential affections in its research. ANT sees empirical proximity as a scientific advance and believe that it can be problematic if general explanations, whether those are theoretical founded or not, undermines practice (Wulff Jensen, 2012:21).

Another important term within ANT is *immutable mobiles*, which describes objects that can be moved without changing its form (Law, 1990:26). The immutable mobiles approach provides ANT with the possibility of analyzing objects that are globally spread and physical dynamic. Said in other words, the ANT does not see a network as changing based on change on locations of its actors, as long as the practical relation between the actors remains the same. This is what makes the difference between network and action nets (Czarniawska, 2008:19). While networks can change based on time or location an action net between actors will, when stabilized, remain the same because the action net defines the actors (ibid).

ANT is often applied in the research of the relation between humans and technology. Different actors within the area have the possibility of representing something and play a role in the network (Jensen, 2014:204f). It is this role that is important and the driven power is therefore not the characteristics of the individual human or non-human actor. ANT differs from most other theories, as it does not respect traditional dualisms and for instance assimilates technologies with humans (Jensen, 2014:205). Similar to social constructivism ANT believe that technical systems are developed as a results of negotiations between people, institutions and organizations, but do consider technology as an active part in these negotiations (Latour, 1992:151). Obviously ANT does not believe that technology has the ability to think and act in the same way as humans, but the theory argues that its physical structure, design and functionally makes it more than just tools, but active elements that defines their relationship with other actors such as individuals, groups or organizations (ibid). The development of technologies has made this argument more valid, since technologies are playing an increasingly more crucial role in how to understand the modern organization, society and relation between individuals.

ANT can also be used when studying organizations. Traditional organizational elements such as people, properties, events, place and problems can be hard to investigate without defining exactly how they should be considered (Czarniawska, 2008:16). When applying the ANT perspective the elements can be sorted and analyzed based on their relation to each other and role in an action network (ibid). These methods can be seen as a way of minimizes the priori assumptions before investigating organizational elements (Czarniawska, 2008:17). When applying the perspective on organization it is easiest to start by defining actors, network and transaction that are concrete and visible (Czarniawska, 2008:21). This definition can create a framework of the organization that makes it possible to investigate and analyze the different elements in a way that provides value to the research and its conclusions. The action net in an organization may be complex, which means that it might be necessary to distinguish between important and less important actors and relations (Czarniawska, 2008:23).

Another way to minimize complexity when studying network in an organization is to base the research on simple processes within the organization (Czarniawska, 2008:30). An example of this could be to look at the processes related to accounting, product supply, sales etc., which will define actors, networks and translations within in a organization in relation to chosen research focus. Another important element when applying ANT on organizations is to avoid exclusion of actors outside the organization (Chua&Mahama, 2006:7). Networks go beyond the barriers of an organization and can include actors from outside if they are involved in given processes or outcomes (ibid). However, this makes these types of network different from the ones who has been described earlier, since the dynamic of the relationship might change radically due to the enrollment or leave of third party actors in the networks (Chua&Mahama, 2006:7f).

Organizational networks are also characterized as consisting of actors with self-interesting and their own way of seeing things. There can be a differences in what they see as right or wrong, relevant or irrelevant, easy or difficult etc. Consequently, conflict might appear in the network and ANT seeks to explore how they are resolved or managed within organizations (ibid). The different actors within an organization can, due to ANT, have different levels of power and be more or less influential in specific processes (Chua&Mahama, 2006:9). For instance managers might have a position in the network where they are obligatory passage points, which has a crucial impact on the translation and thereby the shape of the network and processes within it. Other examples could be different human or non-human control functions within an organization. Control systems are important when investigating a network, as they can solve and prevent conflicts, but also create and increase them (Chua&Mahama, 2006:10). Also the history of the network matters, since rrelationships between actors will often be influenced by memories past events and interpretation for the present.

Chua&Mahama: 2006:11). The historical perspective might also explain the shape of the network and the position and characteristics of the participating actors, as well as the control systems within it.

This section has outlined the basic concepts of ANT and explained the approach that the method is taking when analyzing objects in a specific situation. It should be clear that ANT draws on other theoretical perspectives, but also bring a practical and relatively structured method for scientific research. It has also been outlined how ANT can be applied when studying technology and its relation to humans or other actors, as well as how ANT could be applied when investigating organizations and the processes within them. The purpose of this section has not been to discuss the possible limitations of ANT, but to outline clarify the approach of the perspective and by that explain what the study design of this thesis is based upon. Thorough the thesis is should be clear what the ANT method provides to this research and possible also what is excluded as a consequence.

2.3 Scientific perspectives on technology

The scientific perspectives on technological consist of overall two paradigms, which define the approach to technology in relation to humans, organizations and society. The *technological determinism* perspective has an idea of humans of being determined by the technological development. Examples of this approach is the Canadian philosopher Marchall McLuhan focusing on technological impacts on communications (McLuhan, 1964) and the Spanish sociologist Manuel Castells who represent a soft technological determines expressed through his conceptualization of the transition to todays information age (Castell, 2000). The other paradigm in relation to technology is *social constructivism*, which in contracts to technological determinism, sees technology as determined by human activity. The two paradigms are based on two different perspectives within philosophy of science as well as two different focuses on respectively functionality and symbolism.

A third perspective is the *socio-material* perspectives, which claims to resolve the debate by the idea of social reality to be constructed through networks of both human and nonhuman actors (Latour, 1992:151). Based on the methodology and ontological basis of this thesis, socio-materialism is stated to be the main approach to technology and many of the applied concepts and arguments in relation to this way of considering the relation between humans and technologies (ibid).

2.3.1 Affordances

A way to explain this relation is by the *affordances* concept, which is developed to explain humans orient to objects in relation to what the object afford for action (Hutchby, 2001:442f). The concept is defined as *"functional and relational aspects which frame, while not demining, the possibilities for argentic action in relation to an object"*(Hutchby, 2001:444). The perspective can be used for analysing technologies considering technologies as enacted by humans, but also as something that constrain them at the same time. The sets of possibilities are often not determined, but dependent on the actors which are enacting them. Technologies can be designed, consciously or unconsciously, to open certain social options and close others (MacKenzie & Waicmann, 1985:3). An ERP system may develop different practices dependent on the organizations or individuals that are using the system. Functionality within a system is not only related to technological features, but also to the actors that are using the system, which can be seen as the relational aspect (Zamuto et al.2007: 753) (Hutchby, 2001:448). Complex technologies can neither be separated from the social setting or environment that it appears in and will change its characteristics when this is changing at any level (location, users, situation, processes, role etc.). Understanding of the affordances of a system requires that the features of IT, organizations and individuals are considered simultaneously and that objects are seen as a social element influencing organizational functioning and processes (Zamuto et al. 2007:754). Examples of affordances of IT are visualization of processes, real-time/flexible product or service creation, visual collaboration, mass collaboration, simulation/synthetic representation etc. (Zamuto et al.2007: 755ff). The possible benefits from these affordances depends on weather an organization and its members is enabled to gain them and weather the IT system provides them with functionalities and way of using them that are relevant and possible for the actors. The affordances perspective challenges the view on technologies as something that requires humans to adapt, but rather sees it as something that require them to shape (MacKenzie & Waicman, 1985).

2.4 Methods

The section has the purpose of presenting the applied methods of the thesis and illuminating some of the considerations that has been made in order to produce knowledge and answering the research question of the thesis. A fundamental way of producing new knowledge is by the use of hypotheses, since they have the ability of securing that the knowledge is produced in a systematic and structured manner (Hviid Jacobsen, 2010:29f). A hypothesis is an assertion of the reality, which can be verified by the research of selected empirical data (ibid). Two key concepts within methods are *induction* and *deduction*. An inductive approach strive to create theory on behalf empirical data, while a deductive approach is based on existing theory or knowledge which is used to test or explain reality.

This study is based on a deductive approach, where existing theory are applied and tested in reality. This approach requires a sort of hypothesis that is, as it is often seen, close related to the research question of the thesis (Hviid Jacobsen, 2010:33).

The research question of the thesis is:

How can Enterprise 2.0 impact Prime Cargo in relation to 1) The pricing process, 2) the operational process and 3) the sales process?

The hypothesis for further deductive research, which is related to this outlined research question, can be articulated as:

Enterprise 2.0 can impact Prime Cargo in relation to 1) The pricing process, 2) the operational process and 3) the sales process.

It should be noticed that this hypothesis refuse to judge whether the impact from Enterprise 2.0 is positive or negative, but does never the less state, in opposite to the research question of the thesis, that Enterprise 2.0 *will* impact the three processes. This hypothesis is based on existing theory within Enterprise 2.0 as well as within relevant theoretical fields in relation to the three processes. This hypothesis is possible to test based on the empirical data of the thesis and it should afterwards be clear whether it can be seen as valid or wrong on behalf on the research and analysis. An inductive approach to this study would have started by investigating the empirical data and afterwards explained the findings by the use of existing theory or created new theory in order to explain the findings. The thesis has character of taking a normative approach in the way of applying the selected theory and analyzing relevant elements in relation to the research questions. However considerations of more descriptive character will be included where this is seen as relevant or necessary in order to describe currently existing conditions and observations.

The research question, the hypothesis, as well as the methodological reflections, have defined the study design of the thesis, which in many way can be seen as a case study. Case studies are detailed examination of a single example, which might provide outcomes that can be tested on a larger number of cases (Abercombie et al., 1984:34). As the research question of this thesis is related to a specific a case company and due to characteristics of the applied methods and scientific approaches, the main purpose of the thesis is *not* to test the hypothesis on a larger number of cases. However this does not mean that the conclusions of the study cannot be relevant for other companies with similar characteristics as the case company, which will be discussed later in the thesis.

2.5 Empirical Sources

The main empirical sources of the research consist of a number of qualitative interviews, which has been made among the employees within the case company. The following section will provide an overview of the qualitative research that has been conducted and describe the methodological elements as well the research techniques that have been applied.

2.5.1 Interviews

The section has the purpose of providing an overview of the applied methods and techniques, as well as some considerations and reflections in relation to the quality and contribution to the overall research. Previously, actor network theory has been described and presented as the main scientific approach to the research. Actor network theory focuses on the connections and relations between the concerned actors and a way to observe these connections is by the use of in-depth interviews (Dankert, Ritske 2016).

Four interviews has been carried out and applied in this thesis. The interviews have been made with employees in the case company working as forwarders, which are seen as actors in the investigated network and the connections between them are considered as the main area of interest due to the overall research and theme of the thesis. Two of the interviewed forwarders are working the Denmark, while the remaining two are working in China. This selection has been made due to a perception of the geographical diversity to have an important role in defining the individual actor and their position in the network. The purpose of the interviews was to get valuable insights and knowledge of the characteristics of the case company, the organization and the industry. In addition to interviews with forwarders, a manager in the company has been interviewed with the purpose of obtaining relevant information of the company and the industry. In addition to the actor-netwrok approach, which has been clarified as the main scientific approach of the thesis, the analysis of the interviews was made with inspiration from hermeneutics. The hermeneutic approach focuses on a deep and emphatic understanding of the subjects' attitudes and behavior with the purpose of analyzing it with own pre-understanding taken into account (Launsø&Rieper, 2005:24f). This was required in order to secure a valuable outcome of the research process and should not be seen as an inclusion of hermeneutic in the thesis on a more general level, since this is seen as slightly conflicting with some of the elements and approaches of the actor-network theory.

On behalf of this consideration, the following description and discussion of the applied techniques will focus on the interviews with the forwarders and less on the interview with the manager, even thorough many of the techniques and reflections that has been made are the same for all interviews.

Qualitative interviews are a powerful method of the producing knowledge, which is constructed in the interaction between the interviewers and the subjects (Kvale, 2009:2f). It is often used within the paradigm of constructivism in due to a believe of interaction to be the way to elicit and refine constructions (Guba&Lincoln, 1994 111). It is seen as a way of investigating the subject's world by getting knowledge of how the subjects understands it and possibly insights that goes beyond their awareness. Qualitative research has a long history in social science, but assessing the quality of those researches are more difficult and there exits different opinions and approaches to which criteria's that are to be used (Justesen & Meyer, 2010:47). Validation and reliability are considered as unavoidable elements and the following description and reflections on the interview process has the purpose of clarifying and outlining different selections and de-selections and thereby provide transparency of the applied research method.

	Participant	Position	Age	Nationality	Date of interview	Location of interview	Medium for interview
Interview #1	Henrik	Sales Manager	38	DK	30/3 - 2016	Greve, Denmark	Face to face
Interview #2	Rikke	Forwarder, Sea Freight	23	DK	30/3 - 2016	Greve, Denmark	Face to face
Interview #3	Daniel	Forwarder, Air Freight	23	DK	30/3 - 2016	Greve, Denmark	Face to face
Interview #4	Janus	MD, Prime Cargo China	42	DK	1/4 – 2016	Frederiksberg, Denmark / Shanghai, China	Skype
Interview #4	Jimmy	Forwarder, Air Freight	40	CH	1/4 – 2016	Frederiksberg, Denmark / Shanghai, China	Skype

Overview of conducted interviews, Source: Own creation

The process of conducting interviews can be sorted into 7 stages 1) thematizing, 2) designing, 3) interviewing, 4) transcribing, 5) analysing, 6) verifying and 7) reporting. (Kvale, 2009:33) These stages have been used as a guideline to secure a structured and appropriate process with a valuable outcome.

1) To thematize the interview means that considerations of the purpose and the methods have to be done as the first step of the process (Kvale, 2009:37). The overall purpose of the interviews have already been outlined in this section with the statement of qualitative interviews to be a powerful way to gain knowledge of the actors in relation to main topics of the thesis. Knowledge of characteristics of the concerned network, actors and translation were seen as crucial in order to answer the research question behalf of empirical findings.

2) **The interview design** was chosen based on a combination of its purpose, the concerned elements to be investigated and practical conditions. The interviews were semi-structured with prepared questions, but also with openness to change the sequences and questions forms in order to follow up the answers (Kvale, 2009:52f). This approach is seen as valuable for various reasons. The lack of prior knowledge of the subjects and their world made it hard to predict the answers and thereby prepare questions that could cover the entire area of interest. The semi structured approach provided the possibility of asking unprepared questions based on the answers of the subjects and the flow of the interview. It also made it possible to explain and clarify the prepared questions to the subjects, which is considered as just as important, due to the previous described lack of prior knowledge, and due to the need of getting a valuable output of the research. It was the ambition to facilitate conditions for an open and dynamic interview where interviewers and subjects could interact in a natural way. However structure was needed to secure that the right questions was addressed and the concerned topics covered. Because of this, interview guides were prepared containing questions and topics to be covered (Kvale, 2009:56). It has also been important to brief and debrief the subjects to make them comfortable with the scope of the interview and facilitate a valuable social interaction. However the way of briefing and debriefing the forwarders differed slightly from the briefing and debriefing of the manager due to earlier mentioned differences in the purpose of the two type of interviews.

3) There is no ideal form of **interviewing** and the form should be chosen on behalf of the topic(s) and the overall purpose of the interview (Kvale, 2009:78). Different subjects might have to be interviewed differently based on their age, culture, knowledge etc. (Kvale, 2009:68). In this case, the subjects from China were interviewed together, while the Danish subjects was interviewed one by one. This was done in order to try how different interview situations could provide different value. The Chinese subjects had the possibility of comment and complement each others answers, while the Danish subjects were able to give their views on the relevant topics without caring of other subjects presence during the interview sessions. Reflections on the cultural differences were also made before doing the interviews since Chinese subjects might have

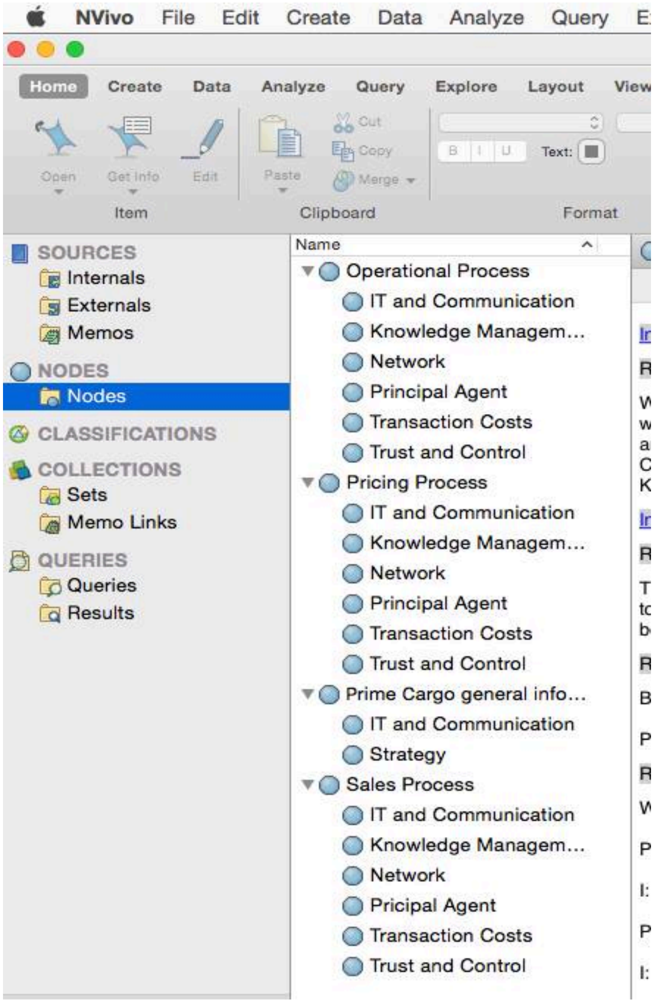
different norms of interaction than the subjects from Denmark. However the main reason for choosing subjects of two nationalities was that they due their geographical diversity represented different parts of the investigated organization and network. It has never been the aim to make the subjects comparable and the cultural differences and possible impact on the answers are considered as reality and something that should be taking into account in the study. To use the same prepared questions is, in this case, actually seen as valuable, since it provides the possibility of illuminate differences in the characteristics of the different subjects or actors. In addition to this it has been the purpose that all the interviews should provide the same level of knowledge in relation to themes etc. It should be noticed that the interviews with the Danish subjects was made face-to-face, while the Chinese subjects were interviewed with help from a Skype connection. These differences affected certain elements such as facial expressions, but were after all not seen as having an important impact on the outcome from the interviews.

4) The **transcription** of the interviews was made in awareness of the possible issues when converting an oral conversion into text (Kvale, 2009:93). These issues include the lack of possibility to turn elements such as body language; voice characteristics and other verbal elements into text and valuable knowledge might be missed as a consequence. The transcription was made for further analysis of the answers and inclusion of quotes to illuminate the empirical findings in the thesis. Since three of the interviews were made in Danish, a translation of the transcriptions was made in order to make them useable to include in the thesis. The full transcriptions are shown of the appendixes. The computer programme Express Scribe was used as a helping tool for the transcription as well as transcription guidelines were applied to secure compliance with common standards and principles.

5) **Analysing** of the interviews was made with help from a coding process based on the transcription of the recordings. Coding is seen as valuable way of analysing qualitative interview where the focus is on the meaning rather than the language and there exist several different strategies and variants of the activity (Kvale, 2009:104). The coding was characterized by being a mixture of *focused* and *theoretical* coding, since

the data was sorted into categories based on theories and topics as well as the processes they were related to. (Thornberg&Chamaz, 2014:8ff).

The computer programme Nvivo was used as a practical tool for coding the answers. Firstly, the material was given nodes based on the three processes in order to clear which process the individual answer was related to. In some situations the category was a results of the asked question, while other answers addressed a particular process by initiative from the subject. An additional node named *"Prime Cargo general information"* was made, since another purpose of the interviews was to get as much information of the company and organization as possible. Thus this information is not seen as relevant as the information in related to the processes, it was seen as necessary to provide it with a node in order to secure that the information was structured and applied in the further research. Each process, as well as the general information, was provided with a number of subcategories. The subcategories was made on behalf of the theoretical elements that was to be investigated as well as other interesting element such as IT and communication. This was done in order to turn the answers into data that was possible to analyse by the use of different theories within the different areas.



Screenshot from Nvivo with overview of nodes, Source: own creation creation

It should be noticed that some answers was related to more than one process and furthermore also more than one subcategory. Here follows an example of how the coding was done in practise.

"I: Is it like that you are having, what to say, some internal routines or roules for how fast you should have a reply from a colleague and so on. Or does it just work?

P: I know that in many other companies they have a system where actually have to reply within a specific time or something. But we haven't at all. But it is important for us that we reply really quickly. And it is everybody in the department. Rates or bookings or whatever. And then we also have email and phone at home" (Interview #2).

Since the question was asked in a context related to the operation within the company, the answer was provided with the node *Operational process*. Afterwards it was provided the nodes named *knowledge management*, *trust and control* and *communication* since chose three topics were considered as being the one addressed in this answer. By the end of the coding process, all relevant data was sorted into categories or process, as well as subcategories or relevant topics, which made it possible to include analyse and apply the data in a structured and meaningful way. It should be noticed that some of the material was not provided with any nodes and was therefore excluded from the analysis, thus all answers and observations during the interviews was kept in mind during the process of the thesis. However it is considered that the amount of usable data from the interviews was quite large and the outcome from the interviews and later coding process was valuable for further analysis.

6)

The **verification** processed consisted of a judgement in relation to the reliability and validity of the interviews including some critical reflections on the applied techniques (Kvale, 2009:122). Due to the scientific basis of the research it has not been the purpose to generalize to much on behalf of the interviews, which means that the answers was primarily seen as an expression of the individual subjects attitudes and perceptions. However as the study focuses on the entire network within the case company, and not only the interview subjects, the answers and collected data are considered as being more or less representative for colleagues within the network dependent on the topic and question. Answers regarding processes and routines are considered to be representative which is supported by the knowledge of the company and industry, while personal attitudes to IT or relationships to colleagues are considered as more associated to the individual. Due to these considerations the data from the interview are used as evidence in awareness of uncertainties and limitations, which will discuss further in the final part of the thesis.

7) Reporting

No comprehensive **reporting** of entire interviews has been made, since this was not seen as relevant for thesis based on purpose and outcome of the interview process.

2.5.2 Others

Apart from the previously described interviews, the case company has offered a number of other types of empirical material. These materials include a company presentation, an outline of their business strategy and a requested snapshot from their intranet. The company presentation is included in the introduction to the case company in the thesis with the purpose of securing a valid and realistic foundation for further analysis. The strategy is included in this section as well and is consideration as an important element in illuminating how the case company perceives itself, their current situation and future aspirations. The company presentation and outlined strategy has also contributed a solid understanding of the case company and its industry, which is seen as valuable supplementary knowledge to the included academic theory as well as the empirical data. Additionally some public information from Prime Cargo website including their annual report has been included. The material has been used in awareness of its subjectivism, meaning that some critical reflections on the validity and usability of the material has been made and that the material is only included in a way where it does not affect the research in a scientific inexpedient way. The snapshot from the intranet of the case company is included in the presentation of the current IT structure of the case company in order to facilitate a better understanding of the described conditions.

2.6 Summary of methodology

This section has outlined the methodology and scientific basis of the thesis. It should be clear that the key method the study is actor-network theory that builds on basic ontological logics within constructivism. They key concepts of actor-network theory are crucial in understanding the key arguments within the thesis as well as the approaches to key elements such as technology, organizations individuals and relationships. It has also be clarified how the method of the thesis has a deductive character and how a hypothesis has been established on behalf of the research questions. The deductive method is allowing the study to test this hypothesis by the use of empirical research, which is obtained by doing qualitative interviews among the employees within the concerned case company. Many of the presented elements within this section will be applied, examined and discussed during the thesis, while other should be taken into account by the reader to ensure an appropriate understanding of the thesis and its way of producing reliable and useful knowledge.

3 Theory

This chapter will present the theoretical perspectives of the thesis, which will be applied in the following analysis, discussion and conclusion. The first section of the chapter will introduce to Enterprise 2.0 by presenting a literature review and clarify key concepts and perspectives of the element. This is followed by a presentation of knowledge management and trust/control with an outline of relevant concepts and models of the topics. The final sections of the chapter holds brief presentations of respectively network theory and transaction costs.

3.1 Enterprise 2.0

In this chapter, we want to create a clear understanding of Enterprise 2.0 and the possibilities it brings when used in an organizational context. In order to get a full understanding of Enterprise 2.0, we have reviewed the past and current literature of Enterprise 2.0, which contributed to our basis for discussion and analysis.

To begin with, we will provide historic review of where the phenomena Enterprise 2.0 came from. Then we will highlight some of the definitions that have been offered from leading scholars within the field of social collaboration. At the end of this chapter we will discuss the benefits and threats that scholars believe can arise when implementing Enterprise 2.0.

3.1.1 Literature review – where is Enterprise 2.0 coming from

Research on how IT can support collaboration as we know it today dates back to the late 1970s and early 1980s (Peppard & Ward, 2004: 168). Scholars have had many different approaches and analyzed the field with many different perspectives. The field got divided into many subfields, each dealing with different challenges and goals. One of these subfields is *Computer-Supported Collaborative Work (CSCW),* where scholars for the first time in 1984 met in a conference to discuss ideas and results, in order to understand how IT could leverage group work (Koch et al., 2015: 149). Since then software vendors have offered multiple products for supporting interdependent teams and groups (McAfee, 2009: 39). These software products or applications started out as being labeled either groupware or knowledge management (KM) software of corporate CSCW (McAfee, 2009: 40). CSCW did not only contribute to new and better software systems, but in addition CSCW researchers also supported promotion of methodological methods to the information sciences (Koch et al., 2015: 149). CSCW researchers were in the forefront when it came to ethnographic studies in the information systems discipline and added to the rising perspective that people are not just consumers of information systems. Instead users are to be seen as active contributors analyzing their behavior and needs as well as the process through which the influence take place (Brenner et al., 2014: 56). Having this approach will create opportunity for designing new concepts, methods and theories (Ibid.).

Another stream of research in addition to the CSCW was *Group Support Systems (GSS),* which builds on ideas from the beginning of 1970s (Koch et al., 2015: 149). The GSS approach was invented due to the need for supporting collaborative work practices, which build upon shared editing and polling tools optimizing idea generation, convergence, organizing and evaluation (Ibid.). In contrast to CSCW, GSS was focusing on larger groups from tens to hundreds. CSCW, typically, was focusing on smaller groups of three to six people (ibid.). In other words, GSS facilitated the opportunity for supporting a group move smoothly from activity to activity as they meet the goals of their plan (Koch et al., 2015: 150). Research showed that GSS users, who were led by expert facilitators, would halve their labor hours. Furthermore, these teams would reduce project cycle times by an astonishing 90 percent and at the same time create better products (Koch et al., 2015: 150). There was a major challenge though; the expertise from the facilitators was expensive and scarce and because of that many teams did not realize the full potential of the technology (Koch, Schwabe, & Briggs, 2015). The missing realization gave birth to the discipline *Collaboration Engineering* in 2000(CE) (Ibid.). *Collaboration Engineering* is an approach to create collaborative work systems. The contribution that *Collaboration Engineering* offers is that practitioners can do the high-value tasks in an optimal manner without ongoing help from an expert facilitator (Koch et al., 2015: 150; de Vreede, Briggs, & Massey, 2009). The developers and researchers of *Collaboration Engineering* sorted out how to gather collaboration techniques with collaboration technologies in a way that allows normal users to unwrap the benefits from these systems without training (Koch et al., 2015: 150; Briggs, Kolfschoten, Vreede, Lukosch, & Albrecht, 2013).

After *Collaboration Engineering* the *Social Computing* discipline was developed. *Social Computing* is IT systems that support interaction and socialization. Within the stream of *Social Computing,* the term Social Software covers tools or products that benefit from the added value that human social behavior offers (Koch et al., 2015:150). The focus of *Social Computing* is often on very large masses, from thousands to millions of people. As a result of that, *Social Computing* primarily looks at issues that emerge on a large scale; such as how a technology can create cultural change (Koch et al., 2015:150). In addition, it is stated that Social Computing tend to focus more on communication than on coordination and collaboration. Furthermore, *Social Computing* is dealing more with consumer field than within organizations (Koch et al., 2015). The methodical focus of *Social Computing* is in other words mostly studies of mass participation, where CSCW has had a typically ethnographic approach (Koch et al., 2015). But researchers from the different disciplines have recognized that multiple approaches must be conducted in order to get a complete understanding of collaboration and its interdependency with technology (Koch et al., 2015).

One of the most well-known groupware systems was Lotus Notes, which was released in 1989 and after the release of Lotus Notes groupware systems became quite widespread (A. McAfee, 2009:40). The applications offered companies to: organize and share unstructured information, bulletin boards, which enabled users to interact and comment on issues in a structured format, document sharing, news group, emailing and calendaring (Chauhan & Bontis, 2004: 596; McAfee 2009:40). Even though the applications offered many possibilities, many organizations did not use the possibilities and only used the email and calendaring functionality (McAfee, 2009:40).
In the 1980s and 1990s the other big thing, besides groupware, was knowledge management systems. Knowledge management systems were originally a database and a front-end application where the users could fill in information to the database (A. McAfee, 2009:40). The point of knowledge management systems was that employees could fill in all their information from previous experiences in order for other colleagues to retrieve it (Ibid.).

Moreover, above shows that Enterprise 2.0 systems were not widely spread in the context of organizations. The reason for the missing implementation can be explained by the huge changes that the Internet has gone through (McAfee, 2009). After we entered the new millennium, new technologies and new communities have created the Internet as we now it today – which has been coined Web 2.0. Web 2.0 provides several new possibilities to the field of collaborative work. By looking at the changes from the Internet before the millennium to the Web 2.0, as we know it today, we can highlight the changes that might make us understand why it has taken so long for organizations to embed the options that Enterprise 2.0 offers to organizational context.

As McAfee highlights it, it is by looking at the differences between the "old" Internet and the new generation of the Internet–that we can understand what the limitations was and what the new possibilities are. Therefore we will, in the section below, describe what Web 2.0 implies to the arena of computed-mediated communication.

3.1.2 Web 2.0

Web 2.0 changed the way that users of the Internet could interact with the Internet. The change from Web 1.0 is not fundamentally different, however, there are some changes that we will go through meticulously in this section, because it is important to understand the possibilities that it offers to organizations as the Internet gets more and more embedded in our daily lives and especially in relation to our work life and knowledge workers. It is important though to mention that there is no distinctive difference from Web 1.0 to 2.0, which has created ambiguity about what is Web 1.0 and what is Web 2.0. The concept of Web 2.0 started out as a conference where scholars commented on the developments of the Internet in the backlight of the dot-com crisis, which happened around the millennium (A. McAfee, 2009:45). They came to the conclusion that the companies that survived the dot-com collapse had a lot in common and therefore they saw it as a turning point and named the conference, Web 2.0 Conference and gave birth to the term Web 2.0 (A. McAfee, 2009:45; O'Reilly, 2005). There is no clear distinction between Web 1.0 and Web 2.0, but scholars saw that there were some new developments on the horizon, which had the characteristics of what is called Web 2.0 technologies (A. McAfee, 2009:45; O'Reilly, 2005). Some of the companies or sites that are thought of as Web 2.0 are:

- The collaborative produced encyclopedia Wikipedia
- Social networking site Facebook and MySpace
- Web-bookmarking resource Delicious
- Media-sharing sites Youtube (for videos) and Flickr (for photos)
- Blogging utilities such as Blogger and Typepad and the blog-tracking site Technorati
- Web search engine Google
- Location-based classified ad site Craigslist

  Source: (A. McAfee, 2009:45; O'Reilly, 2005a)

In 2006, Tim O'Reilly came up with the definition of the Web 2.0: "*Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as platform, and an attempt to understand the rules for success on that new platform. Chief among those rules is this: Build applications that harness network effects to get better the more people use them"* (O'Reilly, 2006). In addition, O'Really emphasizes that actors that work within the computer industry should harness the possibilities that the network effects offer as they are fundamental in the work with Web 2.*0* (O'Reilly, 2006). It is fair to state that it should not only be actors within the computer industry that should harness from the network effects but everybody in the social sphere should be aware of its ramifications.

But before focusing on the network and its effects we want to elaborate on the understanding of the technological tools that bridge Web 1.0 with Web 2.0. Web 2.0 builds on the same technical requirements as Web 1.0, being HTTP, HTML and a web browser (Newman & Thomas, 2009:58). A good example of how technological change has made the Internet more accessible is the development that blogs and webpages have gone through. If you before the rise of Web 2.0 wanted to create a webpage, you needed to buy a domain and be able to write in HTML code and then upload the file. This was for the general users of the Internet quite a hassle and difficult, but blogging software erased many of the limitation for the users, and one could now create a webpage within minutes. These blogging sites, such as wordpress.com and blogger.com, have a simple interface and are also free (Newman & Thomas, 2009: 205). Web 2.0 as a platform, mentioned in the above definition from O'Reilly, has changed the way applications are being build and used (Newman & Thomas, 2009: 58). The difference in the approach from Web 1.0 to Web 2.0 is instead of focusing on the operating system as the platform, where you build and use the applications, the Web 2.0 approach is that the web browser is the platform for applications. This is what O'Reilly means by "the Internet as a platform" (Newman & Thomas, 2009:; O'Reilly, 2006). Examples of these are all the different webmail hosts but also applications such as Google Maps and this new way of working with applications are categorized as Rich Internet Applications (Newman & Thomas, 2009: 105).

Additionally, we have also witnessed a new way of structuring content on the Internet, which is adding quite some value when we are dealing with data and especially with all the data that can be stored on the Internet. Even dealing with data in much smaller portions can be tough to work around. So being able to categorize topics and information has been highly yielding to the way we work with the Internet in the Web 2.0 era. The Internet is with Web 2.0 marked up by tagging and it works the way that users tag information with relevant key words, which allows other users to find the information faster (Newman & Thomas, 2009: 146). This kind of tagging is to be understood as a type of meta-information that captures knowledge about an information resource. But within social network sites tagging can also be linking to another's profile. Designing the categories that the content falls into comes from the science of classifying things, called taxonomy(A. McAfee, 2009: 59; Newman & Thomas, 2009). The tag phenomena or allowing others to decide the categories is called folksonomy (Newman & Thomas, 2009: 125). Many of the social networking sites we know today are heavily using hashtags to generate more shares in order to create more viral activity.

Another important technological feature that Web 2.0 has brought along is the Software as a Service (SaaS). SaaS is a technology that is contributing to the development that the Internet as a platform instead of programs being purchased and downloaded. The SaaS technology offers the users simplicity in the way that they only have to visit the website and sign up for the software which is hosted on the provider's data center(Newman & Thomas, 2009:59). With SaaS the users do not have to worry about upgrading, debugging issues, backup and other issues etc. With SaaS these are transferred to the service provider, which have the know-how and resources to deal with the problems (Newman & Thomas, 2009: 9). Today we know companies like Google

and Facebook, which are built on the SaaS technology.
Furthermore, collective intelligence is one the threads, which is the fabric that Web 2.0 is made out of (A. McAfee, 2009: 149). Collective intelligence technology is actually including recommendation engines, pricing models and spam filters that are build from mathematical models and algorithms (Newman & Thomas, 2009: 9). Collective intelligence is closely related to knowledge management, as collective intelligence can be useful when people are trying to locate information. A company that has evolved around the principle of collective intelligence and has gone from being an online-bookstore to a global retailer of almost everything you could think of is Amazon. Amazon is known for being at the very forefront of technology and utilizing the technological ability and collective intelligence by showing you other related books that you might find interesting when you are looking at a book, based on topic and what other customers buying the same book looked at and purchased (Newman & Thomas, 2009: 10). This is also referred to as the collaborative filtering (A. McAfee, 2009: 82). Amazon applied this to other products as they went on to sell other products and have gotten tremendous growth from it.

Web 2.0 and its technological capabilities have, to a large extent, changed the way we navigate the Internet. With the above section we hope to have illuminated the broad changes that the Internet has undergone. We have shown some of the innovative approaches that Web 2.0 offers. This creates a natural segue to go into depth with what Enterprise 2.0 is. We have in the above created an understanding of what Enterprise 2.0 builds on, and we will in the following explore the definition of Enterprise 2.0. More importantly, we will dive into how companies can leverage the technological possibilities and adopt the advantages that Enterprise 2.0 offers companies and how it can support their business model when having an internal perspective.

3.1.3 Defining Enterprise 2.0

Enterprise 2.0 was coined by Associate Professor of Harvard Business School, Andrew McAfee, in 2006 with the article ”Enterprise 2.0: The Dawn of Emergent Collaboration”. McAfee wanted to describe how the Web 2.0 technologies can be applied to a company context and further how focusing on how these platforms can make practices and outputs visible to and from the knowledge workers of the company (A.

P. McAfee, 2006:23). The aim of Enterprise 2.0 is the same as its predecessors[1] to ensure significant benefits to the company. According to McAfee the formal definition of Enterprise 2.0 is:

"Enterprise 2.0 is the use of emergent social software platforms[2] by organizations in pursuit of their goals" (A. McAfee, 2011:1).

By that McAfee describes that his focus is on the platforms available for companies in order to make visible the practices and outputs of the knowledge workers (A. McAfee, 2009; A. McAfee, 2006). McAfee highlights that the most remarkable feature of the new technologies is that they do not: *"…impose predetermined workflows roles and responsibilities, or interdependencies among people, but instead allow them to emerge"*(McAfee, 2009b). According to McAfee this is completely different from the other classic ERP applications (mentioned in the above) where they sort of have a template where the employees put in information in order to share information and who does what and when across the departments within a company. Enterprise 2.0 does the opposite, it offers the company and its members to create and refine content with little or no preconditions (McAfee, 2011:1). Furthermore, it is important to mention that Enterprise 2.0 does not focus on the Internet or social media and social trends but on how companies can leverage their performance through working smarter (A. McAfee, 2009). But Enterprise 2.0 is not only for internal use - it can include all relevant participants such as suppliers, customers and other relevant stakeholders from outside the company. However, due to this thesis's focus we will for the most part concentrate our research on the internal effects of Enterprise 2.0.
In order to understand McAfee's definition of Enterprise 2.0, we will break up the definition in the four important topics mentioned in the definition: 'emergent', 'social software', 'platforms' and 'organizations in pursuit of their goals'.

3.1.4 Emergent

Emergent means, in the process of coming into being or becoming prominent, which fits well on social media and the traction it has gotten among the users of the Internet.

[1] Other enterprise systems as ERP (enterprise resource planning), CRM (customer relationship management) and SCM (supply chain management).

[2] Also mentioned in the literature as ESSP

It would not be fair to say that organizations have picked up the use of the Enterprise 2.0 in same degree. However, McAfee describes emergent as: *"Emergent means that the software is freeform and contains mechanisms like links and tags to let the patterns and structure inherent in people's interactions become visible over time"* (A. McAfee, 2009: 69). Freeform allows the users to create their own design of use and they do not have to work around some imposed structure, and it breaks down some of the hierarchy barriers as the freeform is leveraging equality, which embraces dialogue (McAfee 2009b). Freeform also allows many kinds of data (A. McAfee, 2009:70). This is in contrast to other ERP systems where there typically is a fixed structure and standards to go by. With *"...structure inherent in people's interactions become visible over time"* McAfee refers to the business impacting capabilities offered by Web 2.0 technologies in terms of the acronym 'SLATES', which stands for: search, links, authoring, tagging, extensions, and signals.

Search: In order for a platform to be contributing it is a requirement that users can locate the content that they are searching for. The designs of the platforms or sites are important for the user experience, but users are finding keyword searches increasingly more relevant (A. McAfee, 2009:71)

Links: Many people find searching on the Internet a lot easier than searching on their companies' intranet pages. The reason for this is a bit technical, but this is mainly because of Google's brilliant search technology, and their search engine has flourished due to a constantly changing link structure thanks to the users that are creating and linking to the links (A. McAfee, 2009:70). This is typically not the case on most intranets as they are often only authored by a handful of communication employees.

Authoring: When authoring possibilities are given to others than the group in charge of the intranet, it allow employees of the company to contribute with for example knowledge, insight, experience, a fact, an edit or a link (A. McAfee, 2009:70). This has the consequence that the intranet platform will no longer be the creation of a few, but instead will be a dynamic platform that is a creation of many.

Tags: As previous mentioned content can be tagged with keywords helping users to find relevant information easier. This keywords used to be predefined categories, 'taxonomy', but Emergent Social Software Platform (ESSP) allows the users to decide which tags that shall be attached to the content, called 'folksonomy'.

Extensions: Is covering the feature that algorithms are offering the users. The content on an users newsfeed on Facebook or Twitter is an example of extensions. Based on the users previous 'shares' or 'likes' the algorithm figures out what the user might be interested in and exposes the information in the user's newsfeed. As previously mentioned, this is also what Amazon does with their system of recommendations. The algorithm provides you with information based on what you are interested in and what other users with overlapping interests are interested in.
Finally, *Signals:* mainly covers the technology RSS (Rich Site Summary or Really Simple Syndication) feeds. RSS feeds provides the users with notifications on new updates or content, so the user do not have to constantly check their favorite websites for new content as the feature will provide the user with notifications about updates. This helps the user to not constantly look for updates as they will simple just get a notification if there is any new information.
In short, SLATES, was presented here in order to show some of the emergent technological characteristics that Emergent Social Software Platforms (including Enterprise 2.0) have in common.

3.1.5 Social Software

Social software might be the most well-known application of the Web 2.0 technologies as we know it today. Social Software has developed from computer-mediated communication and groupware and is allowing communication and interactivity to flow freely on an Internet based platform. Communication can be done through text but also through audio and video. Interactivity is one of the key features as social software is built on user-generated content typically in a group of users. Social software allows the users to interact in terms of authoring, co-authoring, commenting and collaborating in a centralized or self-regulating manner. McAfee sees Social Software as: *"…a Wikipedia entry roughly characterizes it, enables people to rendezvous, connect, or collaborate through computer-mediated communications and to form online communities"* (McAfee, 2009: 69). There can be many types of Social Software, but these are the most common ones: Instant messaging (IM), collaborative software, Internet forums, wikis, blogs, social project management, e-learning, social bookmarking and virtual worlds.
In order to view how Social Software relates to Enterprise 2.0, one could say that Enterprise 2.0 run on circle of friends principle where people are connected to each other

on a social platform, for example a social media platform. Then the employees can author content, e.g. posts, questions or blogs and then other employees can comment, answer and discuss which can lead to co-creation in terms of wikis. Employees are also able to tag relevant employees as they think would be interested in the topic or have an opinion about the topic. In that way can social software lead to more visible knowledge creation within the company and strengthen the relationship between employees in the company (A. McAfee, 2009). McAfee highlights the social aspect as he emphasizes that: *"The social connection is often the benefit that E2.0* (Enterprise 2.0) *delivers"* (A. McAfee, 2011:5).

3.1.6 Platforms

McAfee defines platforms as: *"(...) digital environments in which contributions are interactions visible to everyone and remain until the user deletes them"* (A. McAfee, 2011: 1). The term platform might be a little difficult to fully grasp by McAfee's attempt in above quote, so in order to fully understand the quote, coming from the outside world of Emergent Social Software Platforms, we will below present the different media that knowledge workers uses. There are mainly two categories of information technology that knowledge workers are using; *channels* and *platforms* (A. P. McAfee, 2006: 26).

Channels are information technologies such as email and person-to-person instant messaging. The characteristics of channels are that communality is low as it is only visible for the ones that are in the email string or are in the instant messaging chat. It is most likely created by a few and can be shared by anyone but only viewable for the ones that have access (A. P. McAfee, 2006: 22).

Platforms are on the other hand, the opposite of channels, as their content is generated, or at least approved by a small group and widely visible (A. P. McAfee, 2006: 22). The typical platforms within the organizational setting are intranets, web sites and information portals, where production is centralized and commonality is high (A. P. McAfee, 2006: 22). Knowledge management systems have both channels and platforms in order for the employees to act in a way that is in the company's interest. That could be transforming tacit knowledge into written knowledge and documenting best practice and relevant experiences in order to have the information in a database, and thereby the knowledge is searchable. You would think that knowledge management systems would have a high priority within companies, but as a search from 2005 shows, knowledge management systems was not even on the list. Knowledge researcher Thomas Davenport made the study, and it showed that channels are the main media of communication, but it is to be expected. This is simply because of the fact that knowledge workers are paid to produce and not to interact on various platforms (Davenport, 2005; A. P. McAfee, 2006). Furthermore, the results from Davenport showed that 26% percent of the surveyed felt that email was overused in their organization, 21% felt overwhelmed from it and 15% felt that it damaged their productivity (Davenport, 2005; A. P. McAfee, 2006). One of the characteristics of channel communication is that the sender 'pushes' information to the sender, whereas on platforms as intranet and websites, information is being 'pulled'. Information being 'pushed' can lead to 'information overload' as the amount of information simply overwhelms the receiver. Another issue with channel communication is that the receiver of the information does not find the information relevant and thereby gets frustrated. A way of dealing with the 'information overload' issue is often that we at a glance evaluate what is relevant and what is not. We then risk deleting information that was important, simply because we do not have an accurate method to select important information or to cut down the number of messages in order for people not to feel overwhelmed.

Thus, there are also challenges with platform communication. In addition to challenges about platforms, M. Morris conducted a research within a company where only 44% of the respondents agreed that it was easy to find what they where searching for on their intranet (M. Morris, 2005; A. P. McAfee, 2006: 22).
Another issue with the earlier channels and platforms for knowledge workers is that they are not functioning very well in capturing the information and knowledge that flow between the employees. Since most of the communication is typically done via a channel, e.g. email, it is simply the fact that correspondence cannot be accessed or search by other employees to whom the information might be relevant. In some cases privacy may be needed, but much information can be shared and will most likely create value to the rest of the knowledge workers. On previous platforms as intranets and

websites the activity from the knowledge worker leaves no trace for the colleagues to find the same relevant information.

3.1.7 Organizations in pursuit of their goals

In order for the emergent social software platforms (ESSP) or social networking site platforms (SNS) to be characterized as an Enterprise 2.0, it must be deployed by organizations in order to pursue their goals as Enterprise 2.0 can help with some of the most vexing problems across multiple areas within the organization (A. McAfee, 2009). Even though admitting that it can be a bit bold, McAfee emphasizes that Enterprise 2.0 can even help solve organizations toughest challenges.

3.1.8 Benefits of Enterprise 2.0

The possible impact of Enterprise 2.0 to an organization is quite complex as there can be multiple purposes for implementing the technology. In order to understand the possible benefits, we will in the following go through the advantages that the literature focuses on when adopting Enterprise 2.0 successfully. Once we have understood what these benefits are, we are positioned as to which tools to deploy in a specific context. McAfee describes Enterprise 2.0 benefits as: *"...as those that arise from the deployment and use of ESSPs and that are difficult to achieve otherwise"*(A. McAfee, 2009: 130). McAfee has observed six specific benefits: group editing, authoring, broadcast search, network formation and maintenance, collective intelligence, and self-organization (A. McAfee, 2009: 130). The benefits will be described below.

Group editing benefit

We have already touched on group editing a little bit in the above, with the example of corporate intranets are typically run by a small team, which are most likely situated in the communication department. This small group of people decides what the intranet should contain. It might be the appropriate approach but in contrast *group editing* offers a variety of other implications. McAfee defines *group editing* as: *"The ability of a diverse set of people to collaborate on a single, centrally stored work product: a document, spreadsheet, presentation, or Web site"* (A. McAfee, 2009: 131). Many of the emergent social software platforms (ESSP) as wikis, Dropbox and Google Docs diminish the issues with version control and simultaneous editing that hamper many efforts to generate a work product as a group (A. McAfee, 2009: 131). Group editing tools have come a very long way since the McAfee's book seven years ago. For example, Google Drive and Dropbox have been improved to such an extent that you do not even feel that they are running on a Web browser and not a stand-alone software. By this smooth transaction from using ~~a~~ software that is on a particular computer to be able to work from basically almost any computer will have the effect that *"Group editing, in other words, will come to look and feel more and more like today's individual knowledge work"* (A. McAfee, 2009: 132). *Group editing* is mainly thought of as being most valuable when collaboration is done with close colleagues. Because of this many companies have *group editing* environments for several groups within the company and in many cases people from the outside of the group do not have access to the content of the group, neither viewing, nor editing. In many cases there may be profound reasons, including security and confidentiality, for making group editing environments closed per default, but is has two negative consequences (A. McAfee, 2009: 132). Firstly, inaccessible content cannot be search for, or tagged, or linked to and therefore it cannot be used by any outside the group which is causing the other negative consequence; when being invisible for the non-members of the editing group, there will be no contributions from outside the group. McAfee highlights that closed group editing environments are often set up to mirror and support organizational groups with a shared goal, which is called *communities of practice* (A. McAfee, 2009: 131). The idea is not far from the existing organizational theories where you position employees with the same tasks in a group within the company in order to share knowledge and educate new members. What is new is that with recent years development in technology, we now have low cost emergent social software platforms that offer organizations to set up a group-editing environment for each community of practice. But by doing so managers or decision makers should carefully decide whether they should keep it open or closed for non-members. By making closed environments there will be no innovation or valuable contributions from the outside of the group. By making group editing environments visible for all members of the organization, the content must be acceptable in terms of confidentiality and security issues.

Authoring benefit

By authoring McAfee means creating content that can be shared online for an audience (A. McAfee, 2009: 133). Authoring is to be seen as a public act and is related to platforms, not channel communication such as email for instance. The product of authoring can take many forms, from status updates, to photos, to videos, to podcasts, to blog posts (A. McAfee, 2009: 133). With authoring there come great opportunities for companies to extract value out of all its employees right from the CEO to the employee on the floor with an Enterprise 2.0 system. It can be done through blog posts from executive management to other contributors authoring insights that are sharing knowledge, expertise and experience that can be easily consultable and is persistent in order for people to search for information. McAfee writes: *"When enterprise authors link to one another's content, when users tag this content, and when 2.0-era search technology is deployed that surfaces the most relevant content in response to a query, the primary goal of the knowledge management movement can be realized: the organization generates a dynamic repository that contains much of what it "knows", and members can both produce and consume the contents of this repository over time* (A. McAfee, 2009: 133). This quote explains how authoring and with the features of Enterprise 2.0 in interaction can be beneficial to companies. In order to be further specific about the authoring benefits from Enterprise 2.0, we will short list five benefits from authoring (A. McAfee, 2009: 134).

Fewer barriers to knowledge sharing – with Enterprise 2.0 systems employees can easier and faster publish content and as a result employees are more likely to share knowledge(A. McAfee, 2009: 134).

No distortion in knowledge transfer – ideas will be exchanged directly from person to person and by that the risk of filtering and distortion are being removed (A. McAfee, 2009: 134).

An increase in employee engagement – employees being able to contribute to a company's internal platform or intranet, would make them feel a sense of ownership. Letting employees author will be seen as an act of trust and in return employees would be more likely to trust the leaders and the company and feel more connected to the company (A. McAfee, 2009: 134).

Self-healing content – employees are able to correct or let people know about an inaccuracy and consequently wrong information will be reduced (A. McAfee, 2009: 134).

No excessive burden on a couple of administrators – will most likely be the case when employees become co-editors. Authoring content and maintenance will be spread out to the whole company and a dedicated team would not necessarily be required (A. McAfee, 2009: 134).

Broadcast search benefit

Broadcast search is the term that McAfee uses for people searching for information that they do not have themselves. In that way it is the opposite of *authoring*(A. McAfee, 2009: 137). Employees can post queries in a somewhat public forum in hopes of receiving an answer(A. McAfee, 2009: 137). In a study from 2007 a group of scholars showed how Innocentive, a web-based community matching scientists to research and development challenges, solved close to a third of the 166 problems raised on the platform (Lakhani et al., 2007; A. McAfee, 2009: 137). The research discovered that one of the main contributions to problems being solved by Innocentive was depended on the diversity of the scientific interests among the people that solved the problems. Broadcast search together with group editing, in these examples, demonstrate how contributions from several people can create positive solutions.

Network Formation and Maintenance benefit

The success of LinkedIn[3], Instagram[4], Twitter[5] and in particular Facebook show how social media platforms can prosper *network formation and maintenance* (A. McAfee, 2009: 138). These platforms have become huge collectors of information with the feature to trace contributions back to the author. In this way employees can quickly find a colleague that holds information that can be valuable, and at the same time establish or strengthen the relationship to the colleague. Social media and Enterprise 2.0 have the valuable feature of connecting people with each other and by that most likely strengthening the network.

[3] LinkedIn is an online business related social networking platform.
[4] Instagram is an online social networking platform for sharing photos and videos.
[5] Twitter is an online social networking platform for short messages.

Collective Intelligence benefit

Collective intelligence, or the wisdom of crowds refers to the use of technology in order to get insights from a chosen group of people(A. McAfee, 2009: 139). Collective Intelligence also includes *A/B testing* that can be done in order to have the preferred design layouts to a webpage. You simply test what a group of your users like the most. There are some pitfalls, but if A/B testing is done in the right way, it can lead to competitive advantages. As previously mentioned, Amazon, where some of the front-runners of using collective intelligence. Amazon utilized data from their users' behavior on their webpage in order to tell what other people purchased after viewing the same item as you did. This feature, see what other people bought looking at the same item works on a form of collective intelligence. We do not consider it far fetched to see this kind of feature being applied to an enterprise context, where an Enterprise 2.0 platform could show you e.g. related documents based on employees with the same job responsibilities.

Self-Organization benefit

Self-organization might be one of the benefits from Enterprise 2.0 with the most wide-ranging impact on organizations, as it is closely related to one of the key feature of every enterprise, hierarchy (A. McAfee, 2009: 140). In other words, management has to decide whether they want to have a rigid hierarchy where the line of command and information is strict. Or if they want to have a company where employees can build communities and resources and shape them over time, without having to rely on guidance from managers (A. McAfee, 2009: 141). In addition, companies taking on Enterprise 2.0 need to, in some degree, to let go of the notion that attributes like authority, expertise, and appropriate roles should be specified up front and never again questioned (A. McAfee, 2009: 141). Companies should instead shift to the idea that expertise, authority are emergent over time instead of being fully specified in advance(A. McAfee, 2009)a. The aspects of Web 2.0 and Enterprise 2.0 comes from the "(…) *work of individuals and even though this work is often spontaneous, uncoordinated, and self-interested, it nevertheless yields resources and environments that appear highly planned, predefined, and coordinated by some authority"*(A. McAfee, 2009: 140).

When looking at the six benefits from McAfee, it is clear that there are strong indications that Enterprise 2.0 can have a positive effect on several processes within a company (A. McAfee, 2009). It is in particular companies that have a geographically dispersed workforce of knowledge workers that can gain significant value by better cross-company utilization of the benefits, as Enterprise 2.0 can facilitate more effective internal communication in terms of knowledge management, problem solving, networking and innovation.

As with most of tools used correctly there is a desired effect and an adverse effect when tools are not being used correctly. In the below section, we will delve into the possible risks and unwanted implications/reactions from implementing an Enterprise 2.0 system.

3.1.9 Risks of Enterprise 2.0

McAfee (2009) has experienced concerns about Enterprise 2.0, which can be split into two group of concerns. First, concerns that employees will not use the new tool and second, concerns that employees will use them in a way that damages the company. The second concern seems to be the biggest issue for the decision makers, as they are afraid of what will happen when control is diminished and employees can author content to an internal information platform and whether the risks associated with deploying ESSPs actually do outweigh the benefits. The risks of Enterprise 2.0 will be outlined below.

Inappropriate behavior and content

It is a common thought and concern that some employees would use an Enterprise 2.0 system to post content that is not in the company's interest, such as offensive, alienating or other irrelevant and not work related content. There are, nevertheless, four factors that make these circumstances unlikely (A. McAfee, 2009: 149). Firstly, posts are attributed to the specific employee that made the post and is therefore likely to act in a befitting manner. Just as email and instant messaging have sender information and even if an employee should misbehave, the person can be counseled and if necessary disciplined (A. McAfee, 2009: 149).

Secondly, self-policing will make inappropriate behavior unlikely. Within communities on social media there are typically a strong sense of norms that lead to self-policing or self-governance. The reason is that members of communities on social platforms and employees on Enterprise 2.0 systems feel an obligation to maintain a constructive dialog. Comments that are off topic or counterproductive will most likely be met with comments on why the comment was out of bounds and that will often be done by the informal leaders of these communities (A. McAfee, 2009: 150).

The third counterbalance for inappropriate behavior are the managers. Besides the informal leaders there are formal leaders such as superiors or managers that are observing the communities and alone that fact that being 'watched' directs a certain behavior and is limiting inappropriate behavior(A. McAfee, 2009: 150). That being said, it is of course a threat that decision makers need to take notice of, but it is not more than a threat that can be dealt with by leadership.

Inaccurate information

A common concern and risk is that inaccurate or wrong information could flourish on Enterprise 2.0 platforms. Especially having external parties on community sites can be a vulnerable position if incorrect information is being contributed as it can damage the reputation of the company and even worse it may lead to lawsuits. But as with inappropriate behavior, self-policing is the cure for this latent issue. With the information being visible for other community members the likeliness of them highlighting, correcting or counseling with the colleague that provided wrong information is diminishing the risks of inaccurate information (A. McAfee, 2009: 153).

Embarrassing information

Embarrassing information can actually be productive for an organization if they understand to deal with it in the correct manner (A. McAfee, 2009: 154). Embarrassing information can be opinions that are conflicting with the company's view on things, in other words, members of an organization can for example challenge a strategy set out by management. Showing such a level of dissent requires of course a well-argued critique in order for it to be productive, and an organizational setting that allows such "outbreaks". A CEO writing a blog post where employees can comment may be the scenario where embarrassing information might happen(A. McAfee, 2009: 155). The blog gives the company an opportunity for gaining insights from employees' thoughts on the strategy. Either management can follow up on the insights from the employees and use it to correct a strategy or the management can see the employee comment as a source to create bigger understanding of, e.g., a new strategy or a certain way to do things. Alternatively, could an employee give an idea to management through a closed forum, a channel, email or instant messaging, but by doing it on a platform, the CEO improves the collaboration and efficient dissemination of information and resources. Enterprise 2.0 helps surface potentially important issues (A. McAfee, 2009: 155).

Risks of noncompliance with laws, regulations and policies

It is a risk that employees deliberately or unintentionally post information, which violates laws or regulation because companies cannot make up-front verification of the content that are instantly and widely visible (A. McAfee, 2009: 157). But it is two-sided. As described in the above with visibility also comes the opportunity to see the things that are happening, which email communication does not offer. Visibility to the processes that are being conducted enables the company to correct transactions or acts that are not in compliance with the law, regulation or policies.

Theft

Theft is a risk when having information in an organizational possession. Having the information digital in an Enterprise 2.0 system increases the risks of theft. It is of course clear that having an extra platform, if not taking out any present, there will be more information aggregated and more information to secure (A. McAfee, 2009: 160). The most likely scenario of theft is an insider that copies information or an outsider that hacks into the platform and steals valuable information. Enterprise 2.0 will most likely aggregate more information that can be valuable outside the organization (A. McAfee 2009: 160). Whether the risks outweigh the risks will be an assessment for the individual company. This will be analyzed and discussed later in the thesis.

3.2 Knowledge Management

This section has the purpose of introduce Knowledge Management (KM) as a concept and discuss it in relation to the other key topics of the thesis. KM is a broad concept with many different definitions, perspectives and subtopics (Hislop, 2009:49). Based on the research questions this section will focus on KM in organizations, which is reflected in the choice of literature and the chosen focus areas. The focus areas has also been chosen based on their relevance for the case company, the findings of the research as well as Enterprise 2.0, which means that some key topics within KM are left out.

3.2.1 Introduction to Knowledge Management

Historically KM has existed in organizations since the beginning of the 20th century, though KM as a research filed was not established until the middle of the 1990´s (Razmerita et al, 2016:5). As a topic, KM has often been placed within the field of organizational studies and linked to disciplines such as organizational behavior, technology and IT management, organizational learning and artificial intelligence. The key argument of KM is that knowledge is a strategic valuable elements that organizations needs to stay competitive and that KM is a way to facilitate acquisition, sharing, storage, retrieval and utilization of knowledge (Easterby-Smith&Lynes:2011:14) A definition of KM could that KM is explicit strategies, tools and practices applied by management that seeks to make knowledge an advantage for the organization (Razmerita et al,2016:5). Since the middle of the 1970´s there has been a development in our understanding of work and workers. Today many employees are working analytical with identifying and solving issues, which requires established codified knowledge (Hislop, 2009:68). Theory argues that this shift can be described as the knowledge economy, where knowledge is seen as a still more important value in the economic system of consumers, firms and institutions (ibid). The technological development has increased the focus on KM in recent years, not only because of the possibilities that digital tools are providing, but also as a response to the impacts of technological on organizational structure and processes (Easterby-Smith&Lynes:2011:83)

3.2.2 Types of knowledge

Knowledge as a concept can be considered from an almost endless number of perspectives and scientific areas. This section will be focused on knowledge in organizations and exclude other perspectives from scientific areas such as natural science or philosophical observations in relation to the topic.

Two types of knowledge is usually presented as a way to distinct between knowledge types and used a base for analyzing concrete knowledge related elements (Hislop, 2009:21). *Tacit knowledge* represents knowledge shaping the way people act, but which is not shown condifiabilly. Tacit knowledge is personal, subjective and context-specific and is often related to the basic skills of an individual, group or organization (ibid). Examples could be the ability to ride a bike or, if related to typical work, the ability of working with IT systems or prepare for a meeting. Due to its characteristics tacit knowledge can be difficult to share and is inherited to habits and routines, which the individual might find difficult to explain and sometimes is not even aware of. *Explicit knowledge* is codifable, objective, impersonal and independent of contexts. Because of this, explicit knowledge is easier to share as well as easier to locate and define. Examples could be materials such as books or documents, or visual forms such as video or audio with guidelines, recommendations and/or requirements in relation to a given activity or process.

3.2.3 Knowledge in organizations

The earlier mentioned development of work in relation to knowledge has led to an increasing number of *knowledge-intensive firms* and *knowledge workers.*

It can be hard to decide whether a firm should be considered as knowledge-intensive or not, due to the lack of consensus in how to define them properly (Hishop, 2009:69). However a way to do this is by looking at the level of knowledge intensity in the output (product/service,), the level of low capital intensity and the professionalism in the workforce of a given firm (Hishop, 2009:70). Firms can be considered as knowledge-intensive with high level of only one of the three dimensions. For instance pharmaceutical companies can be considered as knowledge-intensive in terms of their products, but not in terms of the low capital intensity. Consultancies, law or IT service firms are examples of firms with a high degree of knowledge intensity in their product/service, relatively low capital intensity and a relatively high professionalized workforce. Many firms have a diverse workforce, which means that generalizations and/or awareness of the importance of the individual group in of workers in the firm, are needed when deciding whether the firm can be seen knowledge-intensive or not.

There are also several ways to define a knowledge worker (Hislop,2009:70f). A definition is that someone whose work primarily intellectual, creative, and non-routine in nature and which involves the use of abstract/theoretical knowledge is considered as a knowledge worker. This definition sees skills, job responsibilities and role in the organization as key elements in assessing knowledge workers. Another argument is that all workers using a reasonable amount of tacit and contextual, abstract and/or conceptual knowledge should be considered as knowledge workers (Hislop,2016:73). This perspective does not believe that academic knowledge is different from other types of knowledge and skills, and believes that a craftsman can posses a similar level of knowledge as a legal advisor. Using this perspective in practice means that almost all workers can be seen as knowledge workers.

It should be clear that there are no clear definition of knowledge intensive firms and knowledge workers and that some might argue that all firms and all workers are having a certain level of knowledge related to what they are doing. However it is seen a crucial to be aware of this level of knowledge before analyzing a firm or a group of workers, since the level of knowledge determine the sets of possibilities within KM. It is also important to be aware of where in an organization the knowledge is needed. As it has been outlined, knowledge can be related to products, processes, workforce etc. and those knowledge intensive elements are important to locate and consider when applying KM in practice. It is hard to manage something which is not defined, and based on the previous outlined considerations of knowledge, it should be clear that knowledge might not be visible, which makes the analysis of knowledge intensity and knowledge workers even more important.

3.2.4 Knowledge creation and processes in organizations

Knowledge creation is related to work within knowledge intensive firms and are often characterized by being based on work which is not routine and repetitive (Hislop,2009:77). The capacity to solve issues, strength by the development of creative and innovative solutions, requires application of exiting knowledge and often also the creation of new knowledge. When new challenges occur on a daily basis, the workers are finding themselves in a constant knowledge creating process, where skills and experiences are developed. The daily tasks don't have to be radically different and challenges might be smaller, but must types of work require some level of creativity and innovation to be done appropriately. Due to complexity, collaboration and interpersonal relations between individuals, groups and bodies with different skills are often needed in relation to work (ibid). This collaboration is often interdisciplinary due to based limitations in the amount of knowledge and skills that can be obtained by an individual or a groups of workers. However collaboration is also often needed within the same field, if the field includes several types of specialization and expertise. The need to acquire, share and gain knowledge and skills is facilitating knowledge networks within and between organizations and the characteristics of those networks are crucial when understanding KM in modern organizations. Elements such as trust, transparency, social capital etc. are relevant in analyzing knowledge networks, which will be discussed later in the thesis.

Another key element is the willingness of knowledge workers to participate in the knowledge processes within an organizations (Hishop,2009:79f). Facilitating an environment for knowledge processes can be difficult, since individuals do not always have personal incentive to take part in the processes. Knowledge processes does often require a certain investment of time and effort for the individual, which requires motivating elements (ibid). Typical motivating elements for investing these personal resources could be linked to the level of job autonomy and satisfaction, norms and culture within the organization, personal benefits such as payments or working conditions or that being a part of knowledge processes suits into the individual's self-perception as important, loyal, hardworking etc. For instance, an employee might see knowledge sharing as a possibility of showing the quality and importance of his work. Another example could be that an employee takes part in a knowledge creating process due to his personal interests in expanding his knowledge and the possibility of getting new knowledge that can make his job easier and/or better in terms of quality in the long run. In terms of identity it is also important that the individuals have an awareness of the their own knowledge and how this knowledge can help other individuals within or outside the organization.

Learning is another key element of knowledge processes and creation as well as KM in general (Hislop, 2009:85). Once again, a simple and precise definition and description of learning in general is hard, and it is therefor seen as necessary to focus on learning in organizations. Learning in organization can be sorted into a framework of learning modes, types and levels all of which constitute a basis of learning mechanisms and processes within an organization (Hislop, 2009:86). It is important to consider organization learning as a dynamic element, which is cannot be reduced to job training and personal development activities, but is expressed in several types of situations and activities within an organization. For instance intuitional learning is a cognitive process where the employees is exploring a non-known pattern or insight, which is a learning type that is highly subjective and related to the individual. Other type of learning requires attention and action from the individual and some requires inclusion of other individuals and/or groups (ibid)

3.2.5 Knowledge sharing

Knowledge sharing is another key element of KM and since knowledge is considered as a resource, internal knowledge sharing is seen a beneficial for an organization (Hishop, 2009:138f). Knowledge sharing is a way to make the individual knowledge a collective resource and if done properly, a resource that can be utilize by an endless number of people in the organization. Due to this importance, knowledge sharing is seen a strategic discipline where decisions needs to be taken to gain advantage and handle the issues that are related to the topic. Organizational elements such as management, structure, culture etc. are seen as crucial for facilitating the best condition for appropriate knowledge sharing, though many of the issues are also on a personal level (ibid).

From an individual perspective knowledge sharing can have its advantages and disadvantages. Two main reasons for avoid sharing personal knowledge is that it is often time consuming, but also that it potentially takes away power and expertise from the individual (Hishop, 2009:139). The extreme example is that employees sharing all their knowledge with the entire organization might be redundant at some stage their colleagues are learning his skills or adapting their expertise. The consequence of the personal disadvantages in relation to knowledge sharing is that an organization might have to praise or provide material rewards for people sharing their knowledge. However in contrast to the risk of losing power, knowledge sharing might also enhance personal status in an organization and if that's the case, knowledge sharing can be considered as a way to increase individual power, which means that it becomes an advantage for the individual to take part in knowledge sharing activities. Another personal advantage occurs if there is a more or less common understanding of knowledge sharing to be something that benefits the entire organization or group. If knowledge sharing is seen as something that makes everybody's work easier and help the organization develop in everybody's favor, it may be supporting an environment or culture of sharing individual knowledge. An environment with is a positive attitude to knowledge sharing and mutual expectations of sharing knowledge between colleagues makes it harder for people to avoid it, since employees who intentionally keeps their knowledge for strategic reason might be discovered and criticized for doing so. Employees who fails to share knowledge in such a environment might also risk that their knowledge is not being understood or recognized, which means that there might loose the status or power that they are entitled.

Table 9.1 The Potential Advantages and Disadvantages to Workers of Sharing their Knowledge

Knowledge Sharing	Advantages	Intrinsic reward of process of sharing
		Group/organizational level benefits (such as improved group performance)
		Material reward (financial or non-financial)
		Enhanced individual status
	Disadvantages	Can be time consuming
		Potentially giving away a source of power and expertise to others
Knowledge Hoarding (Free-Riding)	Advantages	Avoids risk of giving away and losing a source of power/status
	Disadvantages	Extent of knowledge may not be understood or recognized

The Potential Advantages and Disadvantages to Workers of Sharing their Knowledge, Source: Hislop, 2009: 139

The considerations above should make clear that employment relationships are important for knowledge sharing, since there a founding behavior, expectations, logics etc. in relation to the topic. A crucial element of this relationship is interpersonal trust, which will be discussed later in this section.

This section has provided an overview of key concepts within KM and presented a few models for further analysis in the thesis. It has also been mentioned how KM is related to several other topics within especially organizational studies, but could also be considered and analyzed in relation to other topics in this thesis such as transaction costs or Enterprise 2.0. The relationship between KM and the other applied theories in this thesis will be outlined and discussed by the end of the section

3.3 Trust and Control

This section has the purpose of presenting the two concepts trust and control. The two concepts are highly related to each other, but can never the less also be analyzed and used in analysis as single theoretical elements. However this thesis will only present, use and discuss the two concepts in relation to each other, which means that types or approaches which do not relate the two concepts to each other are excluded. Even though the section is provided a brief general overview of the concepts, it should be noted that the main purpose is to consider them in relation to organizations and more specifically to activities within organizations, which is related to the research questions and key topics of the thesis.

3.3.1 Trust

Trust is an important element in several aspects of the society and the daily activities for individuals and well as for organizations and institutions (Tøth, 2015:13). Everyday situations such as navigating in traffic or do payments is for most people related to a unconsciously type of trust, where individuals have to trust that other individuals knows the rules on the road or that a bank can take care of the individuals money. Those types of trust are institutionalized in our society and can be seen as a basic necessity to make a society work and individual humans capable of living together (ibid). However in other situations trust is a far more complex and fractions element. Typically examples are the level of trust from citizens in relation to governments and governmental agencies or whether a consumer finds a company trustworthy or not. In most cases their will be a certain level of trust between different actors, but it remain unclear weather this level of trust is enough to facilitate the wished behaviour. Do a citizen trust the government enough to pay his taxes or do a consumer trust a company enough to buy the good. This is why it is relevant to investigate trust deeper and more importantly investigate how trust can be strength and weakened based on actions, environments, communication etc.

Trust has been researched within several research paradigms and is therefor hard to define in a universal manner. However a widely accepted definition of trust is that it can be seen as *a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another.* (Tøth, 2015:29) (Rosseau et al., 1998:395). Since this definition is seen as too broad for further analysis, and due to the aim of focusing on trust within organization, it is seen a necessary to distinguish between different types of trust as well as types of trust which is often applied in research within sociology, organizational studies, management etc. (Gallivan, 2001:208)

Knowledge-based trust – trust based upon a prior history of transactions between two parties.

Characteristic-based – trust that is assumed, based on certain attributes of the other party.

Institutional-based trust – a trusting environment as ensured by guarantor agencies.

Justice-based trust – related to the concept of procedural justice.

Swift trust – a "fragile" form of trust that emerges quickly in virtual workgroups and teams (Gallivan, 2001: 208)

The first two types of trust is related to interpersonal relationships between individuals, while the next two has a more formal character. Swift trust is based on roles or titles e.g. managers, doctors, policemen etc.

3.3.2 Trust in organizations

Trust in organization is build upon social exchange theory and is seen as a crucial element in securing performing and competitive organizations (Lima et al., 2013:418). Trust is seen as a social resource, which is a basis, but also a possible facilitator of valuable social exchange between individuals within an organization. Examples of social exchanges are sharing of knowledge and information, interpersonal support, job satisfaction and motivation etc. Research has shown how many of these exchanges are related to trust between the different individuals within an organization, which is the reason for consideration trust as an important factor for an organization in order to reach its targets (Lima et al., 2013:422). However as stated earlier in this section trust can be a complex element and can take different forms in different circumstances and relations, which obviously means that organization might find it hard to secure and strength internal trust. In particular the types of trust related to individuals are seen as challenging, since these are related to elements such as personality and interpersonal exchanges that might be hard to change, manage or even locate.

There are several important factors that are influencing trust within organizations.

Two frequent presented factors are *distances* and *culture*, which is obviously relevant for larger organizations with diversity in the location and country of the employees. Trust is more likely to exist in a collocated work-environment where people easily get to know each other. A basic thing such as the ability to follow colleagues' behavior, mood, daily work etc. facilitates trust (Tøth, 2015:109f). Trust related challenges for work forces, which are not co-located, include lack of transparency and the creation of interpersonal knowledge gaps in an organization (Tøth, 2015:143f). Modern technology is providing features with the ability of establishing conditions with similarities to face-to-face presence, but research shows that such tool does not create an environment of trustworthiness in itself but does however provide functionalities that has the ability of facilitating some of the earlier mentioned positive factors that creates trust in groups being on the same location (ibid). Issues related to cultures includes national stereotyping, which means that global dispersed teams might tend to judge each other based on knowledge or perceptions of the given nationality of people (Tøth,2015:249). Other cultural challenges include language barriers, differences in style of communicating and diverse approaches to work and professional elements (ibid.).

The technological impact on organizational design and work in general has made the issues above increasingly relevant, since global dispersed teams are getting more common and important for modern corporations (Cheney et al,2011:171). Research has shown how virtual organization requires other types of control to secure interpersonal trust in projects or daily work across time and distances (Gallivan, 2001:298). Virtual organization often faces many of the trust related challenges such as knowledge gaps and lack of transparency. On the other hand technological tools are providing features which can reduce or eliminate the challenges, and since use of IT tools are often required and integrated in virtual teams, the transparency and knowledge of the work can be larger than in traditional teams and organizations (Tøth, 2015:306) (Hislop, 2009:216).

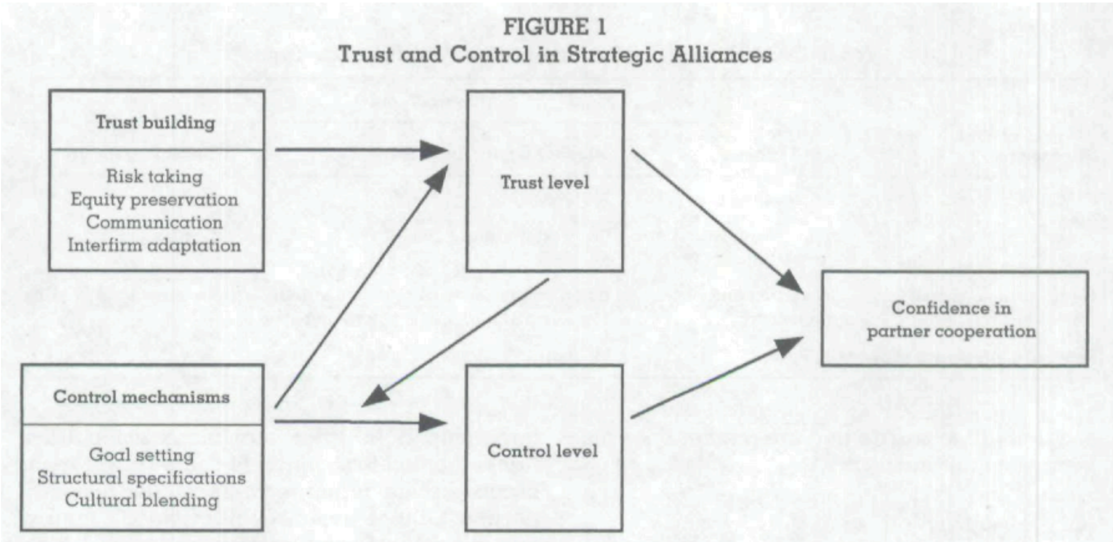
Trust in global dispersed teams and the impact of technology in relation to this will be examined further later in the thesis

3.3.3 Control

Organizations often implement control mechanism to secure compliance in relation to quality, strategy, economy, laws etc. (Orlikowski, 1991:10). Internal control can be embedded in technology and the architecture of IT in an organization, but is also often embedded in social structures such as policies, rules, well-defined job descriptions etc. (ibid). Cultural elements such as shared norms and values might also have the ability of control behaviour of employees in a non-visible way (Orlikowski, 1991:11). Internal control can divided into two types of control. Personal control relates to the interpersonal control between colleagues or the control elements that is related to different types of manager positions in an organization. Systemic control is often more transparent than personal and can take form as implicit or explicit mechanisms to monitor and facilitate appropriate behaviour in organizations. Examples of external forms of control are contracting and standards and laws provided by institutions or other external bodies (Olikowski, 1991:12).

3.3.4 The relationship between trust and control

Control is seen as a mechanism that may help to ensure confidence in cooperative behavior and sees control as the alternative to other trust-building elements or activities (Gallivan, 2001:287). It is argued that control has a direct impact on reducing of uncertainty, reliably and general trust in specific activities, processes or organizations in general (ibid). It also has an impact on the need of trust-building activities, while these are seen as way to balance the level of control, but not necessarily replace them. Control can be a catalyst of trust and provide transparency which can facilitate trustworthiness to processes in organization (Tøth,2015:187f) (Tøth,2015:134).



Trust and Control in stategic alliances, Source, Das & Teng, 1998:497

The model above shows illustrations how trust and control can be seen as complementary elements in creating confidence (Das&Teng, 1998:497). This example is based on trust and control in relation to strategic partnerships, but can also be applied when studying internal trust in organization between colleagues or divisions. Control mechanisms is argued to be the most effective or direct way to build confidence, while trust is seen as an element capable of moderating the need and level of control mechanisms (Das&Teng, 1998:501). Control mechanisms might often be more simple to implement and adjust, while many since many of the factors of trustworthiness are difficult to change or affect due to their characteristics such as invisibility or related to individual personalities. On the other hand control mechanisms might require resources in an organization and can also lead to issues in relation to job satisfaction, motivation etc.

This section has provided a brief theoretical overview of trust and control by presenting examples of approaches to concept and the concerned elements such as distance and culture. It should also be clear that IT and use of technology in organization has an impact on both elements, which is especially relevant when it comes to virtual organization and projects where the involved individuals are in different locations.

3.4 Networks

This chapter will briefly introduce to a few perspectives within network theory, which is included in the analysis of this thesis. Network theory provides an understanding of the network and the relations between different individuals in a specific context.

However network theory is a very broad field with many different aspects, contexts and the focus is on different levels of analyzing and consequently, there are multiple methods and approaches to consider networks (Nygaard, 2006). Two ways of analyzing a network is by investigating the networks structure and processes (Nygaard, 2006). Structure analysis describes the form of the network based on relations between the included individuals, whle analysis of process focuses on the content of the network (Nygaard, 2006). Structural analysis consist elements such as continuity, complexity, symmetry and informality, while an example of process focused approach is presented in the following section (Håkonsson & Snehota, 1995).

3.4.1 The Strength of Weak Ties Theory and related work

Mark Granovetter introduced the idea of the strength of weak ties in 1973, which was about interrelations but with a different perspective than the close-colleague perspective (Johnson et al.2008: 91). It was believed that there was a weakness in sociological theory that does not explain the relationship between micro level interactions and macro level phenomena (Granovetter, 1973:1360). Originally the focus was not on work environments, but later research applied the theory in illuminating for many aspects within the field of business and especially within the field of knowledge sharing(McAfee, 2009).

The main contribution from the theory was that strong ties, ties being relationships, are unlikely to be bridges between networks, but weak ties are bridges (Granovetter, 1973:1364). Bridges can help solve issues or problems and gather information, but also import new ideas. Further, bridges enable work to be done faster and more effectively (Granovetter, 1973:1374f). The perfect network for a knowledge worker will most likely consist of a core of strong ties and a large periphery of weak ones(McAfee, 2009). The Strength of Weak Ties has had a tremendous impact on the research areas of knowledge management and networks, because it offers tight and testable hypothesis about why weak ties are so valuable(McAfee, 2009). Several researchers have with weak ties concept shown how it can be utilized in order to benefit in a company setting.

It has been found that weak ties help faster knowledge sharing within companies in order to accomplish projects faster as well as facilitated lower information search costs. (Mors, & Løvås, 2005) (Hansen, 1999). Another relevant findings is that weak ties are strengthened if if knowledge workers trust that the information providers are knowledgeable in their fields (Levin & Cross, 2004).

3.5 Transaction costs

Since its introduction in the early 1970´s, transaction costs has developed into a broad and comprehensive concept and been used to explain various issues and elements in modern organizations (Hardt, 2009:29). The transaction cost theory builds on a mixture of theory within economics, organizational science and sociology explaining phenomena which classical economic theory cannot, due to the limitations in the methods and logic (Hardt, 2009:32f). For instances transaction costs became relevant when realizing that perfect knowledge of a market is impossible from the firms perspective or that firms act in order to for fill their manager(s) ambition rather that to maximize their profit (Hardt, 2009:33). These critiques lead to an increased interest in the creation, shape and structure of organizations or strategic decision making based on not only economic logic, but also by taking human psychology, behavior and rationality into account. The transaction cost perspective is often used to explain and analyze existing ownership, contract and structural arrangements in relation to efficiency (Lorenzen, 2014:108). The perspective is used, not only for scientific research, but also as the practical method for analysis of strategy, organizational design and supply chain management (ibid).

Bounded rationality and *opportunism* are two of the key elements within the theory of transaction costs and is seen as the main facilitators of actions of players in a market or within a firm (Williamson, 1990:118). The argument is that the behavioral element creates increased costs by the transactions made by a firm. These types of costs are defined of transaction costs. The characteristics of the structure and shape of an organization can be considered as a result of the transaction costs existing on the market it operates in (Hardt, 2009:37). Transactions made internally in an organization is often cheaper than externally, which is the reason why firms are developing into organization to reduce the costs of market exchange (Hardt, 2009:38) e.g contracting or decision making (Williamson, 1971:1971). Firms way of operating and manage their organization is seen as a results of avoiding transaction costs and empirical research of the phenomenon can be done by using a framework of three dimension; *frequency, uncertainty and active specificity* (Lorenzen, 2004:114). The transaction is always the subject of matter when analyzing the transaction costs on a market or in a firm and the three dimension is a way to characterize and explain the transaction costs and compare transaction them between industries and companies.

Frequency relates to how often a given transaction is made (Lorenzen, 2004:116f). The reason why a newspaper publisher might choose to have their printing facilitates, while a book publisher might choose to use a printing company, is due the frequency of the required transaction, which the printing represents in this example.

Uncertainty references to the uncertain that is related to the transaction.

Most Freight forwarding companies run with a low assets structure and have their transportation services externally on the market due to uncertainties related to e.g running airfreight services. Active specificity is a more complex concept and appears when an asset is specialized to a specific firm or other type of actor (Lorenzen, 2004:117). Highly specialized assets are less valuable in firms that are not building for these assets. A space rocket will have most value for a firm, who has the employees, the facilities and the technology that is required to use it. Active specificity can be separated into several subcategories including location-, physical-, human-, brand- and time specificity.

It should be clear that no active specify and uncertainty (and of course frequency) could minimize the transaction costs radically and theoretically remove them completely.

Another key element in transaction cost perspective is the discriminating alignment-principle, which relates to the type and level of regulation of a transaction that is or should be assigned based on the three dimension described above (Lorenzen, 2004:119). As all types of transaction have a certain level of all of the three dimensions, all types of transactions need a certain level of regulation. The level and type of regulation and/or contracts should be decided based on a mixture of the need of regulation and their efficiency. Regulation structures within this perspective can be described by of framework of *the market*, *the firm* and *the hybrid* (Lorenzen, 2004:120). If the transactions are associated with low level of one or more of the three-regulation structure, the firm will use the market as regulation in order to reduce its costs and maximize its profit. While the main incitement of the firm is to maximize its profit, the market will try to keep the prices low and reduce the risk in relation to make binding agreements with parties (Lorenzen, 2014:123).

3.5.1 Principal Agent theory

A number of other theories relates on the theory of transactions costs. An example is the agency theory concerning about the problems of conflicting goals by the principal and the agent and the difficulties in getting valid knowledge and insights of the actions and behavior of an agent (Eisenhardt: 1989:58). It is argued that the self-interests, goal conflicts, bounded rationality etc. of an agent leads to increased transaction costs on a market or within a firm (Eisenhardt: 1989:63). The agent theory considerations of the problematic behavior of agents in or outside a firm demand actions and elements of control to avoid inexpedient outcomes. Boards of directors who are monitoring the management in a firm or a department securing ethical standers in the operations of a business are examples of increased transaction costs based on, at least partially, the issues related to agents behavior. Inexpedient behavior by agent can be minimized, but will due to the agency theory, always exist at a certain level and is an important element to be aware of when investigating organizations and the involved humans.

3.5.2 A shift in the approach

It should be clear that the theory of transaction costs on many levels has changed or diversified the understanding of economics. However the early theory of transaction costs, as well as a number of other theories including the agency theory, threats transactions costs as something to avoid. Later literature has made it slightly more complex (Hardt, 2009:41). An example of this complexity is the understanding of knowledge as a valuable resource (Hardt, 2009:43). It is argued that the transaction of knowledge is easier within the boundaries of an organization than on the marked and that the sharing of knowledge works best in a stabile environment, such an inside an established organization (ibid). This argument lead an understanding of organization to be a creator of value and that transaction costs in some cases can be seen as investments that facilitates increased business performance and competitive advantage (Hardt,2009:44). It should be noted that the perspective of transaction costs and organizations to be producers of knowledge does not exclude the perspective of transactions costs to be something to reduce and avoid. It moderates the concepts and opens a door to a more "positive" perception of organizations. The main element of transaction costs is still the question of organizing transactions in order to ensure the best possible outcome (Hardt, 2009:46).

4 Introduction to the case company

This section has the purpose of introducing the case company by presenting relevant facts, details and characteristics related to its organization and strategy. This is followed by a brief introduction to the industry and business area it operates in. This is done in order to secure a basic understanding of key concepts and conditions in the market. Finally the section describes some of the key processes within the company, which will be applied for further analysis in the rest of the thesis. The information of the company is based on a combination of public accessible information, interviews with five different employees and internal material from the company. The aim is to present a valid and comprehensive description of the company, while the focus will be on elements that are seen as relevant in relation to the research question and topics of the thesis. This does not mean that any key details are left out, but rather that some are presented briefly and does not play an essential role in the further analysis. However based on the scientific basis of the study and the chosen methods detailed knowledge about the company, its organization and industry is seen as crucial as they are shaping the basis for further analysis and conclusions in the thesis.

4.1 Introduction to Prime Cargo

Prime Cargo A/S (Prime Cargo) is a danish freight forwarding company offering services in relation to logistics and warehousing.
Prime Cargo was established as a privately owned company in 1998 (PrimeCargo.dk). From the very start, Prime Cargo was represent in Denmark and China (Interview #1[6]). Prime Cargo has 10 offices worldwide, with headquarter in Kolding. Prime Cargo is represented with six offices in China, two in Denmark, one in Poland and one in Hong Kong. In 2014/2015 Prime Cargo Denmark had a revenue of DKK 455 millions (Annual report, 2014/2015) and an estimated DKK 700-800 millions in Prime Cargo China Limited (Interview #1).

The business model of Prime Cargo is centered around two types of products – transportation and logistics, which each accounts for 50% of the company's total revenue (Prime Cargo Presentation, 2016[7]). The transportation part consists of sea, air and

[6] A transcription of Interview#1 is shown of appendix 1
[7] Included slides from the presentation is shown of appendix 2

road transportation, while the logistics part consists of warehousing and supplementary services such as e-commerce and hanging garments (Prime Cargo2, 2016). Prime Cargo serves a variety of customers and with a big representation of clothing and furniture companies (Prime Cargo Presentation, 2016).

Prime Cargo is employing around 500 people worldwide (Interview #1). Whereas 120-130 people are working as freight forwarders, 50-60 has administrative functions, while the rest is blue collar workers associated to warehousing (Interview #1). Additionally Prime Cargo is having strategically important alliances with other freight forwarding companies in countries where Prime Cargo is not represented themselves. In terms of management Prime Cargo has a top management consisting of three people who are supported by a number of division managers with responsibility of different products and departments (Prime Cargo Presentation, 2016)

In May 2015 Prime Cargo was acquired by Mitsui-Soko International (Mitsui), which is one of the larges conglomerates in the world owning a huge number of companies across different industries and a total revenue of 45 billion USD (Mitsui, 2015). The Japanese giant now owns Prime Cargo, which have only resulted in some changes for the management group of Prime Cargo in regards to reporting to Mitsui (Interview #1). Nevertheless Prime Cargo still runs as an independent company more or less as before the acquisition, as there have not yet been any integration of products or operational activities (Interview #1).

4.1.1 Strategy in Prime Cargo

The vision of Prime Cargo is to be the preferred integrated supply chain partner (Prime Cargo Strategy, 2016[8]). Prime Cargo defines integrated supply chain as warehousing, eCommerce, customs and transportation and strives to bring value to their customers by using extensive product knowledge and provide efficient, reliable and customized solutions (Prime Cargo Strategy, 2016[9]). Prime Cargo is aiming to grow their warehouse business by acting as a third party and fourth party logistics provider for their customers. This is due to the high competitive level in transport and Prime Cargo are having difficulties competing with the big forwarders e.g. DSV and DHL,

[9] The strategy of Prime Cargo is shown in Appendix 3

as economies of scale provide them with a advantage compared to Prime Cargo (Interview #1). Instead Prime Cargo wants to leverage their core competencies in warehousing and logistics services, as the costs of substituting are higher due to the IT interconnections that are necessary in to facilitate the logistics and warehousing activities. Prime Cargo wants to further develop their e-commerce setup where they have a quite unique position in Denmark with being able to pick 80.000 orders a day. Prime Cargo customers are in the segment of both business-to-business (B2B) and business-to-customer (B2C) (Interview #1). The advantage of targeting companies with multiple logistics needs is that they can be spread out on several products of Prime Cargo and they can assist them with their whole supply chain flow and not only the transport part (Interview #1). In short, Prime Cargo's strategy is to become more integrated with their customers and has defined three strategic focus areas consisting of integrated product solutions, transparency and optimized operating efficiency (Prime Cargo Strategy, 2016).

4.2 Information Technology in Prime Cargo

This section has the purpose of briefly outlining the use of IT within Prime Cargo. This is seen as necessary for the quality of the following analysis, discussions and conclusions in relation to the selected processes, as well as the theoretical elements of the thesis. The outline is based on the empirical material, which means that the details are based on the five participants and their use of IT in their daily work. The five participants are not seen as totally representative in relation to their use of IT, since some of the behaviour and preferences might be changing form individual to individual. On the other hand many of the tools that is presented in the empirical material is seen as unavoidable in the daily processes of employees in Prime Cargo, as well as some assumptions in relation to the topic is made on behalf of common sense and knowledge of the company, their processes and the industry. It should also be noticed that the outlined details and findings are focusing on the relevant elements in relation to the research question and topics of the thesis and that some might be left out due to either lack of knowledge or relevance in relation to this.

One of the key elements in the current IT structure of Prime Cargo is considered to be their ERP system. Prime Cargo has been working with different systems, but is currently in a process of changing to a new system named CargoWise. The system has been partly implemented in China, and is expected to be fully integrated across the company by the end of this year. By getting one operational system Prime Cargo will be able to align the operational tasks which will provide them with more visibility and reduce time spent in the operational processes (Interview #1).

Prime Cargo is using telephone, email and Skype as their tools for interpersonal communication (Interview #1). However China is additionally using a social software platform called WeChat for internal as well as external communication. This will be illuminated further in the thesis due to its relevance for the research question.

Prime Cargo has an intranet[10], which are used for information of different character. However the intranet is only used by the Danish employees in the company due to language and relevance of its content. Additionally the intranet is claimed to not have any content that are required in the daily procedures, but content of less important character (Interview #2)[11]. These characteristics of intranet is seen as important in relation to the following analysis and included theory, but does also have some direct consequences in relation to the overall internal communication in the company, which is described to be an issue (Interview #1).

To sum up the knowledge of the IT structure Prime Cargo are using traditional communications tools such as emails, phone calls and Skype in their daily work combined with ERP systems which is related to their product and services. There possibilities of sharing information, files or communicating across the organization are considered as very limited and the same goes with the channels for external communication. The use and accessibility when it comes to IT is furthermore quite inconsistent, which means that local or even personal tools and procedures has been implemented by the employees to improve their ability to solve the daily tasks related to their function in Prime Cargo. It could also be noticed that the managers are aware of the needs for improvements in relation to IT in the organization, which is reflected in many of the outlined considerations and concrete activities. The key points from this section should be seen as basis for further analysis, and will be included more or less explicit in the rest of the thesis.

[10] A screenshot of the intranet is shown of appendix 4
[11] A transcription of Interview #2 is shown of appendix 5

4.3 Industrial characteristics

In this section we will briefly describe what freight forwarding is and what characterize the industry. We will describe the dynamics of industry, the typical organizational structure of the companies and their key process, and the freight

In order to eliminate misunderstandings we know that there are several fields within the overall literature of transport and related fields, we do not have a clear distinction between the terms e.g., logistics, hinterland logistics, supply chain, transportation. We are limiting ourselves to only look at freight forwarding and we only use that term, even though other terms might be more correct.

4.3.1 Understanding freight forwarding

Logistics is embedded into every type of business one way or the other. Due to the fact that it is seen as a driver for enhancing companies' performance and outcome the importance of the field has resulted in more attention from practitioners and academics (Song & Panayides, 2015: 54). The importance of logistics has rapidly increased over the last half century and it is seen as of the cornerstones for driving the world growth and the globalization. Logistics is offering companies to utilize the dynamics between source of production and the source of consumption in order to meet the demand from customers. Song and Panayides describes the main aim for logistics as: *"… minimize firms' costs and maximize customer satisfaction by coordinating the flows of materials and information in the most efficient way, and by providing a service to customers at a speedy rate and with a reasonable price"* (2015: 54).

Freight forwarding is to a large extend determined by the efficiency and accessibility of the network and the efficiency of layers and the interconnections between the layers (Song Dong-Wook: 2015) .

The interconnections are key here. In order for the interconnections to work optimal the sharing of information is vital and here gets the information technology a lead role. The importance of a strong IT-system will benefit both the horizontal and vertical coordination and the collaboration in the supply chain. Horizontal coordination relates to providing single or combinations of transport modes. Vertical coordination is about integrating different actors: road transport, shipping lines, airlines, ports, terminals, but also other forwarders as they might be representing each other as agents (Song & Panayides, 2015: 88). In order to be an attractive forwarder these coordinating processes have to be dealt with in a correct manner and here are interpersonal communication and exchange of information and data important. As a result of that information technology has a vital role in freight forwarding.

A freight forwarder is considered as the "architect of transport" and that implies in order for the forwarders to do a rightful job they must have a profound knowledge of how to orchestra a range of movements whether it being carried by land, sea or air (Schramm, 2012: 24). In addition to the main carriage a forwarder provide services as, warehousing, handling of documents, customs declarations and packaging. Based on a brochure from The International Federation of Freight Forwarding Agents Association (FIATA) has Hans-Joachim Schramm reviewed the literature for defining freight forwarders functions and added point 11 and 12 to the original objectives from FIATA's brochure from 1975 (2012: 25). A freight forwarder functions are as below:

1. Gives advice to customers on the quickest and most economical means of transportation (consultancy function).
2. Gives advice to customers on packing problems (packaging function).
3. Cares for customs clearance (clearance function).
4. Secures compliance with foreign trade regulations and Letter of Credit instructions (documentary function).
5. Makes choice of the most suitable carrier and the conclusion of the contract of carriage (affreightment function).
6. Provides groupage service as a particular contribution to economy (consolidation function).
7. Gives insurance coverage during transportation (insurance function).
8. Gives advice to customers on warehousing and distribution (logistics function).
9. Provides carriers' as well as forwarders' documents (fiduciary function).
10. Provides supervision of the movements of goods (supervision function).
11. Credits freights, fees, and duties payable at once and bills it later on or collects and submits money on behalf of the consignor (quasi-banking function) or
12. Acts as a carrier on own account (transport function).

Source: Schramm, 2012: 25

The list of the freight forwarders' functions is not exhaustive but above functions are the main business areas of a freight forwarding company (Schramm, 2012: 25). Moreover is a freight forwarders core competencies consisting of winning, consolidating and scheduling transport orders, so that they are expedited as requested and on in a timely manner (Krajewska, 2008: 6).

As we have now listed the main processes of a freight forwarding company we will delve into the organizational structure and the dynamics of the market.

4.3.2 Organizational structure of freight forwarders

As mentioned in the network section there has been an overall shift from bureaucratic organizational structures towards more flatter decentralized organization structures over the last 30 to 40 years in the corporate sphere. This is something in particular that has happened in the freight forwarding industry due to the fluid market conditions. Pyramidal and centralized hierarchies can create problems in decentralized structures when having several managerial layers above the operating level (Krajewska, 2008: 6). Moreover, when competing in a competitive industry as freight forwarding, hierarchies are for the most part damaging, as the companies need to provide flexible and customized services in the extremely volatile market conditions (Krajewska, 2008: 6). Close relationships to customers, mainly B2B, in freight forwarding are vital as they, most of the time, only can be cultivated by being present on-site. This is due to the importance of local-knowledge about local market conditions, being knowledge about e.g. infrastructure, clients and sub-contractors (Krajewska, 2008: 6). A flat organizational structure is to prefer in freight forwarding as orders being fulfilled has a very high frequency and because of that waiting on centralized decision making unit will not be efficient as response time would be too long and the centralized unit may not have the local expertise either and that will lead to reduction in the corporate reliability and quality of service (Krajewska, 2008: 6). In a response to that freight forwarders are organized what Krajewska calls 'cellular form'(2008: 3).

"*The countermeasure against centralizing an organizational structure lies in shifting the responsibility for entire operations directly to the performing units, i.e., an extended flattening of the management structures and decentralizing the company up to a cellular form. This leads to one central office and several autonomous profit centers which obtain entrepreneurial responsibility towards the headquarters* (Krajewska, 2008: 6).

Profit centers are to be understood as local offices with their own financial records. The reason for these local offices is that the decision-making authority is transferred from management level to the employees on-site, who knows about local circumstances (Krajewska, 2008: 6). Additionally are the employees closest to the customers able to make creative real-time advantages for them. Furthermore are the profit center structure associated with having an impact on the success criteria of logistics operations general depended on by operational efficiency, trust, direct partnership, flexibility, transparency and cost-efficiency (Krajewska, 2008: 7). Nevertheless having a cellular form posses two major challenges. Firstly, in a dispersed organization executive management do no have full control and that can lead to wrong decisions made on operationally level which can have negative consequences for other offices within the overall organization (Krajewska, 2008: 7). The second major challenge for Freight Forwarders having a decentralized organizational form is to get the right balance between the separate sister companies and the mother company – the need of one organization and the needs of several local entities (Krajewska, 2008: 7). In other words is the challenge for top executive management to lead the local entities to take care of their business in the most optimal manner, but without weakening the competiveness of the mother company in general.

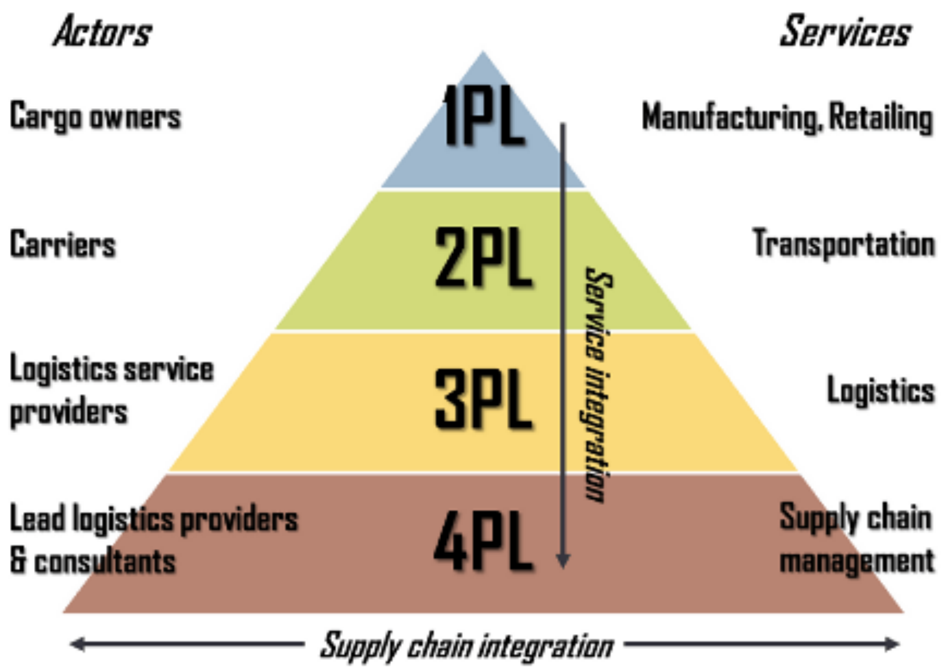
4.3.3 From 3rd party to 4th party logistics provider

In recent years in freight forwarding literature there has been an upsurge in the field of third party (3PL) and fourth party logistics (4PL), where freight forwarding companies have gotten a more active role in the relation to their customers (Schramm, 2012: 27). The difference between 3PL and 4PL can seem to be a little blurred, but in order to elucidate the difference, we will in below try to grasp the terms. The term was originally in 1996 defined as:

"*A supply chain integrator that assembles and manages the resources, capabilities, and technology of its own organization with those of complementary service providers to deliver a comprehensive supply chain solution*" (Schramm, 2012: 154).

There is however a discussion of what 4PL is and how much it differs from 3PL as 4PL is still getting new difinitons but without further significant contributions (Schramm, 2012: 154). Nevertheless when freight forwarding companies are speaking about going from 3PL to 4PL the intended implications are to get a closer and longer relationship with its customers. Instead of mainly offering transport they whish to widening their range of value added services being backed by heavy utilization of powerfull computational technology. 4PL are relying their business on the organizational side of logistics and supply chain management with providing insights from the informational flow and are trying to engage as little as possible with the physical movements (Schramm, 2012: 154). But as stated in the beginning the line is blurred as a 3PL or the typical freight forwarder as of today provide the customers with physical and informational infrastructure to carry out the transport and logistics services.

Below figure shows the different leves of functionality the freight forwardering company can have in their intermediary role.



Layers of logistics, Source: Norall, 2013

4.4 Processes

The presentation of Prime Cargo, the introduction to the industry, as well as the empirical research of this study shapes a foundation for defining key processes within the organization, which will be used in the further analysis of this thesis. Obviously the business activities of Prime Cargo consists of a long range of processes within the organization and it is seen as impossible to present an analysis of all the relevant activities in the organization. Because of this, the processes should be seen as selected activities that is considered to have high importance for Prime Cargo as well as suitable for the further analysis and main topics of the thesis. Here follows an outlined and brief explanation of the three processes:

1) *The pricing process* – a bound of activities between two forwarders when pricing a transport requested by a customer.
2) *The operational process* – consist of a number of operational activities between two or more forwarders when carrying out transports.
3) *The sales process* – The process where sales representatives and forwarders are collaborating in creating and providing offers for customers.

Each process is defined properly in the following chapter, the analysis of the thesis, by the use of empirical findings related to the individual process. Our naming of the processes should not be perceived literally, but is provided to secure an understandable and clear structure of the analysis. For instance the pricing process has not something to do with microeconomic pricing, as well as the sales process doesn't cover all elements related to sales in Prime Cargo.

The processes are all considered as translation within the network of actors in Prime Cargo and is seen as relatively separated from each other based on the related activities and purposes. However their might be some overlaps in the activities and it is seen as likely that each process may support the others on several levels. All these considerations should be illuminated and cleared during the following chapters of the thesis.

5 Analysis

This chapter contains the analysis based on the empirical findings and the theoretical concepts, models and approaches presented in the second chapter of the thesis. The analysis will be introduced by applying an actor-network approach to Prime Cargo as an organization including their employees as well as the activities within the company. This is done to clarify the ontological basis of the analysis, as well as illuminate the general analysis that creates the basis for analyzing specific processes within the company. After this introductory analysis, the focus will be on the three selected and earlier defined processes; 1) the pricing process, 2) the operational process and 3) the sales process. Based on a mixture of empirical findings and knowledge of the industry, the analysis will present current issues related to the processes and analyze those by the use of existing theory within the selection focus areas from the second chapter. Each process will be handled separately and all of the three analyses are followed by considerations of how Enterprise 2.0 might impact the individual process. The chapter is finalized by a summary of the outcomes from the analysis including a linking between the three processes and introductory part of the analysis.

5.1 Prime Cargo in an actor-network perspective

The application of the actor-network approach to the case organization will be started by clarifying how the key concepts of the approach are existing in Prime Cargo and which important characteristics the different elements have.

Basically, the forwarders within Prime Cargo is considered as *actors* connected with other *human and non-human* actors within a large *network* which not only make it possible for Prime Cargo to deliver their product and services, but also defines the organization. The network of actors in Prime Cargo are the defining element, meaning that without the network consisting of the different actors within Prime Cargo, the network would not have any role or meaning. This assumption is considered as fair based on the knowledge of their functionality, meaning that a forwarder does not have any role without being a part of a network with other forwarders. The forwarders are the vertices in the network, and their activities are based on other actor's activities within the network.

The forwarders in Prime Cargo represent and shape the structure of the network, while the network is defining the role for each actor. However the network does not only contain of forwarders, but does also other human and non-human actors. An example of these actors could be employees in Prime Cargo, which are not working with forwarding or technology such as computers, telephones or (mostly digital) documents. The non-human actors provide the human actors with affordances that make them capable of doing certain activities as well as connect with other human actors. As a global dispersed company, the network of Prime Cargo can be characterized as a network which relies on non-human actors to have any meaning, which is why these type of actors, as well as the affordances they are providing, are crucial for the organization as well as for the further analysis of the thesis.

The relation between human and non-human actors in Prime Cargo is build upon *translations*. The three selected processes, which have been presented in the earlier chapter, are examples of translations between forwarders and other types of actors in the organization. For instance, when a forwarder is requesting a price quotation from another forwarder, the information that goes from forwarder to forwarder can be considered as a translation. To make this translation possible both actors needs to use another non-human actor such as a computer or telephone, which means that this non-human actor and its affordances becomes a part of the network and the translation. The characteristics of the translations by the actors within the network of Prime Cargo will be illuminated by the following analysis of each process. The analysis of the processes will be done based on proximate considerations of the empirical findings, with the purpose of respecting practice and the existing reality within the organization.
Another characteristic of Prime Cargo as a network is its stability, the ability to work in virtual spaces and of changing location without necessarily loosing its function. Theoretically human and non-human actors in Prime Cargo could move to another place without loosing their function, and few of the translations between the actors are limited by time. However this does not mean that all the Chinese forwarder could move permanently to another country without loosing their ability to solve their tasks, but should rather be considered as an example of how the actors and non-humans actors are seen as relatively flexible in terms of location and time due the characteristics of the network and the translations within it.

5.2 Pricing process in Prime Cargo

As described in the former chapter the so-called pricing process is seen as a key activity in the daily work of the forwarders in Prime Cargo. This argument is based on the industrial characteristics and by the empirical findings of the thesis, where this process is mentioned several times by the respondents during the interviews, which constitutes the empirical basis.

The pricing process is one of the most frequent reasons for contact and interaction between the forwarders of Prime Cargo and a key process in delivering their core product to their customers.

"Then I get prices from our suppliers. It can be if there are any special transports here, if it's specials goods, otherwise we usually get the prices from our office out in China or Hong Kong, India wherever it is" (Interview #3)[12].

" ... I almost contact Denmark office daily. Even after office hour. The purpose to contact them is for rates, quotation and the space, daily jobs and any emergencies" (Interview #4).[13]

The forwarders are using email, phone calls and other communication tools to get prices and quotations for transports, which are required to create an offer to their local consumer requesting an offer on a given transport or service. One of the main reasons for this procedure is that the local costs of the individual transport is varying and that the forwarder who has the customer do not have access to local partners, suppliers and their prices.

"Because you know delivery charges will be different every time the address is different" (Interview #4).

This process makes the actor, who is providing the inaccessible local costs, *an obligatory passage point* in this translation, since the forwarder which are requesting the rate or quotation cannot deliver his product without it.

There are a few issues related to this pricing process. The lack of transparency and

[12] A transcription of Interview #3 is shown in appendix 6
[13] A transcription of Interview #4 is shown in appendix 7

visibility in relation to the local prices is the main reason for this way of pricing transportations in Prime Cargo.

"Often we get the rates from out there, but we can't control in any way, cause it actually those who are saying that so is the rate and you just have to follow that" (Interview# 2).

These circumstances leads to a more general pricing related issue in Prime Cargo. As the forwarder cannot see the prices of local transport and services, they have to rely on the information they are getting from their colleagues. However it seems to be a fact that the provided prices are not always net prices, which means that the local forwarders are adding a profit to the services, which exceeds the actual costs of the used partners and suppliers.

I: … it must be the challenge if they are taking too much. Make it more expensive?
P: Yes that's it. Well we have to trust our own offices since it is ours, that when they are writing and providing net prices, that it is obviously the net prices. If it is or not I cannot say, but that's the to trust, we cant really do anything else.
I: And it never happens the other way? Or?
P: Yes or… We have to earn money and they do it as well out there, but that what it is about right? (Interview #3).

It also seems that the management is aware of this issue:

But we can see if we benchmark now and then, then we are higher than what we get from them despite that there have been said repeatedly we shall have the net, net, net and net (Interview #1).

Based on the knowledge of an industry where the price is a crucial competitive factor, this issue is seen as a challenge for Prime Cargo. This possible additional profit that is added to the total price during the pricing process can be considered as *transaction costs*, which is created by the behavior of actors within Prime Cargo. It is an example of either or both *bounded rationality* and *opportunistic behavior*, which leads to increased costs for a firm and earlier has been presented as the *principal agent theory*.

The characteristics of this transaction cost in Prime Cargo can be analyzed by using the three dimensional framework of transactions costs. It should be clear that the frequency, the uncertainty and the active specificity related to this specific transaction is relatively high and the possibility of monitoring and controlling the cost is limited, which will be described further in the section.

Many of the participating forwarders, as well as the manager, indicates that the pricing process and the issues regarding the possible artificial high prices relies on trust between the different actors in the process. The form of trust could be seen as *knowledge-based*, since the forwarder might have a prior history of transactions with the other forwarder or *characteristic-based* trust if the one forwarder is more reliable based on personal characteristics. Control mechanisms is an effective way of building confidence and based on the lack of visibility and access to the prices, and the earlier presented IT structure in Prime Cargo, it should be clear that *personal* or *systemic* control mechanisms in relation to this process are almost non existing and that interpersonal trust therefor "stands alone" in bringing confidence to the process.
The analysis argues that mistrust, lack of transparency and limited control mechanisms are issues within the pricing process and some of the reasons why inexpedient behavior leads to increased transactions costs, which has an impact on the competitiveness of Prime Cargo as a company, in an industry with high level of price sensitivity. Additionally it is considered that the lack of access to pricing related information has an impact on the efficiency in Prime Cargo, since the answers from the participating forwarders indicates that they are spending relatively much time on correspondences regarding rates. Issues related to operational efficiency will be analyzed in a later section, but it is never the less seen as relevant to be aware of this perspective in relation to prices when analyzing current issues and possible improvements in the pricing process within Prime Cargo.

5.2.1 Enterprise 2.0 and its possible impact on the pricing process

Based on the previous analysis of the pricing process between forwarders in the network of Prime Cargo, this section has the purpose of illuminating the possible impact of Enterprise 2.0 in relation to the chosen process and the mentioned challenges. The main issues in this process are argued to be the lack of transparency and control mechanisms, which are argued to facilitate increased transactions costs, opportunistic behavior, mistrusts and lower efficiency in the daily work of the forwarders. Based the theoretical introduction to Enterprise 2.0 it should be clear that the software and related features might have functionalities which can have an impact on the prices process and the related issues.

One of the affordances that Enterprise 2.0 technologies are providing actors is the possibility of search and share information by the use of social software and creation of work related virtual *communities of practice*. In relation to this process such feature could provide forwarders with the affordance of requesting rates for transport in those communities, which could make this translation between the actor more visible and transparent. If requests and information on prices were given in an open and transparent community consisting of a group of individuals, control mechanisms, which does not exist today, could be invented and thereby strengthen the confidence in relation to the provided prices. This benefit has been described as the *authoring* benefit, which is providing individuals with the possibility of exchanging information in a fast and transparent way and additionally change the characteristics of the interaction between the forwarders. Currently the process is characterized as being executed by two forwarders, while the affordances of Enterprise 2.0 could provide actors with the possibility of interaction with more than one person at the same time. This feature would create a collective type of *personal control*, since colleagues would be able to view, comment or notice the information, which is provided in the conversation between their colleagues. This control mechanism could not only increase the trustworthiness in the process, but also have the effect of making inexpedient behavior, due to opportunism or bounded rationality, more difficult. If a Danish forwarder is requesting a price of a local transportation from a Chinese warehouse to an airport, other Danish forwarders could help varying the prices based on their individual experiences and knowledge. It is considered to be likely that other Danish forwarders have requested similar prices in the past, which make them able to judge the provided price on a relatively informed basis. However this consideration should not be seen as the main reason for why an Enterprise 2.0 feature such as this could improve the process. The main argument is that the transparency and the affordances the feature is providing may possibly eliminate, or at least reduce, opportunistic behavior due to control mechanisms. Another element that supports this consideration is the fact that mangers or supervisors who are included in the community could monitor the process, which can be considered as another facilitator of appropriate behavior in the process. However the monitoring could be related to some issues, which will be discussed later in the thesis.

Another relevant feature of Enterprise 2.0 in relation to the pricing process is the so-called *broadcast search benefit*, which is providing actors with the affordance of searching for information, which has been provided on an earlier stage. This function would provide the forwarders in Prime Cargo with the possibility of search of similar price requests and quotations from the past, which could have a positive impact on the efficiency of the process, but also provide them with the possibility of comparing, provided prices with similar provided prices from the past. At the moment the individual forwarder only has the possibility of searching in his/her own possible saved emails, while a social enterprise platform could increase the amount of accessible information quite remarkably. Based on the empirical findings and previous analysis it is considered to be possible, if not likely, that a forwarder is provided with “wrong” prices for the same transportation more than one time. If the forwarder does only has his own experiences and earlier given information, his chance of discovering prices is considered to be limited, which consequently could mean that an artificial high price is used again and again.

The empirical finding shows that some of the prices of transportations in Prime Cargo are fixed, while others are more or less dynamic. Another feature of a social collaboration platform is that it provides users with the possibility of sharing documents, links and other types of information. The possibility of sharing, what is called *SLATES* by the theory of Enterprise 2.0 is seen to be beneficial to the pricing process based on the empirical findings, the analysis and the IT structure of Prime Cargo. Currently the forwarders of Prime Cargo have limited possibility of sharing documents or files across the organization, which is seen to have a negative impact on the efficiency and the accessibility to demanded information in their daily work. If fixed rates were shared and updated in a collaborative platform the need of contacting colleagues would be lower, which is considered to have a positive impact on the efficiency, but also on the risk of intentional or unintentional inexpedient behavior. This argument will be described and discussed more comprehensively in the following analysis, but is never the less, seen as important in relation to pricing process as well. Enterprise 2.0 features such as *authoring* and *broadcast search* are seen as two examples of how the software could improve this specific process, as well as strengthen the network of forwarder in Prime Cargo in a more general way. If this assumption is right, the Enterprise software could reduce the transaction costs that are related to the process and thereby strengthen Prime Cargo´s competitiveness by securing the best offers to their clients and increase efficiency in the process.

5.3 The operational process in Prime Cargo

The operational process covers, as described in the previous chapter, a long range of activities between the forwarders in Prime Cargo in order to deliver their product and services. Some operational activities are different dependent on role and functionalities in the organization, while other are more or less similar. For instance forwarders working with sea freight are doing activities, which are related to their specific domain, but are also doing activities, which can be considered as similar to forwarders working with airfreight. The following analysis focuses on characteristics and possible issues in relation to similar or comparable processes across departments and roles in Prime Cargo, which should be illuminated by the character of the outlined elements and possible issues.

Relevant topics, which have already been mentioned briefly in the previous section, are the handling, accessibility and sharing of information in the organization. This information can consist of price lists, time schedules, terms and conditions, overview of suppliers etc. The empirical research provides a few examples in relation to this

I: How do you get information regarding… Lets say that you are given a task that you haven't tried to solve before. How do you get the information about partners, rates, condition and all this stuff? Is that something you are searching for yourself or do you have contacts?

"Well, we always have Lasse. Our manager who has most of the contacts. But apart from that you go into their websites and search in there. And you are writing to the Danish office, cause the Danish office can always redirect you to some out there. If there is someone writing to us then we just redirect them to China and say what it is about and what they need to inform" (Interview #2).

The answers shows how required information is obtained by either asking a colleague in the same office, searching on external websites or by contacting local offices and possibly make them forward the request to their foreign colleagues if necessary. All these ways of getting information are time consuming, which does theoretically lead to increased transaction costs, lower efficiency and potential negative consequences for the forwarders in relation to deliver customer service or solving daily tasks. The process of searching information can in many cases be considered as a learning process, which is a natural part of the job as a knowledge worker due to the complexity and non-routine character of the work. To search for information on websites or to ask a colleague or external partner is a behavioural/action based type of learning on an individual level (if assumed that other involved individuals are not learning anything from providing the requested information). This type of learning is not an issue in itself, but might have an impact on how knowledge and information is managed in Prime Cargo, which will be discussed further later in this analysis.

Another issue in the daily operations of Prime Cargo is the time difference between forwarders working in offices placed on different continents.
I: But it is not like it (an inquiry of any kind send by email) *can lie there for 12 hours? The time difference?*

P: Yes it depends on the clock. Here after 12 we find it difficult to get in touch with them.
I: Isn't that an issue?

P: Often yes, but it is not as big a problem for seafreigt as for airfreight because its day to day. When it comes to seafreight it takes after all ten days until its coming so we can have an answer before. And if not it's something that we are able to solve our *selves if its out on the sea* (Interview #2).

Another answer illuminates ways of dealing with the issue as well as possible consequences of the time difference.

P: Yes and no, yes and no (sic). I mean sometimes we see a customer coming during the afternoon requesting a quick price or something to be send immediately from the Far East. At that time they are either sleeping or what you are doing in the evening, where we can call them, there are usually someone, what to say, willing to work during the evening or at least are having an emergency phone so they can do something. But it is not always we manage to reach anyone who can provide prices and then we wont have them until the following day. But, first of all it is limited how much there are of this and usually it can wait until the following day because the customers have, when you speak to them, an understanding for that it is actually evening out there, so they cant do anything now no matter if you yell and shout, cause the suppliers has went home as well. So it is not a big issue for us, but of course it is an issue with the time difference, which is why we are having a person meeting at 7 every day so that we have an extra hour (Interview #3).

The answer is showing how the forwarders in Prime Cargo are aware of the issues and have implemented routines to deal with it. The problem with this type of solution is that the accessibility of information seems to be dependent on the circumstances including other forwarders willingness to work of out office hours, which provides a certain level of uncertainty and inconsistency to the process, which might have a negative impact on the process. From a network perspective willingness to work out of office hours provides a character of informality to the network, where the relation between the forwarders changes to a more personal and private-based way of networking. This might indeed also have positive outcomes, which it arguably already have, since many of the cases where information is needed out of office hours are solved. However in relation to elements such as continuity, complexity and symmetry in the network it might also be problematic. First of all, the forwarder that needs information has to judge whether it is important enough to contact colleagues out of office. Secondly he might spend some time in calling different people, since some might be out of reach or unable to provide the needed information. Thirdly he might have to give up in searching for the information, which can obviously have a negative impact on the quality of his work in relation to important elements such as customer service, planning, efficiency etc. It should be noticed that the previous answer does indicate that the issue is not too big based on the frequency of the cases or the expectations from customers, which will be discussed later in the thesis.

The need of efficiency in relation to getting required information in the operational processes of Prime Cargo is illuminated in the empirical findings. An example of this is the use of the application called WeChat in the Chinese part of the company. The main reason for using the app is claimed to be:

"For us in China using WeChat is just kind of speed thing, because everything moves in a faster pace out here" (Interview #4).

WeChat provides users with the affordance of sending real time messages, picture, audios and other types of content on an interpersonal basis and is claimed to be the fastest and easiest way to get in touch with each other in China privately as well as commercially. The use of the app in Prime Cargo is discussed later in the thesis, but in relation to operations, it is seen as a tool implemented due to the need of efficiency in the information flows and accessibility within Prime Cargo.

These considerations in relation to information between forwarders in Prime Cargo are highly related to several topics within KM including knowledge sharing. Much of the information has character of being explicit knowledge, which is relatively easy to share, since it is codifable and often-accessible thorough material such as documents, guidelines etc. Information in the operational process within Prime Cargo such as price lists, time schedules or supplier information is seen as a potential collective resource that can be used by, not only the individual requesting the information, but a large number of forwarders in the organization. Based on the previous considerations about possible issues and challenges within the operational process it might seem strange that the forwarders are not sharing relevant information to improve the process. Time consuming and the risk of loosing power has earlier been outlined as two reasons for avoiding sharing knowledge and information in organizations. Both issues are seen as likely in Prime Cargo based on the knowledge of the organization, the industry and the empirical findings.

Another relevant element in the operational processes within Prime Cargo is related to consolidation of transports, which has been outlined earlier as a traditional process in the industry, which is typically managed by forwarders. A forwarding company can reduce costs and optimize efficiency by coordinating their transports due to economy of scales and basic principles of logistics.

"I: Cause you are also a part of each others product?

P: Yes that's it and, I mean, we are working with airfreight import here and they have similar in Kolding so those two departments, and same goes with seafreight, they are automatically working a lot together and ask if you have something here and you have some there, ***well lets put it together and optimize*** *or something.*
I: Yes

P: and everything will be easier in a way, if you also have tried working together and sitting physically together, even if its when it come to the end is not having a practical difference impact on your work.

I: Yes. So there are occasions where you could consolidate. Where there has not been any information about it?

P: Well most likely there has. We have improved recently. There has been more focus on it. But we can certainly improve at some destinations, but it's a little, we judge which customers has some goods and if its urgent not, cause if we need to take some with our Kolding office, then we need to figure out it has to be send to Copenhagen, well then need to pick it up and dependent on how many boxes or whatever it is, whether the driver can sort it or if its something has to be one day delayed and send to a warehouse and split. So we need to judge that way" (Interview #3).

The answers confirms how the consolidation of transport are handled by the forwarders in Prime Cargo and does illuminate how the forwarders are having decision power in the process and how optimization in relation to this is a prioritized element in the company. The forwarder states that it is easier to consolidate with colleagues that are physically sitting in the same office as well as how personal relations are essential for coordinating the transports. The issues in relation to the consolidation is further illuminated by another Danish forwarder when describing her view on how her Chinese colleagues can improve in relation to this process.

"They don't know (the Chinese colleagues). *Now Ningbo and Shanghai is not that far from each other, but they don't know that they exist (sic). They does not know at all that they got each other. Often we transport something from Ningbo to Shanghai. If we haven't enough and throws it out there. But they haven't any contact at all"* (Interview #2).

The two forwarders describe issues, which theoretically relates to several of the theoretical focus areas of the thesis including network theory, trust/control and KM. From a network perspective the process of consolidation between forwarders seems to affect by the lack of using *weak ties* where the complexity and lack of structure is challenging the actors' capability of coordinating and consolidating transports. It also seems that the process is affected by the lack of systemic control mechanisms such as technology or policies in order to ensure consolidations and lack of trust between the forwarders in relation to their ability to coordinate consolidations in an appropriate manner. The theory within trust is pointing out diverse distances and cultures as possible facilitators of mistrust, which are considered to be likely based on the empirical findings above and the characteristics of Prime Cargo´s organization. A mixture between lack of interpersonal trust, transparency and visibility is also considered to have a negative impact on the knowledge sharing in relation to this process, as well as lack of personal incitements to share tacit and explicit knowledge in relation to consolidation might affect the process.

It should be noticed that Prime Cargo might have invented initiatives in order to ensure that their transportations are consolidated and optimized on selected areas based on their importance.

"... almost contact Denmark office daily. Even after office hour. The purpose to contact them is for rates, quotation and the space, daily jobs and any emergencies. Let say some emergency happens and we have to forecast next week or even next month volume and the space..." (Interview #4).

The answer indicates that forecasts of volumes and spaces are made in order to optimize operations by this Chinese forwarder who are working with airfreight. On behalf of this it is considered as likely that Prime Cargo secures the most important consolidations, while forwarder on an on-going and less structured basis manages the less important. In anyway the challenges within the process is seen as an area where Prime Cargo can increase their efficiency, reduce their costs and thereby improve their position on the market due to the earlier considerations in relation to price sensitivity, profit margins and competition.

To sum up, this analysis has pointed out issues in relation to the operational process in Prime Cargo and has focused on the daily challenges in relation to handling of information between the forwarders and the time difference. This is having a negative impact on the efficiency and the issues in relation to consolidation. It should be clear that some of these elements are related to the characteristics of the network of forwarders in Prime Cargo as well as the managing of knowledge in the organization. The following section will analyse how Enterprise 2.0 might impact the operational focus with a natural focus on the illuminated challenges that has been presented in this section.

5.3.1 Enterprise 2.0 and its possible impact on the operational process

Based on the previous analysis of the operational process between forwarders Prime Cargo, this section has the purpose of illuminating the possible impact of Enterprise 2.0 in the relation to the process and the described challenges. The main issues is seen as the time difference, the consolidations as well as the general handling of required and/or useful information and knowledge between the forwarders. These challenges is argued to decrease efficiency, increase costs and have a negative impact of the quality in relation to Prime Cargo´s product. It is not possible to state exactly how much the illuminated challenges are affecting the business, but based on the knowledge of the industry and its earlier outlined key processes, it is considered to be an important, if not crucial, element for the company.

In general Enterprise 2.0 functionalities provides actors with affordances that might have a positive impact on KM within an organization. The possible benefits of an Enterprise 2.0 has been outlined in chapter 2 and can provide the forwarders in Prime Cargo with affordances that might improve the operational process. The *Broadcast search benefit* could have a positive impact on the issues related to the time difference between forwarders in Europe and Asia by providing them with the possibility of searching for information, which has been posted by other forwarder at an earlier stage. An example could be that a Danish forwarder need an overview of the possibilities of transportations from a location in China to the nearest airport, at a time where his Chinese colleagues are out of office. In this case the Danish forwarder need to either wait until his colleagues are back at the office or try to contact them out of office time. Both of these possibilities are time consuming and includes a certain level of uncertainty since the Danish forwarder cannot be sure on when to get the required information. A broadcast search benefit would provide him the affordances of finding the information from posted documents, earlier conversations etc. Obviously the required information might have an emergent or complex character, but a broadcast search function is never the less seen as a way to minimize the challenge related to the time difference and thereby increase efficiency and reduce uncertainty in relation to this.

Enterprise 2.0 is also argued to facilitate *network formation and maintenance* by connecting people to each other thorough social platforms. This is especially seen as relevant in relation to the consolidation of transports within the network, since it provides the forwarders with the affordance of posting or requesting possible consolidation opportunities and thereby increase visibility in the process. Also the *self-organizing* benefit is seen as valuable in relation to consolidations, since the empirical findings are showing that consolidations are more or less organized by the individual forwarders in Prime Cargo. This indicates that the management of Prime Cargo has already made a decision of giving the forwarders power of making decisions in relation to consolidation. However the empirical findings also indicates that the forwarders are sometimes finding it difficult to handle this and an Enterprise 2.0 platform might provide them with features that might have the affordances of improving the collaboration between the different offices.

It should be clear that knowledge sharing and KM in general are key elements in relation to the operational process. Enterprise 2.0 is argued to reduce the barriers of knowledge sharing and remove possible distortion from knowledge transfer. Theory within knowledge sharing argues that the individuals' willingness to participate in knowledge sharing process relies on perception of own advantages and disadvantages. Based on the analysis, the current situation in Prime Cargo in relation to knowledge can be characterized as relatively critic due to a combination of missing tools, but also personal incitements to share relevant information on a voluntary basis. An Enterprise 2.0 platform would first of all provide the forwarder in Prime Cargo with the possibility to share relevant information in an easier way and less time consuming way and improve group performance in specific operational processes or issues. Since the knowledge sharing is made in a visible way, it might help facilitate a culture of knowledge sharing, which could enhance the individual status of forwarders who are sharing knowledge and reduce forwarders tendency to avoid it due to the risk of giving away power and expertise. Whether an Enterprise 2.0 platform can change elements such as attitudes, culture and daily routines in Prime Cargo will be discussed later in the thesis.

In relation to learning the analysis shows how the learning in Prime Cargo is characterized as being on an individual level and often based on actions or behaviour by the individual forwarder. Enterprise 2.0 could possibility take learning to a group based or organizational level and facilitate a culture of learning in the organization by increasing the visibility, number of involved colleagues and competencies, and possibility of taking part in the learning process without necessarily being involved in the given case. The learning process is currently done bilaterally between to forwarders and, based on the previous considerations in relation to knowledge sharing, it is seen as doubtful if the two forwarders are consequently sharing their outcomes from the learning process.

"I: So in relation to something with sharing. Lets say that you are getting access...You have been using some time on getting some information about lets say a partner - some rates. Do you share it with your colleagues? I mean in relation to both your little team, but also others where it might be relevant (sic)

P: Yes if it might be relevant for all offices then yes. But mainly we share only in our own team

I: So that you are not duplicating your work?

P: Exactly! Then I ask for instance as before (sic). Then I ask a colleague: "Hey by the way did you had anything on this - just this destination?"" (Interview #2).

The answers above indicates that the forwarder is aware of the benefits of sharing information or learning with her colleagues, but also that this is mostly done in her own team and only after a subjective judgement of the relevance for others. The issue in relation to this is that the individual forwarder cannot have a comprehensive overview of the competencies and knowledge of colleagues in the organization, which means that some of her colleagues might miss the change of getting valuable learning and information with a possible consequence of wasting time or making mistakes which could have been avoided. Due to its functionalities, Enterprise 2.0 can make learning processes more transparent, which would provide all involved individuals with the possibility of taking part in the learning process in an active or passive manner, which might strengthen the competencies within the entire network of forwarders in Prime Cargo.

This section has shown examples of how Enterprise 2.0 could possible strengthen KM in Prime Cargo, as thereby alleviate some of the challenges that are related to the operational process presented in the analysis. Improved knowledge sharing and learning processe might strengthen the network in Prime Cargo in relation to operation and is also considered as beneficial in other processes and a more general matter. However parts of this analysis and partial conclusions have to be discussed, due to the assumptions and possible uncertainties they are made of. None the less it is considered valid that Enterprise 2.0 could possible strengthen the operational processes in Prime Cargo and thereby improves their competitiveness and business in general.

5.4 The Sales Process in Prime Cargo

The third selected process is the sales process, which has been chosen due to its importance based on the empirical findings as well as knowledge of the forwarding industry. The sales process is also seen as relevant to topics within KM, trust and control and network theory, which will be illuminated during the section. The section will be introduced by a presentation and definition of the sales process including a clarification in relation to its influence in Prime Cargo. After the analysis it will be examined how Enterprise 2.0 could possibility impact the sales process.

The sales process consists of the coordination of relevant information when making offers for customers of Prime Cargo. This includes gathering of prices from several offices, information related to the operations and other elements that are relevant when making contracts. When Prime Cargo are contacted by a customer wishing a firm contract on regular transport, the forwarders of Prime Cargo need to collaborate in creating an offer that preferably is attractive for the potential customer, but at the same time suits Prime Cargo in terms of profit, operational set-up, conditions etc. This process requires inclusion of employees from several parts of the organization, since the Danish forwarders do not have detailed information about possibilities, limits, rates etc. in relation to China.

From an actor-network perspective a coordinating actor will have a network of colleagues, where translations consists of the required information that needs to be provided in this process. The coordinating actor can be seen as a *focal actor*. He becomes the *obligatory passage points* if he is given agency from the contributing local actors, which are included in the process. The involved actors are typically sales representatives (not to be misunderstood as necessarily not also being forwarders) and forwarders responsible for particular products such as air, sea and road services. Managers or other employees higher in the hierarchy might also be included in the process based on a judgment of its importance for the company. The sales process is often a high value transaction with lower frequency than typical transactions, and is mainly expedited without managerial support.

"I believe over the last two months we have had six or seven tenders of more or less greater extend. And it takes a lot of time when you have to coordinate 15 to 20 destinations with prices and sea freight and air freight and… So it's some heavy processes" (Interview #1).

This shows us that it is quite a coordinating task to gather information from all the involved actors. It also illuminate how intertwined the offices of the company are in order to deliver value to their customers. As described in the industry characteristics a major challenge for freight forwarding companies, due to their cellular organizational form, is to find the balance between the interest of the individual office and the interest of the focal company.

"I think we ehh… it's a mixture of working independently but also as a team. We have weekly phone calls or Skype meetings with our sales staff in Denmark where we qualify and we target accounts. We have phone calls discussing rates and sales strategies. What we try to do is we try to for clients that have offices in both Denmark and China we try to do what we call a dual approach, where we approach the company in China but also in Denmark, so we open the door both in Asia but also in Europe and thereby we have a higher success-rate (sic) securing clients. So I would say that it's almost on a daily basis that we have communication with our offices in Denmark" (Interview #4).

The statement above shows that the forwarder is aware of balancing between working individually and as a team at the same time. This is important in order to have tight connected network. The frequency of the process is quite high as it is stated above that the forwarders in speaking with sales colleagues in Denmark once a week by phone of Skype and sends emails on a daily basis. This means that there is a high continuity in the network, which is an important factor when establishing and maintaining close relationships among the employees.

This relationship is further described as:

"Since I've been (sic) for 13 years I travelled to Denmark for a couple of times and they come here for business trip. I know very… either on office daily basis and only personal (sic). Some of them (sic). So we … I can say that we are good friends and you know we share the happy moments and the upset moment by loosing clients, adding new clients you know. We are really close contact with each other(sic). It's a very good relationship. That's the way to be colleagues" (Interview #4).

Another participator is supporting this statement when asked about whether he sees the relationship between the Danish and Chinese office as the same or two different companies.
"Definitely the same. I mean we are one company and we are friends and colleagues. So we have some expressions and joke and dirty stuff going on sometimes in our email exchange"(Interview #4).

And later in the interview another participator elaborates:

"I think Jimmy is right. Even if we are in China we still have a bit Danish team spirit where people interacts not only in work hours, but also after work hour, you know go out for a couple of beers and tell stories in the office and stuff like that. It is not just in China its also across borders. So we do a lot of travelling (in audio) for senior management and we do spend a lot of time also doing sales together, so we spend a lot of hours together and get to know each other really well" (Interview #4).

Based on previous quotes and the quote above it is fair to say that the relationship between the Danish and Chinese colleagues can be characterized as professional and of a friendly character. Relationships having a friendly character can also be termed as *informal*. Business relationships having a low degree of formalization is preferable as *informality* is productive when dealing with uncertainties and conflicts. *Informal* relationships are often driven by trust and confidence, which is highly cost saving as the need for contractual agreements are not present and therefore the transactions costs are lowered.

An offer, which includes a high degree of different services and multiple lanes, demanded by the potential customer, and thereby require sufficient information from the relevant colleagues can be described as a tender[14] process. Even though this process is repeated it is characterized as being varying and complex. Each process requires a more or less unique type of information and thereby inclusion of a unique set of involved employees based on what is needed in the giving process. The sharing of information must be considered as highly valued since it is impossible for the coordinating forwarder to know all destinations, local circumstances and requirements. It should be clear that a tender process can require a high level of knowledge and that many inputs are needed to deliver the offer to the consumer. However the differencing in terms of products in the forwarding industry is fairly low, which means that the price is seen as the main competitive parameter. As a result of that it is important to have a holistic approach to the tender process, which is seen as a current and future challenge for Prime Cargo

"We have had a big textile customer for five to six years, which we in last week got to know that we're losing to DSV. Its revenue is 15 to 20 millions today and we got to know that we were four millions to expensive based on the tender. And that is where we in Denmark might say we might be able to find a million but that is still not enough but we simply forget that we have made four millions on FOB (local) *charges in China. That means what the shippers are paying for. All the local charges in China we don't really think them into it. So in reality you could have marked down the price with four millions and have settled for one million in China and shared that versus now we don't make anything. That is where we feel the difference from getting a Danish thinking commercial director out there versus one that is simply operational. Because Janus would rather have we have something to do, it might be we don't make that much money versus they don't have something to do. And that is in Prime Cargo a new way of thinking that we have to act"* (Interview #1).

[14] An invitation sent to potential suppliers to notify them about the information required for the buyer to choose among them. Issuing a tender document usually begins the tender process by which a company selects qualified and interested suppliers based on such things as their price, availability and proposed delivery terms.

Further on in the interview this is emphasized again:

"And I think we have finally succeeded with having two brains that think alike which are responsible for it in China and Denmark in harmony"(Interview #1).

The Chinese manager further describes the sales process and related collaboration in Prime Cargo:

"I think its eehm, maybe 10 years ago it was quite different, nowadays Chinese companies are very international. A lot of our clients are multinational companies so they also have a western mind-set and western approach on how to do business. So I think all in all its quite similar process that we go through. I think the major difference is when it comes making a decision. Meaning closing the sale that is usually done in Denmark. So most of the decision making are done in Denmark and we are trying to assist as much as we can from China" (Interview #4).

Having the holistic approach can be constrained by the cellular form, where each office more or less acts as an individual company due to individual KPI´s. Not having a global or shared KPI's is a paradox when doing this type of business. Above-mentioned example where Prime Cargo have lost a tender to DSV seems to be a result of not being good enough at sharing information. However the quotes tells a contradiction story. Based on the first quote it seems that Prime Cargo lost the tender due to lack of collaboration and knowledge in the process, which indicates that there are room for improvement. The lack of information regarding involved offices performance means that the translation either does not appear or is affected by lack of knowledge and information between the concerned actors. A reason for the defective or missing translation could be the lack of a system with affordances that makes information more visible. *Visibility* in financial figures and costs could have contributed to a better offer to the lost customer. The role of the technical artifacts, being the operational system, seems to be insufficient since it could not accommodate the interest of the requesting actor, which was affecting the translation.
To loose a tender as above can be considered as a *black box*. Prime Cargo has had the customers for five to six years, which might have resulted in making the actors within

the network blind to important elements of sales process such as the customer preferences, own cost structures and revenues in relation the operations and awareness of challenging competitors on the market.

Another relevant perspective on the sales process is related to learning. The sales project can be seen as learning process, where the involved forwarders are constantly getting experiences and knowledge of techniques and procedures. It seems that the forwarders in Prime Cargo are evaluating the process.

"I think we spend a lot of time discussing good and bad. Lessons learned, why didn`t we secure the account or why did we loose the account. Kind of reflecting on what we could have done better and what we could have done differently in order to, as an example, to secure a business or avoid loosing a client" (Interview #4).

Currently the learning process seems to take place on a group based level with the involved actors. Since the sales process involves varies numbers and set of individuals based on the given case. This implies that Prime Cargo could benefit doing learning process on an *organizational* level and secure that all relevant employees are taking part in it. The forwarders working with operations, which might be left out of the group based learning process, might also provide valuable operational inputs that makes the sales representatives better in targeting, getting and keeping customers. Invention of *institutionalized learning processes* related to the sales process should be the ambition for Prime Cargo, since this ensures routinized action embedded in the organizational systems and procedures and therefor likely strengthens a process such as the sales process.

An equally important issue in relation to this process is the applied medium. Prime Cargo is using *channel media* such as conversations and emails for sharing information and knowledge. While conversations are hard to share with many receivers as the same time, emails are affected with the risk of the receiver finding them irrelevant or potentially get overwhelmed by the amount of emails.

"Without knowing it but I have around 200 emails during a normal day, where the 100 of them I can simply push delete on" (interview #1).

Potentially it can damage the relationship between the employees if they are getting emails that they do not find relevant. Even by the use of email lists or groups there are no guarantee that all included employees are finding it relevant or that no relevant employees are left out. A part of the organization has already invented other channels of internal communication. The Chinese offices in Prime Cargo are already using an alternative medium to email.

"I mean well you can say in a way we kind of are using platforms in China (sic). I mentioned to you about a platform called WeChat and WeChat… You know we have those groups, it can be management group, it can be sales group, it can an operations group for ocean or for air etc. So we have a lot of discussions in these groups already on how to, you know where people can ask a question or how do I quote for this client or you know who can join me for the next meeting and so on so forward. So I mean we use some platform already in China, not sure if they use them in Denmark, but we actually use them quite a lot here in China" (Interview #4).

The invention of WeChat in Prime Cargo indicates the need of an internal platform, which is offering other types of functions than the existing. This will be examined further in the following section of the thesis.
In addition there are other issues related to information sharing in relation to the sales process. The empirical research indicates that the sales representatives need a system for sharing and collecting information about existing and potential customers and that the current operational system does not support this.

"That is a place where we are going to take a massive jump in relation to the new thing because there is a CRM module in it that we need to take. The way we do it to-day is in Outlook. Completely old-fashioned and they don't have access to it in China. Meaning everything we type in on Danish customers that we are talking about is not visible for them in China unless we send it to them" (Interview #1).

The answer indicates there is no transparency in the system and as already mentioned it is an advantage to approach the sales process from a dual approach being establish-ing a relationship with both shipper and consignee of the transport. Without infor-mation being automatically shared between Denmark and China is an obstacle that may create barriers in the process with lower efficiency and loss in knowledge sharing as a consequence. The process of saving customer-related information by the sales representatives indicates that it is done in a laborious manner where the important information can be difficult to find or even not stored due to the time consuming and complex character of the activity.

P: "(...) Today it's happening like this, if we are visiting a customer, let's say (...) Alaska... Then we have a customer card you could call it a dashboard. Then you over here have what you have spoken with the customer about. There is no place in this where you can go in and segmenting, customize or write something about lanes – write something about needs other than you write in free text field. That will come with the new system because it's huge issue for me this current situation because I cannot measure revenue on the customers today because we are not able to do it with the system that we have. Well I can measure a revenue but I cannot see how much we make. So I can have a customer that creates a revenue on 10 million but I don't have a clue about the profit because the system cannot generate it as it is today
I: But previous visits are being logged in there?
P: Yes it's being logged there and then we save our offers a third place on a P-drive out in a shared folder. I can show you that. That is something that you might consider interesting, I think. That is just to illustrate how far behind we are" (Interview #1).

The quote confirms that there is room for improvement when it comes to logging relevant data in relation to customers in Prime Cargo. The present way it is done seems to be laborious and is impacting the overview of customer insights and their engagement with Prime Cargo. Thus, they are getting a new operational system that will have some kind of CRM[15] application, there will never the less still be a need of a platform of knowledge sharing, interaction and visible content in order to optimize the process.

5.4.1 Enterprise 2.0 and its possible impact on the sales process

This section will present how the features of Enterprise 2.0 might improve the sales process based on the empirical findings, the previous analysis and the theoretical per-

[15] Forklar CRM

spectives of the thesis. Currently the main issue of the process is considered to be in relation to KM and existing technological tools, which is seen as key elements within Enterprise 2.0. The findings show some unfortunate implications of the existing email channel. The platform offers a possibility of replacing the mail channel as the primary tool for communicating and thereby provide the actors with affordances that might reduce the current implications.

The sales process is a demanding process and it should be clear that the coordination is a comprehensive task for the coordinating forwarder or sales representative. Especially when it comes to large and important tenders, which can be considered as a project with its own network, where the coordinating employee act as the obligatory passage point and other contributing actors are the nodes that he is connecting with. The analysis shows how the relationship between forwarders in Denmark and China are based on a shared understanding of the roles and understanding of the dual approach to solving the challenge. The relationship has a characteristic of being informal, which is considered as an advantage as the relationship in networks can be considered as the backbone of the network.

The tender task can be compared to a project where the individuals in the team are to help each other and deliver a specific output and even though the employees have cultural differences it does not seem to impact this collaboration. However it is shown that Prime Cargo recently lost a tender to a competitor and thus there might be multiple reasons for that, it have been noticed that the lack of technological artifacts is impacting the tending process in a negative way. As the current operational system does not support the sales process appropriately and is not facilitating an interdisciplinary process, Prime Cargo is losing competitiveness for reasons they should be able to avoid or at least reduce. Enterprise 2.0 can contribute with its features and based on the considerations of the network, the actors' interpersonal relations and the attitude to collaboration, it should not require a massive change in the mind-set of the employees in the organization. The frequency in the correspondence among the forwarders are somewhat high and as shown with the example with WeChat, which is a good example of how the affordances from instant and group messaging is speeding up the communication flow. Enterprise 2.0 systems offer *online group editing* which is a feature that is seen to be proliferating for the sales process by providing employees with different skills. By the use of Enterprise 2.0, Prime Cargo could have the possibility of creating groups in relation to the different tender processes and include all the contributing actors. These groups would work as communities of practice, which could also have a unifying effect where members would feel committed in the aim of helping each other. In other words, it seems that *group editing* could contribute to making the invisible practices visible. Consequently this will contribute to the awareness of the *black boxes* within the network of Prime Cargo. Knowledge sharing could be spread faster and support the translations between actors in the network. The communities are also considered to support the learning process in Prime Cargo by providing the functionality of involving more individuals. Furthermore it will make the learning processes take place on an organizational level. In the long run the platform might support an institutionalization of learning in Prime Cargo, which is seen to be very beneficial for the company and something worth striving for based on the empirical analysis and the knowledge of the industry and market.

In order to avoid the issues, which are related to the current communication medium, Enterprise 2.0 would provide the employees in Prime Cargo with the possibility of using platform communication instead of emails. Platforms often have the character of *pull* instead of pushing the information, which is a common characteristic of emails as a medium. A platform would also result in fewer emails within the organization and thereby reduce the risk of deletions of relevant emails due to overload. Most Enterprise 2.0 offers the function of providing the individual users with notifications or signals in order to alert them about possible relevant information. This function is seen to support a better overview for the user and provide them with the possibility of filtering received information based on the relevance. The WeChat application which are used by Prime Cargo China is seen as a type of ESSP, presented in chapter 3, and provides the actors many of the similar affordances as most Enterprise 2.0 platforms, though it is considered to be problematic that the application is only used in a part of the organization and that the implementation and daily use of the platform seems slightly unstructured and autonomously. Since the tender and sales process requires inputs from several offices, WeChat does not seem to be the right medium for collaboration for Prime Cargo in a global perspective. Another issues, is related to the security and privacy, which is a concern that is shared by the Chinese manager:

"I don't know. I mean one of the issues and concerns that I have is that you know you kind of need to have some sort of documented backup on quotes and information that you give out. That's, you don't really have that, because everything is kind of like in a cloud system that we don't control. Its controlled by WeChat. So I think that's gonna be very dangerous to do so. Unless you make this information on your own cloud server, because then you can you know kind of store the information but I would do that. For us you know when we quote we take a picture of the quotation and then we can send it to our sales team and then they make quotation based on that" (Interview #4).

However the use of the WeChat in Prime Cargo is never the less seen as an example of the demand for features and functionalities that supports the efficiency and quality of information sharing in relation to sales process. In consequence at least a part of Prime Cargo does not find emails sufficient for this.

This section has presented how an Enterprise 2.0 platform might support the sales process within Prime Cargo and solve some of current issues. It is argued that increased knowledge sharing, learning and better platform will have a positive impact on the translation between the involved actors. As a result the global network of Prime Cargo will get tighter connected. Obviously a better internal sales process does not guarantee that the company is winning tenders, providing more attractive offers to the customers or getting better in finding potential customers on the market. Nonetheless it is argued that an optimization of the internal sales process will reduce inexpedient outcomes from the activities due to lack of collaboration, technology or required information, as it was in the case with the lost tender. In other words an Enterprise 2.0 might provide Prime Cargo with the opportunity to focus on other relevant parameters and possibly gain competitive advantages. This argument is based on a presumption of their competitors dealing with some of the same issues as Prime Cargo being internal coordination and information flows related to sales in this industry.

5.5 Summary of analyses

The analysis has described and presented characteristics of the three selected processes in Prime Cargo based on empirical material from the conducted interviews. By the use of existing theory within KM, trust & control, network theory and transaction costs, several observations has been made and related issues clarified. The three processes has been researched and analysed individually, which means that the observations and findings should be considered as related to the individual process. However it is argued that most of the findings have similarities, which indicates that some of the issues could be related to the network of Prime Cargo and not just related to individual actors and their translations. Interesting elements that are recurring in the analysis of all three processes are lack of KM, Transparency, interpersonal trust and control mechanisms within the network. This element will be addressed and discussed in the following chapter together with the perspectives of Enterprise 2.0.

Due to the previous considerations, a final observation on behalf of the empirical findings is seen as relevant to include. From a network perspective, which is presented in chapter 3, the relations between actors in a network can be seen as different type of ties.
An example of strong ties is provided by one the Danish forwarders when asked his social relation to his colleagues at the same office.

"Certainly! We work closely together, and you can say, I see it has an advantage that we are only two and that we also have a personal relationship and get on well together. We have a good collaboration, so we can coordinate between each other all the time" (Interview #3).

Subsequent the same forwarder is asked about his relation to his colleagues in China, which provides an example of what can be seen as weak ties.

"Well we only have a professional relation to them. Many of the managers has been in China or India to meet those persons out there, but the operations has not, so we know their name and have some emails we have send and the few times you maybe has phoned them where you almost can't understand them. So we don't know them more than that really" (Interview #3).

Weak ties are seen to build bridges in network and valuable when it comes to solving issues or gather information. The ideal worker is argued to be having a network with a core of strong ties and a huge periphery of weak ties. The answer above, as well as several of the answers and findings in the analysis, indicates that both type of ties are existing in Prime Cargo. However based on the empirical findings and the previously illuminated issues of the process it is seen as fair to argue that the actors within Prime Cargo could be better in getting value from their weak ties. Weak ties offer the employee to benefit from a low-density network in that way that the members are placed in the periphery of the network and due to that can contribute with more likely new knowledge than a densely knit network, where people know each other well. When taking into account how important local knowledge is in the industry, it can be seen as very important to utilize the knowledge of the dispersed employees. Enterprise 2.0 and its collective intelligence benefit will most likely enhance the spread of local knowledge and thereby activate the weak ties within Prime Cargo. Elements such as knowledge sharing, collaboration, trust and control are seen facilitated by strong ties, but not necessarily when it comes to weak ties. This is seen to be relevant for Prime Cargo, since several of the issues in relation to Prime Cargo could benefit from a better use of the weak ties of the concerned actors.

Many of the functionalities or affordances of Enterprise 2.0, that has been argued to affect the three processes and the network in Prime Cargo, are related to activation of weak ties of the individual actor. Examples of this could be when a forwarder finds useful information by searching old posts made by a random colleague in the past or when a sales representative coincidentally is getting valuable inputs in a community of practice as a part of the sales process.

6 Discussion

The previous chapter has illuminated characteristics and issues related to the three selected processes by including data from the empirical research that has been carried out for this thesis. The analysis has also shown how the affordance of Enterprise 2.0 can provide actors with functionalities that might have impact on the processes and issues based on theoretical concepts, models and approaches of relevant topics. The following chapter has the purpose of discussing the findings from the analysis. The discussion is made in order to answer the research question as well as illuminating some of the critical reflections that are seen as required before drawing any final conclusions. The chapter is introduced by a brief summary of analysis, followed by a discussion of Enterprise 2.0 in relation to the case company. The next section contains some reflections on the methods and scientific approaches of the thesis, while the last part of the discussion is presenting thoughts on the validity and relevance of the thesis.

6.1 Summary of findings

Several findings were made from analysing the empirical data related to the selected process by applying an actor network approach and use of relevant theories. It has been clarified how the pricing process is affected by elements such as lack of interpersonal trust, transparency, as well as limited control mechanisms with the results of increased transaction costs and potential lost of customers due to artificially high prices. It has been shown how the operational process is challenged by the time difference and lack of knowledge sharing and collective learning in obtaining required information as well as consolidating transports with lower efficiency and higher costs as a consequence. Finally it has been illuminated how the sales process is affected by lack of collaboration and lack of alignment in relevant information between the involved forwarders in order to optimize this process.

In addition to all this it has been argued how the functions or affordances of an Enterprise 2.0 platform might impact the processes and possible reduce some of the concerned issues. Some of the arguments in relation to this are made on behalf of practical considerations, where Enterprise 2.0 has the ability of providing the forwarders with a useful tool in order to solve their tasks in an appropriate manner, while other arguments are based on theory within KM, trust and control, transactions costs and network theory.

Since the findings are made on behalf of several choices in relation to methodology, theory and analyses it is not seen as possible to draw any final conclusion before reflecting on how this research has been carried out. Neither is it possible to describe the impact of Enterprise 2.0 in relation to the processes without discussing the possible side effects of using the platform.

6.2 Enterprise 2.0 in Prime Cargo

The theory of Enterprise 2.0 is presenting several possible benefits from the use or Enterprise 2.0 in the case company. The analysis and related considerations in the thesis are showing how some of these benefits might impact Prime Cargo on behalf of the empirical findings and later analysis. It has been argued how Enterprise 2.0 and its affordance have the ability of optimizing elements such as knowledge management, interpersonal trust and the network in Prime Cargo. It has further been argued that optimization of these elements will impact the selected processes in a way that can strengthen Prime Cargo as a company due to their importance for the overall business. Small-medium companies are argued to benefit from Enterprise 2.0 systems since the participants in knowledge processes often consist of self-directed agents with a willingness to express their personal knowledge (Razmerita et al, 2016: 10). This might help an organization such as Prime Cargo in gaining the benefits, since the actors and the network of the company consists of many local agents contributing with local knowledge. This is the prerequisite in order for the network to deliver valuable services to their customers. In other words, Enterprise 2.0 is seen to support the cellular and autonomic character of the structure in Prime Cargo.

The benefits from Enterprise 2.0, which is argued to have a possible impact on the analysed processes, include functionalities such as the broadcast search benefit, network formation and maintenance, collective intelligence etc. However there are also a few risks and uncertainties in using Enterprise 2.0 which are presented in chapter 2. The outlined risks and uncertainties have a general character, which is why it is seen as relevant to consider them in relation to the case company and this specific research.

Inappropriate behaviour on Enterprise 2.0 platforms is considered to be an unavoidable risk, which is relevant for most organizations. If having an Enterprise 2.0 platform, some employees in Prime Cargo might use it for activities that are not in Prime Cargo´s interest on various levels. However it is believed that this risk is reduced if using the platform for activities related to the specific process, since this will scope and define the purposes of the platform and the different communities. If the forwarders working with airfreight in Prime Cargo were having a group for interaction, the content and activities would be predefined which can reduce noise on the platform. The managerial, as well as the collective, monitoring of the platform would furthermore reduce the incitement to inappropriate behaviour. Transparency and visibility has been as presented as a continuous argument for positive impacts in this thesis, and is also seen as something that can reduce inappropriate behaviour on a platform, especially in comparison to email and phone calls which are less transparent and monitored.

While inappropriate behaviour is argued to be a minor issue, *inaccurate information* is seen as a more relevant issue in relation to the possible use of Enterprise 2.0 in Prime Cargo. Their might be situations where forwarders in Prime Cargo are provided with wrong information due to the shift to a more open, accessible and transparent information process which is involving more individuals than today. If wrong information is provided in the process of pricing, operations and sales, it might have critical consequences and even more importantly, likely add a sense of mistrust to the reliability of information provided on the platform. In addition to this new medias are argued possibly create an overload of information and thereby possibility increase the complexity in information flows (Silver, 2012:12). Once again it is seen as necessary to compare these issues of Enterprise 2.0 to the existing tools within Prime Cargo, and even though the risks of inaccurate information and information overload might be increased in a more open information process, it is considered that many of the same risks are already existing when forwarders are using emails and phone calls. Another issue is related to handling of *sensitive information*. In an internal perspective the management have to make decisions in relation to level of transparency when it comes to posting and sharing more or less sensitive data. Obviously the management can choose to keep sensitive content out of the platform, but there might be some blurred examples, which make this judgement more complex. For instance in relation to the sales process where the management have to decide whether to post information regarding negotiation of contracts of a sensitive character that all involved parties have access to. Most Enterprise 2.0 platforms offer the function of working with open and closed communities, which might solve some issues in relation to sensitivity. On the other hand there might be situations where information can be shared with some users within a closed community, while other users are to be left out in the process. Information that is not visible on the platform might impact the possible benefits from using the platform when having theories of knowledge management, trust/control, networks and transaction costs in mind. These considerations indicates that the structure of the communities within an Enterprise 2.0 platform is an important element if Prime Cargo are to use such kind of platform and that the right balance between inclusion and seclusion of members as well as visible and invisible content has to be found. Another issue related to sensitivity is *theft*, which is often a concern when dealing with handling of digitalized data (McAfee, 2009:160) Obviously information regarding pricing of transport, operations and sales are quite sensitive in an external perspective, which means that the transfer of the activities within the three processes are associated with a risk. However the empirical research within Prime Cargo shows that much of the concerned information are already stored into emails, ERP systems and even the WeChat application, which means that the use of Enterprise 2.0 will not increase the risk of theft compared to the existing tools.

The sections above provide some of examples of risks of using Enterprise 2.0 platforms in Prime Cargo. These risks have to be taken in account in deciding if and how to use an Enterprise 2.0 platform in the organization and should be compared to the already illuminated benefits from the analysis.

It has been argued how Enterprise 2.0 can have positive impact on the three processes based on its possible impact on knowledge management, trust and control, networks and transaction costs. The argument for this impact in based on consideration and analysis´s of Enterprise 2.0´s affordances in relation to theories within the selected focus areas. For instance the theory is saying that a successful knowledge management is facilitated by transparency and that control mechanisms can increase trust in an organization. In other words, the reliability of these considerations is crucial in validating the argument and key-points of this thesis. Research shows how Enterprise 2.0 technologies have the capability of raising business performance by transforming business processes and externalize, share and create knowledge from the use of co-creating processes and synergistic articulation of collective knowledge (Tuomi, 1999) (Alavi & Leidner, 2001) (Razmerita et al, 2016:4).

6.3 Scientific reflections

It should be clear that the use of actor-network theory is defining the methods, approaches and findings of the thesis, which also means that other scientific approaches might have impacted the research on several levels. In order to illuminate the awareness in relation to this, the following section has the purpose of briefly discussing how other choices might have contributed and/or affected the study and explain the reason for excluding the use of those. Actor network theory and constructivism has been chosen based on a mixture of the characteristics of the research question, the included theory and topics, as well as considerations in relation to the concerned case company and the industry it operates in. Actor network theory is seen as a relevant approach in the study of relations between humans, technology and organizations. Due to its ontological basis it contributes with a scientific methodology that allows analyzing types of actors, networks and relations which are seen useful for the basic arguments and understanding in relation to Enterprise 2.0 and technology, but also a useful perspective in applying theoretical fields such as knowledge management, trust/control and network theory. Actor network theory are considered as a broadly accepted way of studying technologies within organizations and many of theoretical elements, such as the affordances concept, is seen as having a strong relation to the characteristics of the method.

Obviously this does not mean that actor-network theory is seen as the only relevant perspective and as any other method or scientific approach it is considered to have seen its limitation and other perspectives might have contributed to the study in a valuable way as well.

An example could be Niklas Luhmanns system theory, which takes a functionalistic approach by focusing on social systems sharing the same logic (Borch, 2011:19) While actor network theory consider any sort of relation between actors as the defining element of the networks, the system theory sees shared logics as determinant in how to distinguish between different systems. In this study the system theory would focus on the characteristics in how the researched and analyzed individuals were sharing understandings in relation to their job and key elements in the thesis. This approach could have illuminated possible conflicting perceptions and logics and described how these conflicting understandings were negotiated or possible secluded from the system. This approach could have provided the thesis with the possibility of investigating how Enterprise 2.0 could impact shared and divergent logics between the individuals in the case organization. Another approach to the study could be Pierre Bourdieu's field theory, where the focus is on the fields with a shared logic and self-perception (habitus and doxa) instead of focusing on networks or systems (Greenfield, 2012:65f). Choosing this approach could be centered about a characterization of the field of individuals within the industry and illuminated the internal battle for power and logics within the field. Another way to use this approach could be to distinguish between fields based on culture or nationality and investigate how some logics and/or self-perception could differ and what consequences this might have for an organization consisting of different fields. A final option could be to investigate the research question and key elements of the thesis from a phenomenological approach and thereby shift to a scientific paradigm focusing on the subject and its presence to others. This scientific approach would have a crucial impact on for instance the validation of the empirical research, since the attitudes, arguments and presence of the participators would be considered as determinant, whether this is actually reality or not (Hviid Jacobsen, 2010:161).

In order to illuminate the awareness of how the applied methods are impacting the thesis this section has the purpose of briefly discussing how other choices might have contributed and/or affected the study and explain the reason for excluding the use of those. The reasons for choosing qualitative interviews as the main empirical source are outlined in the previous section regarding the interviews, where the different steps in the process are presented as well. Another possible way of collecting data would have been to conduct an online survey among the relevant individuals within the case company and thereby obtain quantified data for further analysis. Practical advantages of this way of researching would have been the geographic reach and an efficient data collection process that online surveys can provide. The methodological advantages would be to gain a larger amount of data from a wider number of individuals (Valerie&Ritter, 2007:5f). As with the applied qualitative research, a quantitative research would require considerations in relation to several elements of the research to secure the quality and validity of the collected data. If done properly an online survey or other type of quantitative research would have provided data collected from a more representative group of individuals and thereby avoid the risk of doing analysis and/or drawing conclusion on behalf of subjective attitudes or perception that might be wrong in comparison with other individuals in the organization. However, as described and illuminated in the section regarding the qualitative research, it should be clear that the collected data from the interviews is used on a basis of awareness, reflections and considerations of its uncertainties and limitations. It should be clear that a quantitative research could have provided with valuable data to the study. On the other hand it is seen as hard to do a comprehensive and detailed analysis of actors, relations and network without the inclusion of any sort of qualitative data.

Another relevant research methods would be an ethnographical study, which is a detailed and systematic study of people and their environments (Martin & Pavlovska, 2009:370). Ethnographical studies is seen as valuable method when using actor-network theory and investigating actors, especially in relation to the non-human actors and their interaction to human actors, since this might be hard to investigate in details by the use of other methods. Moreover actor network theory has been developed by the use of ethnographical studies. An example of ethnographical ways of collecting data includes interviews or observation within the investigated field (Martin & Pavlovska, 2009:372). Ethnographical studies can be useful in several types of research in order to get knowledge of individuals and/or group’s culture, beliefs, behaviors, powers etc. Visual ethnographic is a variant of the research method where similar elements are investigated in virtual spaces such as the Internet or on social media platforms (Hine, 2008:3f). In this study an ethnographical study of the forwarders could have provided a more detailed knowledge of their processes, routines, interpersonal relations etc., which is considered as very valuable in relation to the scope and purpose of the study.

This section illuminates some of the reflections that have been made in relation to the chosen scientific basis, methods and way of researching. It should be clear that an almost endless number of scientific approaches could have been applied in this study, but also that many of key elements and more importantly the findings could have been different if choosing other approach. It is hard to compare the applied approaches and methods to the excluded in a meaningful way, which means that the consideration should be seen as a way of illuminating how the chosen approaches and methods are defining the different key elements within the study.

6.4 Other relevant perspectives

Many of the key arguments in this thesis are based on theory within self-selected research areas and topics. The selection was based on considerations of their relevance in relation to Enterprise 2.0 and a presumption of the investigated network, actors and translations. For instance Knowledge Management was selected due to existing theory within the field in relation to Enterprise 2.0 and IT in general, as well as presumption of knowledge management to be relevant in a network of forwarders and their interpersonal activities. This way of choosing theory is seen as necessity due to practical conditions of the study and, if done in the right way, also a way of securing quality and focus to the research. It has been under awareness of the possible implications, since other relevant theories and topics have been deselected in the process, which is impacting the findings of the thesis.

An element that is briefly articulated a few times in the thesis, but not considered or applied further in the study, is organizational culture. Theories says that organizational culture has an impact on knowledge management, trust and control and networks which makes it relevant to this research due to the important role of those theoretical elements within the thesis (Hislop, 2009:137) (Tøth: 2015,206f) (Kilduff & Krackhardt, 2008: 183f). Some might even argue that organizational culture are affecting all parts of an organization and have to be included or at least taken into account when studying such kind of arena (Cheney et al, 2011:77f). A traditional way of describing and analysing culture is by the use of artefacts, which is defined as underlying assumptions that individuals within an organization believe as right (Cheney et al, 2011:87). Organizational culture can also be seen in a functionalistic and symbolic perspective where functionalistic perspective perceives culture as a set of ideas, values and symbols managed by the management in order to create a certain shared culture among employees in the organization, and the symbolic perspective perceives culture as something integrated in the organization and a complex product of several elements related to the individuals within (Cheney et al, 2011:86). Organizational culture could have been applied in the thesis in several ways. If related to the already applied theoretical elements it could be seen as relevant to investigate how Prime Cargo could secure a culture where e.g. knowledge sharing is perceived as something positive in order to make Enterprise 2.0 fulfil its potential in relation to this. If applying organization culture in a more general matter an analysis could have illuminated the current organizational culture within Prime Cargo as well as possible issues in relation to the processes. The affordances of Enterprise 2.0 might then have the possibility of impact, support or change the organizational culture in ways that could strengthen the processes. Despite all this, organizational culture has been deselected due to the large extent of the theoretical area as well the chosen scientific approaches, which are seen as hard to apply in relation to the perspectives and methods of analysing organizational culture due to the lack of focus on social factors within actor-network theory.

Another element, which is considered as important, but never the less left out of the study, is the financial perspective on Enterprise 2.0. It has been argued how the platform has the ability of impacting the processes and thereby also reducing costs in Prime Cargo. This consideration is based on specific empirical examples, such as if the forwarders are increasing the number consolidations of transports in the operational process, but also on consideration of improved knowledge management, more interpersonal trust and a stronger network to be something that has the ability of increasing the efficiency and general business performance in Prime Cargo. An Enterprise 2.0 platform in Prime Cargo can be seen as supplementing to a financial system, which can arguable have a positive impact on several levels. However it is seen as difficult to measure and account this impact into financial data, which is a general issue of Enterprise 2.0(McAfee, 2009:188f). The basics of finance require a return on investments and it is therefore seen as relevant to clear that the prices of Social Enterprise platform are relatively low when it comes to rates for acquiring access to the platforms[16]. However it is important to be aware of additional costs associated with the use of Enterprise 2.0, such as costs related to the implementation or daily management of the platform. Also the possible requirement of new hardware and software when using such a platform should be taken into account. Based on considerations of the characteristics of Prime Cargo as an organization, as well as the empirical research, it is argued that the costs of implementing and managing Enterprise 2.0 in Prime Cargo will be relatively low. Most of the required software and hardware is already implemented in the organization and used in the daily activities of the forwarders, and the daily management of the platform is considered to be relatively easy in comparison to larger and more complex organizations. Another argument for implementing Enterprise 2.0 is that it can be considered as an investment, since the tool might have the ability of supporting existing and future activities in Prime Cargo. Examples of these activities could be management communication, where an Enterprise 2.0 platform might be offering a useful channel to reach the rest of the organization or the implementation of the new ERP system, where Enterprise 2.0 could provide a platform for training, support and sharing of experiences and best practises. Another traditional issue related to Enterprise 2.0 is whether the users have time to use the platform in an appropriate way, which is obviously seen as necessary to maximize the benefits of its functionalities. In this perspective it is important to notice that the implementation of Enterprise 2.0 in Prime Cargo is supposed to be used for already existing processes and activities and should not be seen as an additional tool that provides the forwarders with additional tasks. This is seen as a key argument since many Enterprise 2.0 platforms could suffer from being downsized in the daily work. An issue of quite similar character is whether the users of the platform have the required skills in order to maximize the benefits of the Enterprise 2.0 platform. The empirical research is indicating that the workforce in Prime Cargo is familiar with modern IT and digital tools and that some parts of the organization has implemented similar software in order to solve their tasks more effectively. In general it is seen as relatively easy to transfer the existing activates in Prime Cargo to an Enterprise 2.0 platform, but since those activities are related to indispensible key-processes of the company, the management have to be aware of individuals which might not feel comfortable in using the software. It should be clear from the analysis and the considerations in this

[16] The cost of acquring access to four of the most common Enterprise 2.0 platforms is 3-12,5 USD pr user pr month (IMB,2016) (Yammer,2016)(Slack,2016)(SalesForce,2016)

discussion that an Enterprise 2.0 platform in Prime Cargo should be used in a consistent manner if gaining the full positive benefits. If the system is only used by a part of the network, or used based on an individual judgement of the relevance, it might not solve the illuminated issues and possible provide uncertainty, complexity and inconsistent to the network. For instance if Prime Cargo has the aim of reducing or removing artificial high rates provided by the forwarders, by the use of an Enterprise 2.0 platform, there has to be broadly accepted policies or norms that clarifies that email correspondences is not an option when requesting or providing rates. It goes with all the other elements that are argued to be affected in a positive way by the use of Enterprise 2.0.

6.5 Final thoughts

This chapter has been discussing the findings as well as the illuminated possible uncertainties and issues in relation to the arguments of the thesis. The final part of the section is providing a few final thoughts on the validity and relevance of this research.

Actor network theory, the applied methods as well as the selected theories are considered to have provided the possibility of analysing the selected processes in relation to Enterprise 2.0 in a way that is illuminating unique characteristics of the actors, their network and the translations in a way that are providing specific examples on how a social platform can impact the processes and thereby Prime Cargo as a company. The hypothesis that was to be tested is thereby confirmed, since it should be clear that Enterprise can impact the processes. The final conclusions in relation to the research question will be presented in the next chapter of thesis, but this discussion should make clear that there are uncertainties in relation the validity of the research which can be outlined as following:

- The conclusions should be seen as a results of the chosen scientific approaches and the use of other paradigms and perspectives may have affected the results
- Other choices of methods might have affected the findings and thereby secured another and possible stronger basis and evidence for the arguments of the thesis.
- The deselection of theoretical perspectives such e.g culture and finance might limit the validity

- Uncertainties and risk of using Enterprise 2.0 should be taken into account as they may affect the impact on the selected processes

The first chapter of thesis makes clear that the purpose of this study was to investigate the impact of Enterprise 2.0 in a specific company within a specific industry and that the methods and findings should be considered as a results of this. However it is seen as relevant to present a few thoughts on the relevance of this study in relation to other types of organizations. The use of actor-network theory is seen to provide detailed knowledge of the investigated elements, but also provide findings of character that cannot be used for generalizations. Each network are considered to have its unique characteristics, which means that the findings in this study could potentially have been radically different if applying the same scientific perspective and methods on another organization or network. Based on this it should be clear that the findings are not to be seen as comparable to other cases. However the method that has been applied in the thesis is seen as useable in researching other types of organization. Some of the findings of the research might be similar dependent of the characteristics of the network. It is therefore considered to be likely that organizations in the same industry as Prime Cargo have similar characteristics and findings of the research in relation to Enterprise 2.0 might be relatively similar. Organizations of other industries might also have some similarities in relation to Prime Cargo, but due to the role of industrial characteristics and related processes in this research, the findings will probably be different. In other words the general contribution of this study could be seen as the method of investigating the impact of Enterprise 2.0 rather than the actual findings which are obviously relevant for Prime Cargo and possible other companies of the industry with a relatively similar network.

7 Conclusion

The purpose of this thesis was to investigate how the use of Enterprise 2.0 can impact a chosen company within a specific industry. This has been done by the use of an actor-network approach, empirical research in the case company and selected theoretical perspectives. For the analysis, three processes were selected in order to illuminate specific findings from the empirical material and secure a detailed and realistic approach to the following analysis.

The main findings of this research was that Enterprise 2.0 can impact Prime Cargo in relation to all three processes, which confirms the presented hypothesis and creates a foundation for answering the research question: *How can Enterprise 2.0 impact Prime Cargo in relation to 1) The pricing process, 2) The operational process and 3) the sales process*. When it comes to the pricing process an Enterprise 2.0 platform is argued to reduce the consequences from mistrust, lack of transparency and limited control mechanisms that currently exist in the process of pricing transports in Prime Cargo. Enterprise 2.0 can provide the actors of the process with affordances that might reduce inappropriate behavior, increase transparency and facilitate interpersonal confidence. Because of that Enterprise 2.0 might minimize artificially high prices and thereby strengthen Prime Cargo's position on the market. In relation to the operational process Enterprise 2.0 is argued to reduce existing issues related to the time difference, lack of information sharing and consolidations of transports due to its positive impact on KM related elements such as knowledge sharing, learning and collaboration in the organization. This impact will most likely increase the operational efficiency and reduce transaction costs in Prime Cargo.

Enterprise 2.0 is argued to impact the sales process by the creation of communities of practice that can facilitate better KM and collaboration among sales representatives and forwarders in Prime Cargo. An optimized increased sales process is argued to strengthen Prime Cargo in relation to tenders and reduces inexpedient outcomes from the process. In other words Enterprise 20 is, due to its affordances, seen as a non-human actor that provides actors within the network of Prime Cargo with functionalities that might have a positive impact on the translations and thereby strengthening their network.

On the other hand, as it has been outlined in the previous chapter, the thesis holds a number of uncertainties. The scientific basis, selected research methods, choice of theories, as well the risks that is associated with the use of Enterprise 2.0, should be taken into account when assessing the validity of the analysis and findings. Additionally it is seen as important to state that the three selected processes are impacted by several other factors, which means that the benefits and valuable outcomes of Enterprise 2.0 should be seen as having an impact on the processes, but not necessarily solve the illuminated issues.

With the vision of becoming the preferred integrated supply chain partner and moving towards a 4th party logistics provider, Enterprise 2.0 is seen as a strategic tool for Prime Cargo in order to reach their aspirations. Prime Cargo has defined operational efficiency, transparency and integrated product solution as their strategic focus areas. Based on the analysis and conclusions of this thesis, Enterprise 2.0 is seen as a facilitator of all three elements and it seen as likely that Prime Cargo will strengthen their network by implementing this technology in their organization.
The thesis has only been focusing on the internal perspective and the possible impacts from Enterprise 2.0. In the transformation to a 4th party logistics provider, external activities are also seen as crucial and relevant to investigate. The final chapter of the thesis will briefly introduce to the use of Enterprise 2.0 externally. However it is seen as necessary for Prime Cargo to master the use of Enterprise 2.0 internally before implementing it in relation to customers, agents and suppliers.

In the age of digitalization, organizations are constantly affected by new technological innovations. Strategic considerations and decision making, in relation to this, are seen more important than ever in order to adapt and transform organizations in a successful way. This thesis has presented how a digital innovation such as Enterprise 2.0 can impact an organization and outlined several perspectives and findings in relation to this. It has been the ambition to take a visionary approach to the topic, but taken the constant development into account, it has to be seen as an instant image. As it is believed that the importance of Enterprise 2.0 and similar digital innovation will increase in the future, the demand of knowledge and science within the area will follow. The aim of this thesis has been to contribute to the research field by providing findings from a specific industry, as well as a method to do similar studies in the future.

8 Further research

This final section has the purpose of presenting a few perspectives that goes beyond the research question and the earlier defined scope of the thesis. It should be clear that Enterprise 2.0 is a topic, which can be related to an almost endless number of theoretical areas within the study of business, communication, organization etc. Even when analyzing a specific company, which is seen as limiting the number of relevant perspectives slightly, all relevant topics, analysis and discussions have not been covered comprehensively. An example of this is the external use of Enterprise 2.0, which will be the perspective in this final section.

Currently Prime Cargo´s external Enterprise 2.0 activities are considered to be very limited. As stated in the thesis, the company is having a website with information and a few a customer related features such as sail lists, but functions as booking and tracking of transport are left out and they do not operate with an extranet (Interview #1; Interview #2). The social media activities of the company are limited to a LinkedIn profile, with content that seems to be targeted to customers, candidates and other stakeholders (LinkedIn, 2016). Finally Prime Cargo is not having any platform for collaboration and engagement with any of their external stakeholders, which will be the primarily focus

8.1 The actor-network theory in relation to external actors

The actor network theory, which has been the main scientific basis and method of the thesis, is seen as just as relevant when it comes to translations and network in relation to actors which are not a part of the researched organization. The actors in Prime Cargo is having regular contact with client, agents and suppliers in their daily activates, which means that translations are constantly made across organizational barriers. Many of these translations are related to the selected processes of the thesis and is should thereby be clear that the translations are having a crucial impact on the network of Prime Cargo. The processes are impacted by translations coming from customers, agents and partners, but possibly also receivers of goods, regulating authorities, competitors etc. This means that the network of Prime Cargo, which has until now been analyzed as an internal network of employees, is far more complex and comprehensive in reality. Not at least due to the many non-human actors which are involved as well in order to make the humans actors capable of communicate and exchange information and thereby create translations. The affordances of these non-human actors are therefore important, since they are impacting the translations and creating a set of possibilities and limits for actors within the large network. In other words Enterprise 2.0 can be considered as a non-human actor that may impact these translations. The following sections will provide example of how a platform, such as the one described in the final chapters of the thesis, might affect the network of Prime Cargo in relation to chosen actors which are seen as especially relevant based on the knowledge of the processes, Prime Cargo and the industry.

8.2 Enterprise 2.0 for interaction with customers

As mentioned earlier, Web 2.0 is already providing features that can provide companies and customers with the possibility to interact on several levels. Examples of open ESSP´s are social networking sites such as Facebook, but also platforms for sharing media content, blogging, wikis etc. Such features are broadly used for customer service, sales, promotion and several other types of marketing and communication activities. One of the main arguments of the thesis is that the use of internal Enterprise 2.0 systems should be decided on behalf of strategic considerations. It is important to notice that external use of Enterprise 2.0 is not seen to have any value without many of the same considerations in relation to the overall purpose as well as the activities that is supposed to take place on the platform.

Decisions in relation to this could be based on the three key processes, meaning that an external platform could be used for pricing, operational and sales related activities with customers. When having the details of each process in mind, as well as the presented possible risks of using Enterprise 2.0, it is considered that Prime Cargo should choose a closed Enterprise 2.0 for interaction with customers. Exchange of information is relation to pricing, operations and sales might be fairly sensitive and risks such as *inappropriate behaviour*, *embarrassing information* and *theft* are seen as even more relevant when it comes to including externals. A relevant solution for Prime Cargo could therefore be to provide an Extranet[17] for their customers.

[17] An extranet is a private network that uses Internet technology and the public telecommunication system to securely share part of a business's information or opera-

However an Enterprise 2.0 system could offer Prime Cargo with several functionalities that are not available on a static extranet. If implementing a Enterprise 2.0 platform for customers is seen to increase *network formation and maintenance* by providing employees in Prime Cargo and their customers with the possibility of interacting and strength their relationship. *Authoring* could provide Prime Cargo with the possibility of reaching a large audience with relevant information, while *broadcast search* would provide employees and customers with the possibility of search in valuable content from previous interactions.

As it has been argued in the thesis, the affordances that are provided to actors by the functionalities of Enterprise 2.0 might not only have an impact on networks, but also on KM, trust and control. In an external related perspective, Enterprise 2.0 could increase the creation and sharing of knowledge between forwarders and customers within by Prime Cargo. Obviously this could benefit the clients, who are searching for information regarding transports, but also help Prime Cargo getting different type of knowledge and insights from their customers. This means that Enterprise 2.0 might facilitate learning processes that can impact the knowledge and skills of the employees in Prime Cargo. In relation to trust and control Enterprise 2.0 is seen as a facilitator of transparency within the network of forwarders and customers, which means that the level of trust between the actors might be strengthened. Conversations and exchange of information is additionally seen as facilitating interpersonal control, due to the visibility of e.g. previous agreements and identity of participators.

To sum up an external Enterprise 2.0 platform for customers is seen to strengthening the network of Prime Cargo based on similar arguments as the one presented earlier in the thesis. Obviously there are also some uncertainties and questionable elements in this, which will be presented and discussed by the end of the chapter.

8.3 Enterprise 2.0 for interaction with agents and suppliers

From the presentation of the company and the industry, as well as the empirical material in the analysis, it should be clear that the network of external agents and suppliers

tions with suppliers, vendors, partners, customers, or other businesses (Techtarget, 2016) are crucial for Prime Cargo. Translations between these and the forwarders in the network are mandatory for Prime Cargo in order to secure an attractive product and prices as well as an effective and profitable operation.

An Enterprise 2.0 for agents and suppliers is seen to impact the translation between forwarders in Prime Cargo and external agents and suppliers. An Enterprise 2.0 benefit such as *Group editing* would provide the involved actors with the possibility of creating a community of practise for communication and sharing of relevant content. *Collective intelligence* could provide the participating actors with valuable information in order to optimize their services and individual processes. The *self-organizing benefit* are seen as valuable for the involved actors, since it might provide them with better possibilities of connecting and organize specific work-related activities without managerial or other needless intermediaries, thus being visible for them.

By implementing agents and suppliers on Enterprise 2.0 might reduce complexity in the network of Prime Cargo and increase the continuity, symmetry and informality due the functionalities and benefits from the features. The forwarders of Prime Cargo might also find it easier to use and gain value from their *weak ties* due to increased accessibility and visibility of relevant information. For instance forwarders could use the platform to get an overview of existing partners and the relevance of them in relation to a given question or task and thereby exploit the sources of knowledge that Prime Cargo is seen to have in their network.

8.4 Final words

This final chapter of the thesis has briefly presented some external perspectives on the use of Enterprise 2.0. It should be clear that many of the arguments and findings from the thesis are seen to be applicable in the external perspective based on the scientific basis, theoretical elements and previous analysis of the thesis. By involving externals on Enterprise 2.0 might impact key processes such as pricing, operations and sales, since the network is seen to be strengthened by the affordances provided to the involved actors.

Obviously it is doubtful that all customers, agents and suppliers will find it relevant to use an Enterprise 2.0 platform and it is likely that some might find traditional channels for interacting more attractive. However the empirical research showed how media such as WeChat in China or LinkedIn in Denmark are utilized in order to connect with customers, agents and suppliers within their network due to its efficiency and functionalities (Interview #1; Interview #4).

It could be argued that external expectations to a company as Prime Cargo involves some use of emergent social software activities as it has become common practice of interaction. In particular when taking into account future customers and workers are the so-called 'millennials'.
To gain value from the activities, the use of Enterprise 2.0 functionalities should be strategic founded, since this is seen to ensure the relevance and desired outcomes.

Prime Cargo has a vision of becoming the preferred integrated supply chain partner on their markets and has defined integrated product solutions, transparency and operational efficiency as their strategic focus areas. Based on the considerations and arguments in this chapter, it is considered to be likely with externals on an Enterprise 2.0 platform could increase the integration of product solutions, the transparency and the operational efficiency in Prime Cargo. The trend of going for 3rd party to 4th party logistics provider is considered to require strong network and innovative solutions in order to secure a favourable position on the market and offer an attractive set-up for customers, agents and suppliers. Enterprise 2.0 is seen as providing affordances to actors within the network, that can support Prime Cargo in getting and maintaining a tight and valuable relation to the most attractive and important stakeholders in the industry.

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10 Appendixes

10.1 Appendix 1 - Interview #1

Transcription of interview with Henrik Hansen, Sales Manager of Prime Cargo, conducted the 30th of March 2016.

Participant (P) = Henrik Hansen, Sales Manager, Prime Cargo.
Interviewers (I) = Andreas Van Deer Goot and Mads Kjærgaard Hansen.

I: If there is something you do not want to share with us it is okay with us, because it is not the single question that is important to us.

P: Okay.

I: A short presentation of the company? How old are you and how big are you?

P: Yes. The company was established in 1998 by eight people that broke out from a former setup and started Prime Cargo in small scale. From the beginning they had established them in China. That was one of the parameters that they saw. We will do some transportation and be present in China. So they send a Danish person to China, at that time a person named John, which still are in China. He does not have anything to do with Prime Cargo anymore. Today he runs a huge restaurant chain which he started up while he was in China with a few 100 restaurants so he (laughing)... has made this (sic) hit bulls eye and besides that until last year we have been owned by these people. They have all had shares. Some have had little others have had more but we got sold or bought depends on how you say it in May by a really big Japanese company that is named Mitsui-Solo and Soko means warehouse in Japanese. Mitsui is one of these eight royal families that have contributed in founding Japan. And that is a company, if not mistaken, that has plus 40.000 employees in Japan which is dealing with everything from bank, cruise ships, mining... logistic is a branch, there is a branch (sic) they for example make everything for Toyota so everything Toyota sends out of Japan is controlled by these Mitsui. They have been on searching for someone like themselves that are big on warehousing setups and have previous tried starting up in Europe under their own name with a Japanese leader but that is not durable so because of that they have been on search for someone that matches what they had in mind and they found Prime Cargo. It has been a not turbulent but tough birth and we have through a one and a half year no a year here in May and it has been quite heavy there is some quite heavy demands in regards to reporting towards Japan some major major huge Excel Sheets. There is a cultural gap in regards to how to conduct business that we discuss a lot prima in regards to forecasting where you in Japan have customers like HP Computer make a lot for Apple, make a lot for Continental Tires, therefore most likely can predict two three four years into the future this is how our flow on the warehouse is. We cannot do that. We can hardly predict what will happen the next month and so it's difficult for us to make budgets that covers five years into the future and say that month we assume to make that number and when that number doesn't matches and then the sky and sea gets in motion towards Japan. So that we have been using many resources on.

I: But the company Prime Cargo runs as it always has done despite new owners?

P: No the Company runs as previous - where there will be some changes is where this Japanese company which has a big stack of money that wants to do some more in Europe and that will most like mean that we will get some more Prime Cargo dots on a map of Europe but we will also get some sister or brother or cousins of companies across Europe. We have something down in Czech Republic that is the biggest in Czech Republic in regards to customs clearances where we will need to get know each other and where we will have to see how we can utilize each other so in principle is Prime Cargo controlled by one Japanese that sits by a desk down in Prague which is our highest commander.

I: You have not decided to integrate the products so you can utilize each other's chains?

P: No and yes. We try because it's a bit special neither Mitsui or these PST in Czech Republic they have not do much in regards to freight and Prime Cargo's business is largely divided fifty-fifty in regards to transport and warehousing and that is both revenue and in particularly revenue on bottom-line we make more money on warehousing than we do on transportation because the competition is not that tough and there is beginning to show some synergies between we have some customers down in Czech republic that have a lot of customs clearances that have a lot of freight from China and that we are starting on slowly to get into our business. But it is a heavy process for us and we have to get to know some new people all the time and meanwhile we have had a bit of replacements on several positions here in Denmark during the last couple of years that have contributing to that we need to find our foothold.

I: I've been through a change process.

P: We have been through a change process. Just alone going from an owner-managed company where you almost could ask anyone for permission going to a group/corporate owned company where we have some decisions we can make ourselves but we also have things that needs to go through Japan which is very bureaucratic that have been a big transformation and meanwhile there have been quite some change in our executive management it makes this generation shift as we presume many has to take at some point in the future that have we already taken. We have – a think we have one over 40 in our executive management and then the rest is under 40 and that provides a different energy and a whole bunch of ideas which we need to pick the best ideas from and it is one of the reasons why we don't know how to act going forward here on Zealand. Because if we should do the crystal gazing we should find something that is five times bigger because there is a huge market for us but there is also some investments that needs to follow. We have owned all the building that we live in but we have sold it for four to five years ago and made a 20-years leaseback agreement, which means that you are probably paying for a higher lease than what you should and that entails that you are not able move. If we just were leasing then we would not be here. Because then we would have something that would be much bigger on the warehousing part. But that is some of the things that we are calculating on as a company what can be beneficial and what cannot be beneficial. The setup is that China has a Danish director Janus that has been out there for many years at Prime Cargo. He has been rented out for a couple of years to a Chinese forwarding company and been there as a director and been brought in again since the beginning of the year in order to get control of our business out there. It has not been focusing on commercial growth, as they should have had and that shall Janus get in control of.

I: Is it connected with the relation to your Canadian partner?

P: Yes it is a little connected when they of course leave then we need to fin some new business and we believe that Janus is the man to do that. And Janus references to our Danish CEO Morten that has the responsibility for the Prime Cargo Company… - yes I guess that was about it.

I: We have touched a couple of the next questions. In order to be completely basic what is the most important competition parameters?

P: For us it will be this with logistics, to act as third party and fourth party logistics provider for our customers. This implies that we can take over their all of their flow (sic). We cannot compete for example with DSV if it's only a question of price. They are simply too big or we are too small.

I: What about efficiency? Is that an issue or are you common on that point?

P: No efficiency and processes and workflow and especially on the warehouses are some of the places where we sets firm action into at the moment we run a pilot project with a professor from SDU about workflow and efficiency in (sic) – it has a little aspect of LEAN and are we doing the things on the proper and smartest way from that reason we don't think (sic) from that product we have on our warehousing we don't think we are making enough money on it because there is no equivalent and especially not on our handling of e-commerce there is no one in Denmark doing the same as us. There some doing in a barn or in a much smaller scale but there is no one that can pick up till 80.000 orders in a day. We can do that. And that we have to figure out why we are not making more money on that. And that we have to consider. We are transforming us to become a logistics establishment instead of transportation establishment because the thing about fighting about transport is not a scenario we wish. It is so price sensitive all the time. Now we can (sic) at the moment costs a container, a

20 feet container, from China to Denmark costs 200 dollar then it's limited how big the difference can be and how much you can earn.

I: it sounds as you say as an industry where you have to be extremely flexible all the time in order to track into and where you have something to gain and take some decisions.

P: It is connected with… it is actually one of the things that is backfiring at us at the moment when we are speaking about that we don't make enough money on our warehousing activity then it's because we during the last years have been too flexible. It sounds strange that you can be too flexible but it has actually been the case – we have actually given our customers too many benefits without pricing them what it costs and there – we have during the last months used many days on creating a strategy for the future. "What is that we want?" And where we have found some sweet spots where we have seen what we can do different than the others. We have some parameters we have to work from and there are some customer groups and there is something that is called operation and there is something called contracts and atomization and there is something called development. That is the primary focus and there is a lot of focus points underneath but that is those in particular that are contracts and operation that are those who backfires on warehouses and that we haven't been sharp enough on in our pricing.

I: It sounds to me that you can add some value in relation to price – isn't just A to B?

P: Yes it's not only just A to B and let's say it's a part of our strategy that we provide value for our customers' customers. In the we say what is it that you need and what is that your customers' need because if we can take them out there then we don't need to sit and discuss what it costs. If we can bring value to some companies in terms of their business then the price (sic) if it will cost 100 dollars for a container or 200 dollars it will make it secondary in relation to be specific in relation to be specific on their business.

I: So it sounds it's about customers with bigger needs than normal freight forwarding customers?

P: We will change our focus a little bit. We will really like to have customers that spread out on our whole company meaning customers that will have some warehousing but are getting goods typically from far east or Turkey and maybe also have some B2C and B2B handling because it's there where we seriously can create value. This stuff with moving some skids from Denmark to Germany or move a container from China to Denmark well it is common property and everybody can do it but isn't everybody that can do it in relation to a value chain and in relation to what is going out of the house. So we have changed our focus and we will do to a larger extend going forward and we have a list with fifty potential customers that are being processed very thoroughly and then we have a large number of customers where our sales representatives drive by and see what they can get and that can be all the different parts and that can be some air freight and some sea freight and that can be a small part of their warehousing. It's after the principle little strokes fell great oaks or some that might grow. We think being with someone from the start is something we think is really interesting because then you can create this growth community. And then in relation to warehousing we have quite some demands for those who will be in our warehouse that we shall have an integration towards their system in the way that the things happen hundred per cent electronically. We cannot drive…

I: But that depends on what kind of muscle they bring with them I cannot stop thinking eventually when we speak flexibility. If it's a very big customer which calls you and need a product then you need to be ready to switch in relation to what kind of staff you got and what kind of systems you got and so on if it's attractive enough, right?

P: And that we are. The challenge has been many of those customers that are on our warehousing have been there for many years there we have made to many of those contortions and there are maybe not intergraded hundred per cent into our IT part and so on and you make all sorts of additional services without getting paid for it. The last many customers that have come onto our warehousing well they come all of them (sic) there are none of them there is similar. They have all different demands but as long as we can get the demands to fit into… We have a system called BizTalk, which loads all formats into our house meaning that the customers can send HTML, SQL and EDI. They can send a bunch of formats. That they sent down in this transformation box, which speaks it out in Prime Cargo language for us. As long as we can get the things down in that box and we can find the solutions well them we will be reaching the goal with these customers, but there is not many of them that are alike. They have… The thing about picking a product or sending something out… Some will like to have it wrapped with silk paper and some will like to have it wrapped and some will just have it as cheap as possible and there we getting it matched into (sic) without these contortions.

I: We better get going as we have quite a lot of questions.

P: Ask.

I: In relation to geography, you have touched already, but where (sic), are it a global growth market your are on or is it Asia that is specifically interesting?

P: There we will be dividing our business up in two because on the transportations is in particular out in China that is where we (sic). What we shall do out in China is that we shall have found a bunch of agents. That means freight forwarders worldwide which uses Prime Cargo China as their freight forwarder in China. That is our main goal for our China setup. Our Danish setup is with primary focus on Scandinavia… Scandinavian customers… and make their 3PL and 4PL solutions. That is where our focus is in the years to come.

I: And in relation to your internal work procedures in the organization is that between Denmark and China where there is the most contact in the daily work in relation to solve tasks within transport or do you work as separate entities which in reality could be named something completely different?

P: We have done that so far and we have been working in different systems. We have started to switching an ERP system which is you can say our whole basis of existence with data. That we are switching so we will have a common platform and have been doing so in 12 months now and are running it out in China and they have moved onto it and we will most likely also be on it in Q4 in Denmark which will do that we can release a lot resources where we today are typing a lot of things in all the places. Both in China and both in Denmark and you are sitting and typing the same. Now there will come a system which custom tailored to freight forwarding industry. DSV runs it. Kuhne&Nagel runs it. Where we have chosen say well we want this now and to be honest it is probably three to four years to late that we have made the investment.

I: What is it called?

P: It is named CargoWise.

I: And that is a standardized system across the industry or will it be custom tailored to yours?

P: It is a standardized system with unbelievable many modules where you pick I need this and that, but then there still are some adjustments to each one. We have two in China that doesn't do anything else than being occupied with this. We have two in Denmark full time that are preparing this integration that we are about to enter so for us it's a major expense but…

I: It is something you need to reach in finish with so it doesn't run riot.

P: It is one you need to get into goal with and it must not fail because there is spend so many millions now on coming to where we are now. So it must be carried into goal and that should secure us. An example of that is track&trace and relation to online booking, which we don't have anything of today. It is in relation to when there is something typed in China then we have it Denmark and the customers can see it instantly. We will take a jump of 15 years ahead compared to where we are today.

I: Online booking is that in relation to you booking with suppliers or customers? I: P: It is our customers. It is either our customers (sic). In Denmark is it typically our customers if they have some export and in China is it typically our customers' suppliers.

I: So today it's happening by email?

P: By email or fax or what else they use in China. They are little behind in relation to that.

I: And what if you communicate internally? Then it's also by email?

P: It's by email and we have this Lync or Skype for business where we can chat and do… We do not have cameras on screens. That is something we are talking about at the moment and if should move to pure IP-world on our communication. There we run a pretty outdated… We have some IP phones but there is nothing synchronized with mobile phones and in regards to calendar and all that. That is something we will enter with CargoWise – where the things can be managed much more automatic.

I: We just need to cover how many employees are you in total roughly?

P: 500.

I: how many of those are freight forwarders?

P: well we have 50-60 functionaries in regards to administrative assignments and then we have around 120-130 that is freight forwarders and then we have an insane amount of what we call blue-collars or what we call warehousing employees or warehousing temps.

I: And I was about to say when you said the thing about the mobile phone, is that employees that typically doesn't necessarily sit by a computer?

P: Everybody that is on the warehouses are typically not by a computer. So we have a couple of hundreds at least that are sitting by a computer and have a permanent phone number.

I: But are they equipped with a Smartphone?

P: Most of them are.

I: shall we take the one with cost structure?

I: Yes I think so.

I: In relation to when you sent prices back and forth do then (sic) give… How is the agreement internally? Is there one that controls the allocation key or how do you do that so you don't get too expensive?

P: Well that is… In particular in this industry that is a really good question because…

I: I should maybe mention that one of the topics from our starting point is actually trust. How…

P: And that is… that comes know. It is notoriously seen when you get the information from China that something is net – then there is just simply per automation some kind of suspicion about, "I wonder if this is really net?". Our case is slightly different because – the first reason is that it's the same box that the money goes into. So if you didn't have your own setup in China or you had a partner or agent and they said this is our net then 10 of 10 times it would not be the price. Then there would be a kickback of some kind. For us that doesn't mean that much because what is typically one of the issues are what you call 'local charges' out in China. Which are to be paid by the shippers. In our case they go to Prime Cargo China in their cash box. Whereas if it had been an agent then the customer or shipper would have said this is too expensive and then they would just reduce and still make some money. We have some things we also have in our focus in Denmark. We have some sea freight. One person in Denmark, which goes to China, and negotiates with the shipping lines, manages all our sea freight. Our air freight from China is managed by one person in China where… We are pretty confident that that is the raw price. Well that is the price. Where there might be some doubt in our business well that is when what does it cost to pick up something out in the rise field and transported it to a port. We think it's expensive – if the reason is that they are being bad at buying or we just have a natural suspicion that I don't know. But we can see if we benchmark now and then, then we are higher than what we get from them despite that there have been said repeatedly we shall have the net, net, net and net. And you have to investigate the market. And that is…

I: Your offices around the world do they work after local KPI's – well some targets they have to reach or do you work as one group?

P: There is – each business unit has budgets and that is why this talk appears. Where you say…

I: There can well also be some remuneration terms… There are well some on piece-work in China, I don't now.

P: In China you go by fixed salary… There are some sales representatives that have some commission but all administrative employees runs on a fixed monthly salary. Of course much lower than in Denmark but a fixed monthly salary. There are no bonuses nothing with… They are not allowed to have that many sick days and so in China in regards to when they can be laid off. They are in a different position but in return then… When you have to lay off people in China it's in relation to how long they have been with the company then you go by contract. Typically you make two, three and four year's contracts and if you want to get rid of them prior you have to negotiate. Somewhat like football players. In order to compare with something. But it's a good question "Do we get the net price, out there?"

I: I guess it's a general issue?

P: We presume that we get it on 95 percent on our business that we know and then its clear that there is something new from time to time where we have to transport something from new places or some suppliers that move their business to other places there we don't know. Well the examples is… We have had a big textile customer for five to six years, which we in last week got to know that we're losing to DSV. Its revenue is 15 to 20 millions today and we got to know that we were four millions to expensive based on the tender. And that is where we in Denmark might say we might be able to find a million but that is still not enough but we simply forget that we have made four millions on FOB charges in China. That means what the shippers are paying for. All the local charges in China we don't really think them into it. So in reality you could have marked down the price with four millions and have settled for one million in China and shared that versus now we don't make anything. That is where we feel the difference from getting a Danish thinking commercial director out there versus one that is simply operational. Because Janus would rather have we have something to do, it might be we don't make that much money versus they don't have something to do. And that is in Prime Cargo a new way of thinking that we have to act… I have been here a couple of years now and I had many talks… You can say… Prime Cargo has in Denmark been known for having a super good product on the transports but being expensive. That is – the general opinion of Prime Cargo among the customers. That you have something that works but you also pay a little for it and that is something that I have challenged. Why do we have to earn extra? I would like us to deliver a good service and then it costs what it costs. And there we have been moving us… We have come a long way the recent year in relation to… If we don't have any freight then we don't earn anything. Then it's better to have some freight to a minimal profit and then we have to work with it from that point. And I think we have finally succeeded with having two brains that think alike, which are responsible for it in China and Denmark in harmony.

I: Whom… How is the communication in relation to tenders? How is the process in a tender can you try to?

P: It's a thing where we have to reinvent the wheel because we didn't have any processes earlier. Now is the process as we receive it from one of these countless consultancies that execute them then it goes via my desk and then I have an assistant which you can say answer with we have received it, thanks, we will get back with questions and then there will be written to all relevant offices or destinations and where we say we have received this tender and there is some statistical information and we need to get your best prices on this within a certain timeframe. When we… Then we always add some days in buffer. When we then have received it then we take a round more where we say it's too expensive. We want something that is cheaper and after that we submit it afterwards. Ehm… The process from there on is typically that you will get called in to two negotiations with these companies that only one thing in mind and that's to reduce the cost further. And that is… We have once in a while where we at the moment actually say no at the moment because we think they way how it's done is unprofessional. That you are being asked for your best quotation and then you still have to sit and reduce it two times and when you then have reduced it two times and then they say by the way we want to adjust go forward in relation to an index. That means when you start in minus and only adjust to how it goes up and down then you would never get it to be profitable. And that are some of the places where we take some fights at the moment because we don't bother anymore. I believe over the last two months we have had six or seven tenders of more or less greater extend. And it takes a lot of time when you have to coordinate 15 to 20 destinations with prices and sea freight and air freight and… So it's some heavy processes.

I: And that's in relation to customers you want to make a contract with but do you also take in ad hoc bookings?

P: Yes.

I: Is it from existing customers but can it also be me for example that have something that needs to be send to China?

P: Yes in reality that could be the case. Export is largely ad hoc or spot where our customers ask two to three and it's the cheapest that wins. Unless we are speaking about some of the really big customers then they have some fixed prices. But 80 percent of our air export is spot like that.

I: You mentioned down in the warehouse that you want to target customers that have several needs in relation to logistics. I presume, correct me if I'm wrong, that it's more complex assignments and because of that it will maybe go out in tender more often. Will you go after more of those tender assignments even though you mention some of them are unprofessional? Then I presume slightly bigger customers have more… How to say… Higher demands in regards to your processes?

P: It's two sided. These tenders are very transportation related. On the warehousing part there aren't the same procedures. Because every single company have some uniquely demands towards a warehouse. I can give you the example – we have just processed a tender on one of our existing warehouse customers where we receive the material that is so in incomplete from one of these consultancies in regards to how we run… In regards to how it's done these days. We base our prices on how it's done to-day. We know the customer needs this and that and we know he needs us to wrap it with silk paper and when we then get the feedback you are 65 percent too expensive in compared to the cheapest. Well fair enough but we have quoted in relation to how the reality is and not from the incomplete material you have described. So therefore is this with warehousing and logistics a much more complex size but it also shows that these customers that moves from our warehouses the far most of them they return pretty fast.

I: That was my next question. Is it? When you look at your logistic… Primarily lo-gistic, maybe also your transport, the relationships, is they longer relationships?

P: The warehouse agreements are some collaboration which stretches over a signifi-cantly longer period than the transportations because the whole task of going out to make this processes for a company one more time, that is huge. One thing is that you need to do the integration in regards to IT, you need to make people learn new pro-cesses, you need to trim your whole business, you need to move the actual warehouse. Errors are unavoidable. Whereas moving some - your transportations… Well I would like to have DSV to move my container. Tomorrow I would like you to arrange book-ings with DHL, there is no hocus pocus in that. It is of course therefore our aim going forward and focus it is on the logistic because the customers that are coming in is for the first reason a tighter connection because it is a remarkable greater collaboration. You are connected through IT meaning that you cannot just change over night and we do not have to discuss the last krone on the transportations and we can actually make some more money on the transportations. So it's this 3PL and 4PL.

I: That confirms pretty well the occurring change from 3PL to 4 PL where you go in an help and comes with some advice in regards to their business.

P: We try to optimize our customers business by saying you have previous done it like this but if we pack it like this you might save X number in your revenue or if you could do something in your assortment where we can see 10 of the 20 products you got they fill up 80 percent could we maybe make them as final assortments from start instead of us picking 25 units then we might just have to pick assortments. And there we try in collaboration with our customers to say how can we optimize their business.

I: In relation to extranet. Do you have anything of that or how is the communication form or channel?

P: In relation to our warehouse customers are we today running some integration so when we have picked then there will be some data going back to their system where it is sent with GLS (sic) this number you can track. There will be sent an email to their consignee or their customer with a notice about that the shipment is on its way. We don't have any customers where we have an extranet, SharePoint, Google drive or dashboard. We don't have anything. At the moment we work on something called My Prime Cargo Portal which are to be a link between our new ERP system and a link in regards to the integration we have with our customers on the IT side so they per automatic can pull KPI and statistics and all of this themselves without us doing it. And there should be something like a dashboard where they can see how is our contact persons. If we log in here welcome (sic). We are trying… We are at the development stage of this you could say (sic) of the 'grand' solution. We want something like when you purchase something on the Internet there is chat option able down in the right corner where there is one from Prime Cargo that writes you "Hello, is there anything we can help you with?" It shall be on app and everything. Then we are talking about… A cautiously and rough estimate would be around plus two million in order to develop that part of it. But we need to have it… and that is towards our customers.

I: Is it something that is in demand from the market or is it something you have an idea about that it will bring extra value for your customers?

P: It can bring extra value, we feel. And there some that has in smaller scale where don't have anything today. Those would we like to trump. We might as well make the Rolls Royce model from the beginning of when we are to start.

I: The ERP system is CargoWise?

P: Yes. Today we run some Navision, which is a financial system that has gotten hundred adjustments in relation to perform. And then we have some internally where we actually doesn't have much more than some email.

I: You don't have some kind of intranet?

P: We do have some kind of intranet but it is countries (sic). It is only in Denmark we got that.

I: Is that because it isn't embedded in the rest of the organization or is it because it's not relevant content wise?

P: Well - first of all there is some linguistically that makes it... If we should do it in China everything should be in English or we should run a Danish or Chinese version. Everything that is named IT in relation to intranet and in relation to webpage, there are some rules in China also (sic) and if you are allowed to have an intranet – what is posted and what is not posted and you have – you don't have Facebook unless you go via a VPN solution so…

I: Would it be… Now I think in relation to management communication – it could also be a mid-level manager (sic) where there is a new procedure for something – everything from registration of vacation or how you book something. Do you then send 'all in copy' emails to the whole organization? Or is it the individual teams that share the information verbally?

P: There are many 'all in copy' emails. There are 'all in Kolding', there are all in Denmark, there are all in Copenhagen, there are all in China - where you uses – on thing is that you uses space on some hard discs and some clouds and there is some environmental because then there are 25 that prints and is that smart?

I: And then there is one that hits reply all.

P: If you take stock of that situation in regards to resources in regards to read and delete and so on then I think you would get a shock. With out knowing it but I have around 200 emails during a normal day, where the 100 of them I can simply push delete on.

I: It's the favorite example within internal communication. Is there more information in one email than 200 emails? It can be more complex the more information you get.

P: That is right. The intranet we have today, if I shall give you a story about that, I can also show it to you?

I: Yes we would like to see it afterwards. Maybe we could finish of by seeing it?

P: Well it's news, it's a little from HR in relation to what there is (sic), it's a little from finance in relation to travel expenses, it's a little from the cantina about what is there to eat, employee offers and odds and ends.

I: Is it SharePoint integrated so there can be documents available?

P: No. There are some blogs, I right some in regards to developments, and how is it going. Our CEO writes some about what is the focus and what is status on finances, where are we. And then we're having some quarter meetings where Morten stands on a beer crate and tells us the status.

I: How do you handle documents internally? Do you have shared folders or do they get attached to emails?

P: Well – typically it gets attached, we don't have any shared folders were we share?

I: You don't have a shared database?

P: No we don't have any shared folders with China. It will come with the new, where we can – you can say – Bill of Lading, invoice, customs documents, all this is rampant on emails today.

I: What about contracts are they transparent to employees and can you go in and find contracts or is that reserved to some specific persons?

P: It is reserved specific individuals. It will come in the new - there is a lot of good things in the new. But there will be some interfaces where you can define what each single employee has access to. What do you have access to? I have access to edit a contract. Or I have only access to read it or I don't even have access. There is a whole lot of work ahead we in regards to defining what all the employees shall have access to. What do you have access to. And what can you edit and what are you allowed to watch and what are you not allowed to watch? Because we are trying to define each user's options in or to avoid that then have access to something that is not relevant. Meaning that a sales representative should not be able to operational work they shall be able to see everything that has to do with sales and also be able to look behind the system, where an operator maybe should only see a dashboard and quotations and lastly some history on the customer.

I: But I think you might be able to save some process, I should maybe mention that Mads has work in this field and I come a little bit from the outside, but let's say there are some documents or contracts on your Chinese partners then it has to be an advantage for a Danish colleague in order to see what are the options for completing this task instead of having to send an email and then wait for 12 hours and then you have a question to that and then there is quickly two to three days spend?

P: But that is one of the challenges that you work with today literally in relation to success with these things.

I: Then we have a little about your partners. Is the local offices that decides which partners to use or is something you deal with globally or here from headquarter?

P: That is something we control here from Denmark. We are pretty utterly lost. We have our own setup in China and then we actually also got Prime Cargo Vietnam, which we have sold but they have maintained the name, which is well known. Then you got the sub continent, India, Pakistan, Bangladesh, Indonesia, Sri Lanka and the places that are out there were we have one big partner that is named EFL which you have cooperated with since the beginning and that is a top three freight forwarder out in India. They are around 3000 to 4000 people sitting out there. A major player that would most likely not look at us in Prime Cargo if choosing a new freight forwarder today. But there are some relations that… And sometimes it's actually easier to deal with them than our own offices in China because there are some cultural differences… Many of the people that have manager roles in EFL comes from Sri Lanka which is a European colony from former days and they do just have a different mindset that makes them understand our business and they understand the commercial perspective where a Chinese are told to make a line and then they just keep making lines where these ones are able to ask "Why do I need to make 15, can I not just settle for making one?"

I: So what you are saying is that there might be a Danish forwarder that decides not to use own employees simply because the task can be done better by external partners?

P: Yes from time to time. And then we have partners in USA. It's the only place where we have to different and it's a little related to the business. One of them… A lot of the export we ship out of Denmark today that goes to USA. That is furniture. Danish design furniture that is… I don't think that there are any of the other Danish forwarders that are bigger. We pack everything in Kolding meaning we are shipping three to four containers only with design furniture for a lot of different brands each week to New York and then it gets emptied and delivered out. Where as all the other forwarders they take the freight to Hamburg and then it gets packed with all sort of random things. There can be some seed and there can be a machine and that can fall down on a sofa to 200.000 and so on. That is such a product where you would like to pay a little extra because there is some safety. And there we have a partner in USA that only handles that part. Then we have a traditional partner on the traditional freight where we actually have an employee sitting which we are paying. A Danish girl that lives in Chicago and they also got a Danish sales manager that do not have anything to do with us but it's only one we talk to. But it's simply to get the understanding of how we do things in Denmark. It's not possible to be educated as a freight forwarder you simply walk in from the street and then you become freight forwarder. It has been important for us to find someone who knows how we do in Denmark and which demands and restrictions are there. There for we have to.

I: It's a bit funny industry where you get the impression that there are sitting some sort of freelancer all around.

P: There can easily sit someone… What we are experiencing with smaller freight forwarders in Denmark, if we should take the example… There are some called Alpi. For instance. Situated here Grave as well. They are roughly 100 people in Denmark and when they have something from China then they have five partners out in China. Meaning if they have an airfreight on two tons then they send five emails to five companies. "What's your price?" Then it's just the cheapest that gets it. There is no cohesion between them. It's only a question of finding some that can complete the task. Where we want to look at it in a slightly different manner. We want to have someone we can count on, so when the fat's in the fire or there is ash cloud or something well then we know that they have some relations with airlines when we bring a fixed allotment then we would get the stuff out to fly. Where as if you only asked all the time well then they cannot help. And that is pretty much the hallmark of our business. In relation to our agents we have per 1st of March we have hired or we have made a reshuffle so we get an employee in Denmark that only have to nurture and develop agents worldwide for Prime Cargo. Simply because to get one that has one's ear to the ground and knows who does what. We have tried to structure some of these tasks during the… Well the last year have been quite a journey. There have been made a lot of initiatives in order to trim for the future. There have also been some layoffs but when you are sitting 300 in Kolding it is my claim that there can be fired 10 without it can be felt. And that we have been through.

I: It seems to be, just to go back to the parameters of competition, that the network you have at disposal and how it characterizes it, is extremely important in relation to know the right ones and have discovered the right partners?
P: I don't only think it's our partners but it's also the customers that we get in Denmark where it's my clear philosophy that the sales representatives that we have today there is not… Roughly said there is a Great Belt Bridge that divides where they can drive today but if there's some of my sales representatives in Jutland that has a good relation with some customers on Zealand, then it's them in Jutland that drives over here because the relation is remarkably stronger than were you are having offices located. And we would really like to make relationship sales because it provides a stronger tie and it provides some opportunities and it provides a completely different dialog so we spend many resources on for example LinkedIn. Where we try to be active all the time.

I: Is there something we haven't touched?

I: I think we have touched it but just briefly and that's again because I don't know the industry but if you just briefly can explain… I'm thinking that you in principle could sit from Denmark… I can see you got eight offices in China, I believe there are, in principle you could sit from Denmark and book something from China to Denmark. Why is it you need to have a local player? Why is it absolutely necessary with eight local players instead of gathering it in one office that handles whole China?

P: Firstly, there is something you can say… All the shipments that go out of China there you need to make some customs handling. It has to be done in some local regions. Merely there we cannot control it from Shanghai, because we need an office in Qingdao because when they need to ship something out of Qingdao it has to custom clear in Qingdao.

I: Then you need some specialists?

P: Yes we need some specialists and secondly for us it's super important that we have a super strong relationship to our Danish customers' suppliers. Because if that collaboration doesn't work then they will hold it against us. "We think Prime Cargo in Shanghai are some idiots – we don't want to cooperate with them". "Okay then we just find someone else". There're some local things and some language. One thing is how they speak in Shanghai another thing is how they speak in Beijing. It's not necessarily the same dialect. So therefore are we the places…

I: So it's simply because the complexity of the tasks… I have been in the aviation business there you can without a hassle be situated in Denmark and book airplanes all around the world. You don't even have to have anything with Denmark to do, as long as we are skilled enough to book them. It's simply because the tasks are of a local character that doesn't make it possible for a Danish person to handle it?

P: Yes that's it. And then there is this in relation to buying power… Well there is also some relations if you fly out of Shanghai or if you fly out of Beijing well I suppose the guy up in Beijing can get the best rate out of Beijing instead of him down in Shanghai? If we in two years time still are having eight offices that I don't know. It might be that we have cut one or two off. Where we are looking at where is the development in China? There are happening a lot down in southern China – down next to what is called Yantian and the whole Guangdong area that is close to Hong Kong. There're insanely much electronics down there and furniture whereas Shanghai is getting more and more expensive they are moving further and further away these manufactures because the expenses are increasing. So it might be that we say we shall have a smaller Shanghai office because there is not so much freight back. That is one of the advantages of having your own setup – we can pretty fast cut some of if it doesn't add value.

I: I think we have been around the most of it. We've gotten some insights that we didn't know and there were some things we got confirmation on. It's an interesting industry and there are a lot of things that you didn't think of and don't take into consideration.

P: You run with…. You operate with some insanely low margins in relation to profit. Well… We operate with between one or two percent in profit so. It's clear that their needs to be run something through – all the time in order to make money.

I: Something that we are working with is transaction costs where I could imagine if your processes gets too complicated then it tilts and gets too expensive to take on an order.

P: There are tasks we say not thanks to. It's actually quite fun you say that because now I will pick up my computer because I want to show you something. Now have something I want to show you.

I: I just have a clarifying question – you have a man who makes the contracts on sea in China?

P: Yes.

I: And one on air? Is he Danish or Chinese and how…

P: The one on sea freight is Danish and the one airfreight is Chinese.

I: And they are sitting out there?

P: No. The one on sea freight is located in Denmark but are in China very often.

I: So he negotiates all the purchasing?

P: Yes he does.

I: Purchasing is that for example containers being guaranteed, or how?

I: Yes that I presume. It depends… That you can ask Henrik about, if the run with… What is that called? Allotments or assigned space?

P: Yes, we do on both the ships and the airplanes.

I: I guess it happens that you have to book ad hoc?

P: Yes yes yes. That it does. Try to see here. Now we have talked about this. This is our mission and that is our strategy statement we have made. Then we have three areas, which is going forward our biggest areas of focus. There is something that is called integrated product solutions. Hey! That one have I just heard. So in relation to the paper you are doing there are many of these three words that are repeated. Then each department in the house have made four pullets that they are to have focus on in the upcoming period. If we take our logistics - there are something about contracts, automation. If we take our finance there is something about reporting and business partnering. IT – integration and automation. Then there is some IT operation. Then there is a department here there is named Business Relation – that is a department that was launched last year. They are five people managed by a women that are instead (sic) of external IT consultants. Previously when we had some integration with customers then we booked it to an external partner. This department is the link between our sales and operation and IT and towards the customer. Meaning when I bring in a customer… Let's say Unisport. If we landed Unisport, which we in dialog with on the warehousing then I would carry the case and the demands that they have about IT will, I carry into Business Relationship. "Here you go - you have to take this one over together with Unisport and get it integrated and get it to work successfully". When you are done (sic), it's also because we are working on an on-boarding plan where there also is an escape plan – meaning when you are done then they withdraw. It's fine and they are integrated and then it's the operation and the daily tasks that takes over from that point of. And then we have…

I: So it's an attempt to have someone in the departments and organization to work interdisciplinary, I guess?

P: It is not necessarily freight forwarders who are located here but it's people who know what is needed towards the customers.

I: In relation to you sales representatives is a CMS system something you have? Or how do you cover that?

P: That is a place where we are going to take a massive jump in relation to the new thing because there is a CRM module in it that we need to take. The way we do it today is in Outlook. Completely old-fashioned and they don't have access to it in China. Meaning everything we type in on Danish customers that we are talking about is not visible for them in China unless we send it to them.

I: I could be smart to work on them from both sides.

P: That we will be able to do in this. Today it's happening like this, if we are visiting a customer, let's say Top-Toy… No Alaska… Then we have a customer card you could call it a dashboard. Then you over here have what you have spoken with the customer about. There is no place in this where you can go in and segment, customize or write something about lanes – write something about needs other than you write in free text field. That will come with the new system because it's huge issue for me this current situation because I cannot measure revenue on the customers today because we are not able to do it with the system that we have. Well I can measure a revenue but I cannot see how much we make. So I can have a customer that creates a revenue on 10 million but I don't have a clue about the profit because the system cannot generate it as it is today.

I: But previous visits are being logged in there?

P: Yes it's being logged there and then we save our offers a third place on a P-drive out in a shared folder. I can show you that. That is something that you might consider interesting, I think. That is just to illustrate how far behind we are.

I: But I think that is a general issue for the industry.

P: Is it? In the new system it will be that you save a quotation under the customer card and then there will be settled automatically based on what is in there. So it's not going to be like today where there is a sales representative that creates a quotation, then we go in here, perhaps – then you go in here underneath sales, then you go underneath Denmark, then you go underneath customers, then you find the customer – we can take…

I: That means that the operation needs to go into there in order to see what to bill and it's not in the system based on a customer number?

P: No.

I: Ok.

P: Then you can find it here and then you go in and type it in with the risks that occur when you are typing.

I: There is also a risk that it's not updated? Because theory in that field says when it get's too complicated then people stop using it. I guess you are not monitoring the use of it and if the sales representatives are skipping some fields and remarks?

P: No and there is that aspect that on sea freight during one month for example the month of March which we are exiting the day after tomorrow, the rates have changed four times, there have been four reductions, so… In reality (sic), that is also something we get in the new system, where we can edit in our quotations by pushing one button. Today we have to enter each single one and send… So I have to go in and edit the price and save and create a PDF and send it to the customer. "Hallo here you have the third update this month" and so on. That creates sometimes (sic) that they have to deal with hundreds of quotations when they are billing. When did this departure? It did that the 7th. There is an quotation applicable to the 7th but there is also a quote that's applicable from the 7th to 12th. Which one should I take? So… And then we have our intranet. There is someone somewhere there are deleting my shortcuts…

I: So the things that are tying the organization together are emails and mid-level managers when there is something to be communicated?

P: Yes. Would you like to see an organizational chart?

I: Yes. The strategy you showed us before is that a slide you can share with us? It could be great to reference to but we could also just reference to the audio file.

P: Yes I can send it to you.

I: Is there… You would like to go towards 4PL is there… How is the employee staff for example… It's… What's it called… It's a lot with procurement and that is maybe not what you go through the most of the time in freight forwarding school, especially not while I went there… What… Are there some SCM specialists or procurement specialists or how do you handle it?

P: One of the former owners, which are our procurement director and handles a lot of purchasing across. We do not have that many trainees because we… We think it's a petty when trainees have to do shitty work. So the few trainees we have are someone we believe are going to stay here. That makes the level of our employees there are here… The level that they have… I think if we are to compare I believe with seniority and so that with seniority (sic) and knowledge I would think that Prime Cargo is at higher level than many other places. And that is also something that we want. The thing with the good service… It's a bit related to these things.

I: Yes because it requires a greater business understanding than simply move freight from A to B and go in and optimize a complete value chain for a customer.

P: This is the legal overall structure and you can see Mitsui Sui Holding, Mitsui Solo International, Mitsui Soko Europe and then Prime Cargo. And then we have over here Meetex, Prime Cargo Hong Kong, Prime Cargo China. What is named One-chain is a company that we have in Egypt.

I: A sister company?

P: It's established for 100 years ago and it's rubbish. What is named Streamline is a company that is based in Kolding that… You saw yourself how much clothing there were down there. Steamline makes preparation of clothing meaning a system where there are hanging steam tunnels where the clothing moves around on some hangers on some systems. It goes through the steam tunnels and covered with a plastic bag and can be delivered to shops. There are no one that have this in Denmark as well and at the same time there are some possibilities if we have gotten some clothing in from a container that has mold, after having gotten some water it's typically having mold, and then we have some ozone free installation that we can conceal in some rooms and then it can take out the mold from the clothing. Historically seen we have been very specialized within textile section. And that we are still on warehousing customers.

I: Where were the Czechs you mentioned?

P: They should be around here somewhere. That is one of our previous owners. Morten is son of our former CEO, Jesper Højlund, was one of the founders of the company. Morten is razor sharp on warehousing but doesn't know what's up and down when it comes to air and sea freight, but knows everything about warehousing. Esben Bejstrup is our CFO, former Maersk guy, very conservative as those people are. I had a discussion with him over text-message in regards to a new employee that wanted a new company that was 400 above our company rules and then we could take it from her salary. "No go – there were certain limits". And then we have Morten our CEO, which actually had my position five years earlier before getting thrown up there. Something where we feel we can do a difference is that we can pick it up, on the export side, at some suppliers and we can fly it in all directions. Where as if we take the import side there we pick up at suppliers where we either fly it or get it shipped home. We can get onto a warehouse and we can deliver it further out. Meaning that our customers don't even have to see their products. That is one of the advantages there is. Then there is a little about…

I: It could be fantastic if you could send it to us and you are welcome to modify some of it. It is really great to have something to reference to in such a paper.

I: Yes because I guess it's pretty limited how much know how our censor has about the logistics industry.

P: Then there are some customer references. It's pretty obvious that there are two things common themes. There are some fashion and furniture.

I: I guess on the warehousing part you need to find some industries where you specializes in? You are not able to in all of a sudden to deal with food consumption?

P: No and you need to find some brands that have some products where the profit is quite higher than all sorts of spot campaign products. That can afford to pay the 20 kroner in order to get a professional handling. That is also something that we are looking at.

I: But don't you then go after some players that are so big that it won't pay off for them to outsource it? Bestseller runs it themselves, right?

P: Some of it they do but we do actually make a lot for them. We make all of their sea freight out of India but we do also sort and empty a lot of their containers and then we put it pallets so they can just take them right in.

I: So there is no upper limit for what you can take in, in relation to the giants?

P: In Kolding we have three terminals that has 30.000 square meters each of them. If we succeed with half of the close dialogues we have at the moment then we shall as minimum out and have a terminal four and maybe a fifth. The cool thing about our warehouse is that many of the customers come themselves. Because we have this reputation and brand in relation to running it, where you have been a place where it has been very cheap and then you scaled completely wild in revenue and then the errors occur. We have examples where you have received credit notes on 500.000, 600.000 and 700.000 on errors on these warehousing freight forwarders. We don't have any of those. We send plus three million packages with GLS, UPS and what else they are named per year out of Kolding. So there is being packed quite a lot.

I: So quality is a competitive parameter?

P: Yes.

I: When I say that I haven't been in the industry isn't exactly the truth because I've been with what is called Bring and I can remember that it was a huge issue especially with partners and if they could deliver the quality and we missed a lot of customers for that reason.

P: Bring is one of our close co-operation customers. I just want to see here… There was made a… TV2 was out to shoot a video… It comes here – it's just to give you an idea of it…

I: How big a portion is generated by Denmark between the countries?

P: China is bigger than Denmark in revenue. It's roughly 60-40. We approximately revenue for 500 million and they approximately have a revenue of 7 to 800 million out in China.

I: But they run a different report and is not included in the annual report?

P: In Denmark we run a separate Denmark annual report. We are about to because we have gotten new owners then we need to make a group report where we are to have China included. The thing is that there is not many that knows how much Prime Cargo has made as a group historically seen because there have only been shown the Danish company.

I: I thought is was the whole umbrella.

P: No – what has been shown has only been Denmark. And what has typically been earned in Denmark there you has made approximately 5 to 7 times as much in China. There have been years were they have made 100 million out in China.

I: Okay. But they are well being reported?

P: Yes but there you make a Hong Kong company because then you are escaping…

I: Eight percent in tax?
P: Yes then there are some advantages for that and then you just make a financial report out there. Now I want you to show you this and then I will leave you alone. It's just to give you an idea of how it works on the warehouses.

[A video is being shown about how they handle packages that are being gift-wrapped and sent out directly to Christmas customers.]

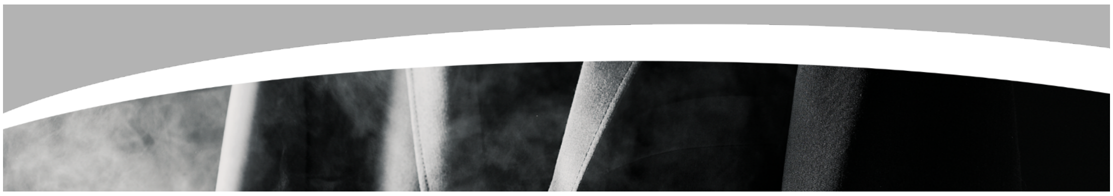
P: There are not that many that are doing this. That is something we don't have down here. That was the reason for saying that it might be quite interesting for you to see. The thing in Kolding is hundred times bigger.

I: There has been invested quite a lot in the equipment?

P: Yes there have been spent a lot of money. Should we get a freight forwarder for you?
I: Yes and thank you very much for it.

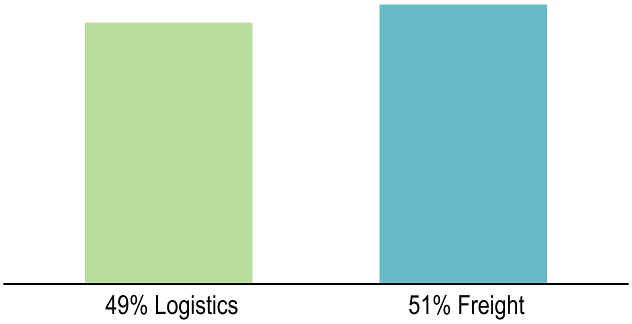
10.2 Appendix 2 – Slides from Prime Cargo Presentation

Provided by Prime Cargo on 30th Marts 2016



BUSINESS

Based on turnover



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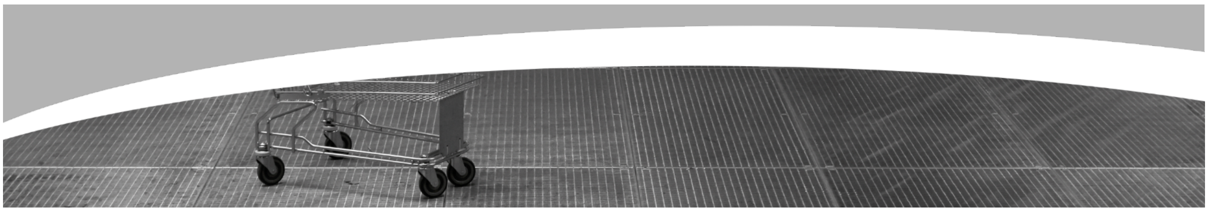


MANAGEMENT BASED IN DENMARK

Morten H. Nielsen
Group CEO, 2006

Born in 1978

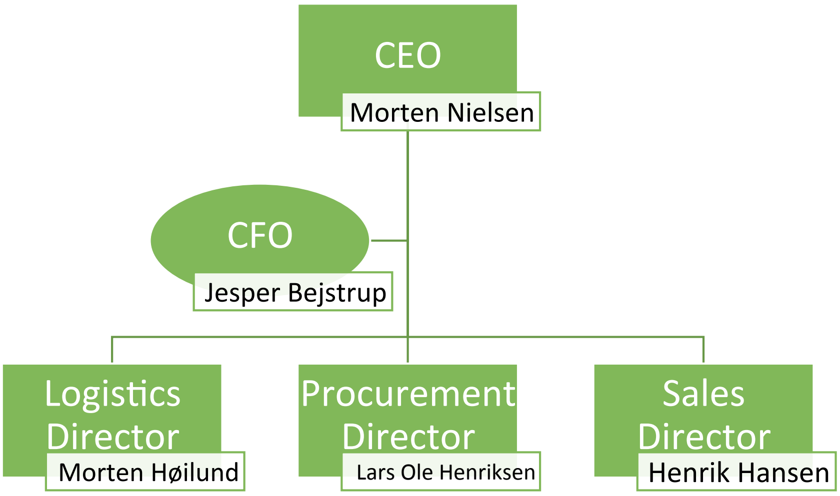
Jesper Bejstrup
Group CFO and chairman Prime Cargo Poland, 2013

Born in 1975

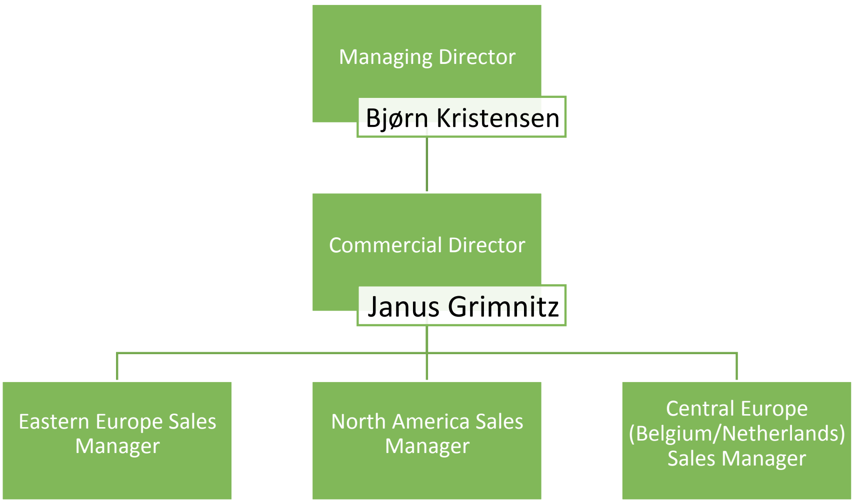
Morten Høilund
COO Prime Cargo Denmark, 1998

Born in 1975

DENMARK MANAGEMENT



CHINA MANAGEMENT



10.3 Appendix 3 – Interview #2

Transcription of interview with Rikke, forwarder in Prime Cargo, conducted the 30th of March 2016.

Participant (P) = Rikke, Forwarder - Sea freight
Interviewers (I) = Andreas van der Goot & Mads Kjærgaard Hansen

I: … with Prime Cargo so there is nothing you are not allowed to say And if there is anything you don't understand … some concepts then just ask. We might be a little ingrown

P: That's totally fine

I: Basically, what is your position here in Prime Cargo?

P: Currently I'm still a trainee (elven) I will hopefully be trained here in three months. Hopefully.

I: Forwarder Trainee?

P: Yes

I: How long does it take?

P: 2 years

I: I that something with both school and internship or? Now I'm looking at Mads.

P: Yes 8 weeks at school and then the rest out here actually.

I: Okay How old are you?

P: 23

I: 23. Have you only worked with sea?

P: Yes only with sea. I haven't been around at all.

I: But both import and export?

P: Only import

I: Import sea?

P: We haven't any export here actually. It is only on the other side of the sea.

I: Okay. And when you are sitting with sea. Does that mean that you obviously work with sea freight and then? Doesn't you do anything else than that?

P: Settle, book, do everything from start to end.

I: But it is all related to sea freight? It is not like you can have a task with booking a truck

P: Yes easily. Everything from start to the end. It means that when the container is placed in the harbor I also have to split the goods, repack it, everything that is actually related to it. So it is not only sea freight. There is also some car beside that.

I: Which means that the tasks can vary a lot?

P: Yes very much very much. Lets say that for instance today there is no containers, men yesterday there was four containers. Then it is. Then I had to book all driving yesterday and then today create everything that has to be created.

I: I relation to collaboration with your colleagues. Both those here and those abroad. Which type of collaboration do you have? Is that in relation to booking of stuff or is it in relation to get the price. How much dialog do you have with your colleagues?

P: Well here I have very much. But for instance with those in Kolding we don't have that much. But that is mainly because we have ours and they have there's and often we don't have anything to do with each other. But often we also have something that has to go to Kolding and Jutland and then we contact them because they have the best rates.

I: So if you for instance get an order on a transport from Denmark to China. How do handle it? If you can try to explain the entire process?

P: Then I will say. From China to Denmark where it is import, but then (sig.) I contact China out there first and then I ask, it depends on what the customer wished, when it has to depart or if it just have to depart quickly. Then I ask them. Writing an email. I haven´t actually spoken to someone I China using telephone. It is only India but it is also because they really want to talk I believe.

I: Oh that's crazy?

P: Yes they are calling all the time

I: But I'm wondering it is crazy that you have never spoken to one from China?

P: Never! Never ever. It is only mails

I: What if you need an answer immediately?

P: Then we just write that is urgent and then we just pluck them within ten minutes

I: But it is not like it can lie there for 12 hours? The time difference?

P: Yes it depends on the clock. Here after 12 we find it difficult to get en touch with them.

I: Isn’t that an issue?

P: Often yes but it is not as big a problem for sea freight as for airfreight because is day to day. When it comes to Sea freight it takes after all ten days until it’s coming so we can have an answer before. And if not, it is something that we are able to solve our selves, if it is out on the sea.

I: Is it like that you are having, what to say, some internal routines or rules for how fast you should have a reply from a colleague and so on. Or does it just work?

P: I know that in many other companies they have a system where actually have to reply within a specific time or something. But we haven’t at all. But it is important for us that we reply really quickly. And it is everybody in the department. Rates or bookings or whatever. And then we also have email and phone home

I: Okay so you quickly can?

P: Yes. Often you can reply on something when you just wake up in the morning if China is writing that it is urgent urgent (sig.) and then it still takes ours before you are here, but if you can just answer something then they are satisfied. (Sig.)

I: That was flexible?

P: Yes a lot. Our manager appreciates that I know.

I: Sea freight is it something you are in charge of alone or are you in a team?

P: I’m working with Karen, who was trainees and got a change of staying. And then my manager Lasse.

I: Okay so it is a little team of three?

P: Yes and then there is, I think it is seven or eight in Kolding

I: So that means that you have chosen. Hem. Was it Lasse who was the manager?

P: Yes for all the sea freight over here.

I: Okay. Then there will be some questions regarding IT in the daily life. What kind of IT systems do you use in the daily work? On a daily basis? In relation to booking systems. Are there any? .

P: Navision we use. But we are in a change to CargoWice? Have you heard that? I am not involved in all this.

I: It is correct. It is correctly reproduced. Is it the same system you are doing everything in? Or is it like you are sitting with six open windows?

P: Yes it is the same system. Unless we start to do some excel arks. If we need to have control over some stuff. Cause it is opt so wide the system. So often we need to make something ourselves and then we put it into a shared drive where everyone can enter and edit.

I: and those systems are they connected to your partners etc.? So that you don't have to go to external sites and book. You can make everything in one system or?

P: But we book actually only on email. Not something where they need to go to an website to book. They can go to our website to view sailing schedules etc. But apart from that they cant. An contacts and so on. But they cant book on our website.

I: Then we also know that you are having an intranet? Is that something you are using in your daily work? Is there any information that you need in there?

P: No only to gossip I was about to say. Or yes then we go there if we need to create a profile or user or need mileage allowance when we have been somewhere. We need to got there and find the tables. But those tables I got downloaded to my computer because I think. Then you have to search…

I: But there is not anything on the Intranet that you need in your daily work? To solve your daily tasks?

P: Only those few tables. Eller if we need to transfer an invoice from one case to another then we need to fill out a form and then throw it to the accounting. Then they can just. Apart from that there is not relevant in there (sig.)

I: And documents? Was it a folder you said?

P: Depends on? Invoices from customers?

I: No I'm thinking of internal documents. What if you need some information of a kind?

P: Yes we use folders. An apart from that we. We have unique booking references, so if there is anything in particular. For instance 1200. Then it will appear on the mail. Then you get documents from our customers. And those we need to declare here in Denmark. And then we write these booking references in the subject field.

I: Then it gets a kind of ticket number?

P: Exactly. Cause the we can always enter. You can always search the booking in Navision and then you can always search the booking in your mail. No if SKAT contacts us and says hallo we need??? Some good you have received.

I: Can you add documents to Navision or?

P: No I can't attach anything

I: It has to be typed in? Or is it another who has to type?

P: Yes I have to place it somewhere else. I actually cant get it into Navision. We haven't anything to do with Navision unfortunately. That could be… Then the declaration over there and then goes in to get document directs (sig.) Men we have to send separate mails to.

I: Those documents and mails are they something that you have as a single user or do you share it within your team? If you are ill can your colleague get access to what you are having stored

P: We have shade mailbox. Where the three of us is on. So if I am sending an email then I copy it. And then we add declaration as well. Then we have it and they have it cause. We have tried that someone was ill and then they are writing are there any of you who has…

I: Then we also have a question regarding IT as a private person. Are you super user? Or?

P: Not at all. Not at all. I got my phone and then I got my computer and that's it.

I: Smartphone?

P: Yes

I: and social media? Is normal use? More or less compared to average?

P: Compared to average I believe it is normal. Well I am on Facebook, Instagram, Snapchat several times a day. That's it.

I: Like everybody is?

P: I would say that it is normal use compared to my younger sister who is…

I: Then something regarding the relation to your colleagues. You quite of said it earlier. You are a team her? How will you describe those in Kolding? Are they someone you know personally? Or is more a professional relationship you have.

P: Well I would that I know them quite well. But it is because I was there a week last year to help them. And I stayed there. And then I was at their place all the time. It was actually how I got to know them. If you are just participating in those Christmas parties and so on. Then you just say hello to them, but you are still sending an email to them on Monday morning.

I: So you are almost in dialog with them on a daily basis, but you don't have to know who they are?

P: You don't know how they looks like until you have meet them so

I: I expect that you are in dialogue with external partners. Is there a difference in? Lets say that it is a colleague from Prime Cargo China and then an external company. Is there a difference or is it actually the same in relation to how well you know if each other. And how do you speak to each other and?

P: Of course it is difference, but primarily it is the same. The problem is just that they don't understand as much the externals. I mean there you need to cut out in pairs and tell them what they want. The others we just write we need a rate on this. The other you have to write precisely what it is. It is hard enough to communicate with Chinese in general, but the external only makes it worth (sig.

I: How do you get information regarding… Lets say that you a given a task that you haven't tried to solve before. How do you get the information about partners, rates, condition and all this stuff? Is that something you are searching yourself or do you have contacts?

P: Well we always have Lasse. Our manager who has most of the contacts. But apart from that you go into there websites and search in there. And you are writing to the Danish office, cause the Danish office can always redirect you to some of theirs. If there is someone writing to us then we just redirect them to China and say what it is about and what they need to inform.

I: So that means that you are using external partners I relation to questions. If you are in doubt of anything?

P: Yes without a doubt. Without a doubt! You are just asking. Cause they are asking as well.

I: Do you do that before asking a colleague.

P: No I'm always asking a colleague first.

I: I have some questions regarding… If you are having some information from a Chinese colleague in relation to a questions you have been asking and he is sending a price list, timeframe, whatever. Do you check the information or do you just trust that it is valid?

P: When it is the Chinese I trust that they are in control so that they… But is because it is our own offices out here. We actually, let say our sail lists, we make them based on what they are saying (sig.). So if there are any errors then we also have the customers standing in the other end. Well we have a few times tried that they have been writing something wrong or.

I: But there is not a culture of controlling each other's work.

P: That depends on what it is. Mostly it is sail lists and you make the rates. I mean. Often we get the rates from out there, but we cant control in an way cause it actually those who are saying that so is the rate and you just have to follow that.

I: And you don't have any possibility of checking it?

P: No, but sometimes we actually. Let say that a specific shipping company then we actually go and ask them (sig.). If we think that the transit time is very short we ask. Is this possible? Can you have it that fast? And then we find out this way. So it is only if it is very unlikely. If it sound very strange.

I: So in relation to something with sharing. Lets say that you are getting access; you have been using some time on getting some information about lets say a partner. Some rates. Do you share it with your colleagues? I mean in relation to both your little team, but gas other where it might be relevant (sig.)

P: Yes if it might be relevant for all offices then yes. But mainly we share only in our own team

I: So that you are not duplicate your work?

P: Exactly. Then I ask for instance as before (sig.). Then I ask a colleague. Hey by the way did you had anything on this. Just this destination.

I: Could you see any. If you took elements from Facebook where you can communicate to you're your entire network. Could you see any advantages or could you see it work out in Prime Cargo?

P: How with Facebook? (Sig.)

I: The feature you can…

P: Meaning you want to make a large Prime Cargo network?

I: Yes, where you could ask

P: Yes I could that (sig.) Cause then everyone else could also get it.

I: Yes cause then it is visible for all the members of the group or everyone

P: But then I am thinking that there is also a lot of information that would be regardless for lots of others. For instance if I am asking of something that then the airfreight would not for instance not bother to know who is our contact or they haven't anything you to with ours (sig.).

I: No but then. I was thinking that you could maybe create a group with export sea China, with import Denmark. What do I know?

P: Yes of course. I believe that certain (sig.)

I: I mean those you are interacting with by email.

P: Yes but then you also have it more physical. Understand me right. Compared to an mail. Because it can quickly drop out of. (sig.)

I: Yes or if you say it to your neighbor. Then him in Kolding maybe doesn't know.

P: No they don't get anything over there. Certainly! (sig.)

I: I relation to asking. If you are having some information. How would you when feel about asking.

P: In those groups? I would mind that. As long as I knew it was relevant. Apart from that I believe I would go to a individual person and ask specifically this person.

I: Yes. Is this foolish to ask about… But is there culture for that you can ask? (sig.)

P: Yes there is nothing(sig.). Nothing at all. Because you should know how much China is asking about. You are think. Whew!

I: Okay. It could may also be an advantage if there was any of those who was a little better in talking together? I could imagine that many of the question is repeated?

P: Oh year. They don't. know. Now Ningbo and Shanghai is that that far from each other, but they don't know that they exist(sig.). They do not know at all that they got each other. Often we transport something from Ningbo to Shanghai. If we haven't enough and throws it our there. But they haven't any contact at all

I: Okay

P: so this is where we must try to make them talk to each other and then are speaking the same language so.

I: There is barrier in relation to that?

P: We can only speak English to them. We can really move further.

I: and how is there English? We are having an interview with them on Friday…

P: They are okay. Who are you going to speak to?

I: One of them is actually Danish. The other is named Jimmy or …. Tommy?

P: Tommy maybe?

I: Tommy is Chinese. His name was something… But I believe that Tommy was just his alias.

P: Yes they have a lot.. like… Candy they are named as well.(sig). But they are speaking fine. I mean there isn't really something.

I: Also those you are having daily?

P: Yes there isn't anything at ll. Der is someone that has small difficulties in answering the mail but those offices we know when we are writing them(sig.)

I: But is it also only written? Cause you haven't spoken to them right?

P: Not at all. Not at all. So written it works out.

I: Okay

P: No doubt. And Lasse has also been down there a few times. He is saying that they are fine, but it is easier to talk to them if you are sitting in front of them. and have them. If we have some problem. And then writes. Then they often write what do you means.

I: Well now we are almost done…. Are you building relations. I am asking cause I have been in the travel industry. I believe that there are some similarities in relation to the external partners. Do you have a relation to someone, for instance contact person in a way where you for instance has a great contact person in a shipping company where you are able to help each other or is it only a professional relationship that you are having.

P: Do you mean in another company than Prime Cargo?

I: Yes I mean if you build relations to partners you are having. Or do you just send to a customer service and then somebody is answering.

P: No we have a large relation to the customers. At least here. Also because it is only Lasse and, we is not often working with operations. It is only Karen and I. So we know all the customers. And now we also have been on a lot of customer's visits. So I don't know. I am just feeling that you know who they are and you know how you should write to the individual customer. I mean some of them can take a joke and others you just know. Okay you are just writing info and nothing else. Cause otherwise you will have a mess back or something like that. So you know. You will learn quickly where the limit is.

I: and there must also be an element of customer service in it? I am. Like. Apart from this you are working with as a forwarder. Then there must also be something about providing good service?

P: Yes yes

I: It must be a big part of the job?

P: No doubt. It certainly decides if there a writing regarding a new booking or not. Meaning. Often can the service be the reason why they choose us again instead of another company. Men it is also like the customers where you know you have to be within the box (sig.). There they are often mad because it is our fault that the ship is delayed. We just need to fly and get their container. We have a little hard with that(sig.). and do something about it.

I: Yes. I don't know.. Maybe we should ask if you see any challenges in implementing a system. A social system or an internal social platform. Do you believe that the employed in Prime Cargo would embrace it? Would it be successful?

P: Yes I think so.

I: Or would it just be another system? Is there like a culture for being open-minded or how?

P: Well I certainly believe that some office would. Especially Denmark there is no doubt that both here and over in Kolding they would. But some of China offices I am a little in doubt(sig.). If they want to participate. Meaning not if they did not want to. I believe they want to participate but I think they you really need to cut it into pieces what we are trying to. And where it is they. Well (sig.)

I: That the guidelines are clear?

P: Yes what it actually is we expect and what we don't expect. Otherwise I believe they are just thinking yes yes they are just starting some new.

I: But there is no one is the company that is conservative and not open to new stuff??

P: We have. Well lets say 8 out of 9 offices. And they would participate. And then the last. I don't think it is because they aren't open-minded, but I just think it is because they don't understand it. Understand where we want to go with it(sig.). And they can't sometimes not always understand when we are writing that it is urgent and that we need to have an answer now and then the goods aren't departed. They don't really understand.

I: no.

P: Even thorough it is actually them who are sending and knows that it will be delayed by a week.

I: Then I don't think we should take more of your time. We went quickly through it, but it was great. We got a lot of good info.

P: That's great. I hope you got what you came for.

I: Thanks a lot

P: Self thanks(sig.). And good luck

I: Yes. Have a nice day. We don't hope they are taking your lunch break.

P: Ha ha. Should I close the door?

I: No just keep it open. Thanks!

10.4 Appendix 4 – Prime Cargo Strategy

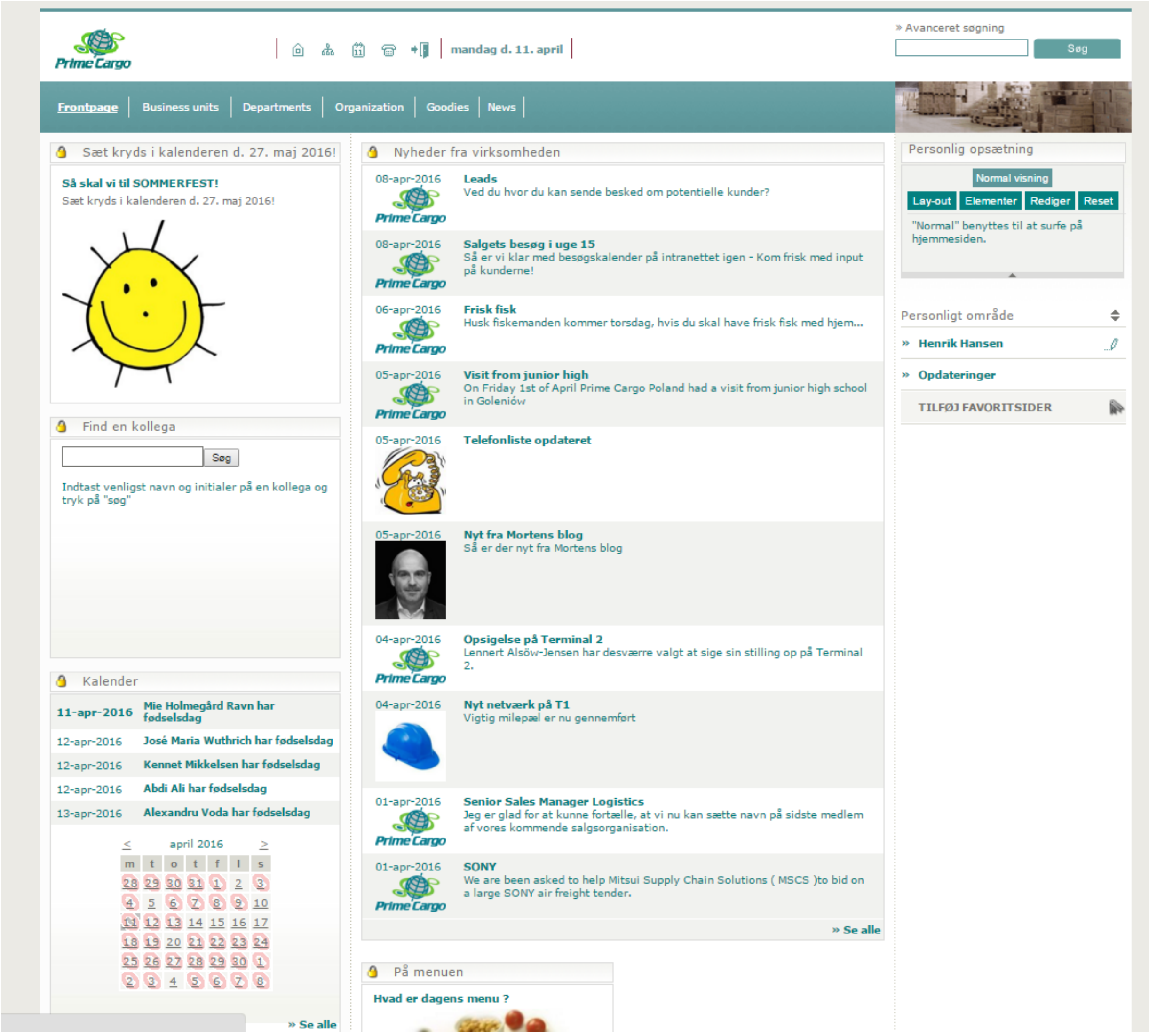
Provided by Prime Cargo on 30th Marts 2016

Vision	To be the preferred integrated supply chain partner in the markets where we compete
Strategy Statement	Prime Cargo aim to be the preferred integrated supply-chain partner, within Warehouse, eCommerce, Customs & Transportation. Applying our extensive product knowledge we create value to our customers, and their customers, by providing efficient, reliable and customized solutions
Strategic Focus	Integrated product solutions; Transparancy; optimizing operating efficiency

Department	HR	Business Relations	IT	Logistik	Finans	Salg
Department Focus	Fastholdelseintern recruitment	Kunde-Onboarding	Integrationer	Kontrakter	Rapportering	Strategiske kunder
		Application Landscape	Automatisering	Automatisering	Business Partnering	Kunde Implementeringsstrategi
	Outsourcing løn	project-management	ITSM			Ny-salg
			IT Drift			Branding

10.5 Appendix 5 – Screenshot from intranet

Provided by Prime Cargo on 4th April



10.6 Appendix 6 – Interview #3

Transcription of interview with Daniel, Forwarder in Prime Cargo, conducted the 30th of March 2016.

Participant (P) = Daniel, Forwarder, Prime Cargo

Interviewers (I) = Andreas van der Goot & Mads Kjærgaard Hansen

I: And what was your name?

P: Daniel

I: How old are you?

P: I am 23

I: And if there is anything, some concepts, you don't understand then just ask

P: Okay

I: What is your function here? What is your position?

P: It's called forwarder

I: Yes, graduated?

P: Yes

I: What are your daily responsibilities?

P: Airfreight import

I: How long have you been here in Prime Cargo? Did you also have your education here?

P: No I have been in Prime Cargo since August 2014. I spend almost a year at my former company after I graduated from my trainee position.

I: Where was it?

P: At a forwarder company called Spedman in Copenhagen.

I: Okay. Now I'm just asking, Mads also have a forwarder education while I'm coming totally from the outside. What is, when you are saying you are working with air import, what are then your main responsibilities (sic)?

P: Well my main responsibilities are, for me primarily China and Hong Kong, we are a little shared in the department at least officially so this is my task. We help each other my colleague and I in relation to the operation. There is a lot of India, Pakistan and Bangladesh, but he is having more of that than I have.

I: And just so I understand it, it can for instance be your office in China making a sale on some freight and then he is writing to you to get it completed or how?

P: It can be like that and it can also be us selling something to our customers here. And then we get the transport, then we contact our office in China and say that we need to get this home and then they contact their suppliers out there and then it goes from there.

I: Yes. Can you explain the process? How I mean. You receive. How does it work?

P: Well usually we get a price request from our customers. The customers have been very focused on prices for the last couple of years. When we then have provided a price and hopefully won the transport, then we contact…

I: Then you get prices from?

P: Then I get prices from our suppliers. It can be if there are any special transports here, if it's specials goods, otherwise we usually get the prices from our office out in China or Hong Kong, India wherever it is.

I: And then you add something to share for you and China or just for you?

P: No usually we put up for us and then there comes a, what to say, minor profit for them, cause they have usually added something as well or least for the local costs from the supplier down there. They usually have a profit there to earn (sic). So it varies a little depending on how we do it.

I: Okay

P: But often we add of course our profit and then we share some profit with the office in the other end.

I: Okay.

P: And then we provide the price to the customer.

I: Yes.

P: And when they accept, then we contact the supplier and our office at the destination and then they handle the internal, what to say, the internal set-up out there in relation to the pick-up and so on, what are the deadlines (sic). And we obviously make sure to follow up so that the customer is up to speak (sic) with what is going on and when, so on, if there is delays. And then as soon as it goes on a plain our there we get documents out from our offices and then it goes to our system. And then we handle the rest here in relation to declare the goods, we do that in Kolding. And then well then everything is declared and arrived and SKAT has released the goods, then we can send a car to pick the goods up. Usually we have a car going there every morning around 7 picking up and drag it out to the external warehouse placed in Kastrup and then we distribute from there and out to the different customers we are delivering to.

I: How much are you following, cause as I understand it, there is something going on in China and something going on in Denmark. Do you follow each other's processes or do you just expect your colleagues to do everything in China and then you take the responsibility when it comes to Denmark? Or do you also control that it for instance is booked the right way, is it the right number in relation to what I have agreed with my customer?

P: I am following up, often we see some regulations in relation to for instance quantity of boxes or pallets or kilo actually that can deviate from the price request to the actual quantity of goods. So we don't control that much if we have a request for 200 kilos and the actual weight is 210, it will be rejected, it can also be more or less. In relation to what we are following up on is it more that there is actually contact out there and that our office out there doesn't shelve (sic) the booking, so they actually got it handled and we give the best service for our customers. When it is here, they are not following that much, cause it is not of their interest when we deliver, cause when they have done their part our there, then they don't have anything to do with the transport here. Cause we are the ones in control of it all the way.

I: You say that some of the first you do (sic) are to find prices. It that prices you already have or is it some you have to search for each time?

P: It varies. For some destinations we have fixed rates. If there then are some special large requests or some shipments with high volume in terms of weight or the opposite, then we request and get some spot rates instead so we get the special prices. It can for instance be offers.

I: Yes. How? When you say that you are working with air import, are you the only one working with that or are you a team?

P: No we are three in a department here in Greve and then there are, I think its six in Kolding in a similar department. We are two in the operation over here and then a supervisor assisting with prices sometimes, but apart from that it is my colleague and I. So it is the two of us mostly that controls.

I: and you share and exchange experiences with each other?

P: Certainly! We work closely together, and you can say, I see it as an advantage that we are only two and that we also have a personal relationship and get on well together. We have a good collaboration, so we can coordinate between each other all the time.

I: In relation to those in China, how is that compared to your colleagues here in Denmark?

P: Well we only have a professional relation to them. Many of the managers have been in China or India to meet those persons out there, but the operations have not, so we know their name and have some emails we have send and the few times you maybe has phoned them where you almost cannot understand them. So we don't know them more than that really.

I: So it is almost like speaking to an external partner?

P: Yes yes yes it is. It could easily be named something totally different than Prime Cargo out there. We don't know them more than that.

I: No and does it only go on email or are there Skype or Phone calls?

P: It is mails. Phone calls if its urgent or we don't get any reply. Then we call and then you are usually reaching a little faster. We don't use Skype, or at least I don't use Skype over there for contacting our offices. Maybe some others are using it.

I: What about something like efficiency. Is that an issue? I am thinking that, now I have been in the air industry on the passenger side, and I know that urgent actions are sometimes required and sometimes you need a quick answer due to the deadlines etc., if you need to place a booking in time etc. If you send an email to a Chinese and there is no answer in time due to the time difference etc., is that? Can you loose customers because of that? Or is it no problem really?

P: Yes and no, yes and no (soc). I mean sometimes we see a customer coming during the afternoon requesting a quick price or something to be send immediately from the Far East. At that time they are either sleeping or what you are doing in the evening, where we can call them, there are usually someone, what to say, willing to work during the evening or at least are having an emergency phone so they can do something. But it is not always we manage to reach anyone who can provide prices and then we wont have them until the following day. But, first of all it is limited how much there are of this and usually is can wait until the following day because the customers have, when you speak to them, an understanding for that it is actually evening out there, so they cant do anything now no matter if you yell and shout, cause the suppliers has went home as well. So it is not a big issue for us, but of course it is an issue with the time difference, which is why we are having a person meeting at 7 every day so that we have an extra hour.

I: What do you do if you have an urgent request or let's just say it could also be during the morning, do you take the phone and call or do you write an email writing urgent (sic) or how?

P: We usually send a mail and write in the subject line that it is urgent and if we don't receive an answer within, what we think is appropriate, and then we send a reminder or call them and ask if its something they want to take care of.

I: Okay. Perfect. Then a little about IT. Which systems do you use on a daily basis. Is it one system or are you sitting with four to five windows and?

P: Well our forwarding system is one system, something called Navision. Well we are in an ongoing process of replacing it, but that is the main system. Then we have obviously Outlook, that we are using, but that's actually it.

I: So all the company uses Navision, as I understand it?

P: Yes. There is only something, down in our warehouse, they have another system for warehouse operation than, Navision cant handle that as far as I know at least. So they use another.

I: How is the access level in it? Can you get access to each other's work or are you like.

P: Yes you can. You are logging into, what is called, a center of responsibility. Our department over here is called department no. 23, so when I'm logging on there then all I search and get access to is what concerning our department and tasks. If I am turning that off, then I can watch everything.

I: Okay.

P: So in that way you can go in and… It is like a filter that you are putting on.

I: Okay. So you are able to see what each other are doing?

P: Yes when it comes to the end I can go and check up on tasks that Rikke has done, even though she is sitting in a completely different department.

I: But China is using another system?

P: Yes they have moved to the new system that we are getting by the end of…

I: But they were using Navision?

P: Yes I think so, but we don't have access to it cross border. It is only internally in Denmark we can.

I: Okay only Denmark?

P: Yes. It is so, but it should be more transparent when the new system is running so that we can, if its going to be like that, we will be able to see their purchasing rates and they can see what we got. So its goanna be a little like an open book principle (sic). At least that's the meaning of it.

I: Yes cause it must be the challenge if they are taking too much. Make it more expensive?

P: Yes that's it. Well we have to trust our own offices since it is ours, that when they are writing and providing net prices, that it is obviously the net prices. If it is or not I cannot say, but that's the hurdle, but we have to, we keep putting pressure on them to get better prices and then have to trust, we cant really do anything else.

I: And it never happens the other way? Or?

P: Yes or… We have to earn money and they do it as well out there, but that what it is about right?

I: Yes. Okay we have understood that you got an Intranet. Is it something that you are using, let's say daily or weekly or?

P: Well. I have the intranet as my start page when I'm opening in the internet, so I am having a look when there is updates, cause I actually think that they, our HR there are updating, they are actually quite good in updated if there is something. So you see there is something starting or if anyone ill or got fired or if there is anything then you usually see it. But how much time I am using on our Intranet I don't know.

I: It is not, as we understand it, it is an intranet with, what to say, relevant information but not directly in relation to your work. You would be able to work if it was down?

P: That would not be a problem! It is only source of information. Nice to have. Then you can go in and see the employee benefits or something. That's actually, then there is of course some employee handbook, but it is not something you need. You wont burn down if it's missing.

I: Then we have a question regarding your use of IT as a private person. How would characterize that? Do you have smartphone?

P: Yes.

I: What about social media. Is it like average or a little less, a little more? What would you say?

P: Well, social media it is Facebook, Snapchat, that's, that's where I'm stopping haha.

I: But you haven't any issues in working with different IT systems etc.?

P: No not at all. I like to work with IT.

I: It is just because we are going to speak with some who are a little older where it is a little more relevant what you are used to use in your daily life.

P: Of course.

I: If you have any doubts in relation to solve a task, do you then ask a colleague or do you start search for the answer yourself or do you phone?

P: It depends on the situation. If it's something totally new to me that I have never tried before, well then I'm asking a colleague first and say what would you do? Or can you help me with this? If its something I have tried before, where you can solve it, then you try by yourself. If you then suddenly hit a dead end thinking now I cant anymore, well then you ask or at least go ask do you know what to do? And then the issue will be solved this way

[Short break]

I: Could you imagine to like ask, let say you had a platform and you needed information, could you imagine like a Facebook posting asking the entire organization so that when you got a reply then everyone could see it etc.? Or would that be unnatural to you?

P: I think, again it depends a little on the situation, I think in relation to a customer that have a special request on a, if they have a special transport, well then it would not be my first thought to do so, cause what to say, if you don't have it, it has to be implemented if its something everybody uses and something that you have open like you have your mail open, well then there is suddenly more in it, but otherwise I could fear that there would be long response time in relation to that everybody is examining it (sic).

I: Yes.

P: So it's also a question of filtering it, and maybe if somebody provide useful information in relation to, you got a little more, what to say, a little better knowledge in relation to what your close colleagues, your nearest colleagues have of competencies in relation to that what some is sitting in our HQ in Kolding have (sic). In that way I believe it, it has a least to be implemented to be something useful.

I: Because it's simply easier to call or write to one of those you know and know that is capable of helping.

P: Immediately yes.

I: In relation to collaboration with externals, would you say that you got relations to them, you can say is your relation totally professional or do you actually know your customers and do you know your partners? Do you know who they are?

P: Well the more you speak to someone, and there are some are more talkative than others, there are some customers where you also speak some private stuff with them (sic) and the same goes with suppliers. It depends a lot on whom it is you are speaking to. Some are just working for working and then goes home and that's it, but many you can also speak with where you actually also can have a, what to say, some kind of relation to.

I: I could also imagine especially with airlines that sometimes you are solving some problems together right? Where you really need each other.

P: Definitely definitely. And it has also, more in my former job where I was also sitting with export, when you call the different airlines sitting in Copenhagen Airport, well then you suddenly get another relation. If you then bring them to some of the events they are arranging (sic), well then you also got a face and you speak to them private also, so that shape a totally different relation also professionally.

I: Yes. So it's not just like talking with a machine, you actually know them?

P: No its not. It is, there are someone, where you asking to there holiday so you like have relation to him or her.

I: Okay. Do we have more? Yes. In relation to those relations could then (sic), how would you evaluate a Facebook alike thing, but for Prime Cargo? Where you for instance could create some groups, for instance you could be in group with, let say what is that, export China for instance, if you got a group together where you could share information, could that create a positive effect or? Do you think that would strengthen the relation in relation to, in opposite of only communicating by mail?

P: What do you think like?

I: Well, then there is a face, there is picture of him you are communicating with or maybe the communication would be a little less formal.

P: Yes yes.

I: Or maybe its getting more formal, I don't know but.

P: No no I understand. Well in relation to, well we have picture on our mails so we got that. Internally in the company, I at least use Skype for some person that I know there some not using our Skype set up (sic), but I still Facebook precisely for Prime Cargo surely (sic), it still far out in the future, I personally wouldn't mind using it, but at the moment I believe it would be, what you say, it would not be a success yet at least, cause there are still sitting some old rats here and there that maybe is not that open minded.

I: For yet another tool?

P: Yes exactly. That is maybe a little more new than what they have been you used to. Often those are the guys that are not on our Skype solution yet or least don't use it, even if it's working okay.

I: I would like to ask, how loaded are you working day, I know that everybody is working etc., but is it like that you got five-ten minutes now and then to for instance read the intranet for instance or share knowledge if that was (inaudible) or are you calendar very booked so that there are stuff to be done and then the rest must be if you got the time?

P: No that varies a lot. A day like yesterday, I had, I had almost no time for getting down for lunch. Today I got the time to do some of the stuff you are pushing to the side when you are busy. So that differs a lot depending on much there is to do, I know tomorrow we are getting some documents from India and from China and then there will be more to do, so it varies a little. When you do got that much to do, well then you obviously also got time for, what to say talking a little to your colleagues both here and in Kolding.

I: Yes. I don't if we have been through it, but if you got any questions could you then maybe call Kolding and ask?

P: Yes certainly.

I: Or write an email.

P: Yes that, usually when its Kolding I call, also to keep the contact to them. And that also why I could wish, it does not seems like there are the great positive responds on it, but I could wish that you can say the department individually maybe, at least come to Kolding once a year, that does not have to be a purpose, but just so you have a working day over there so you got faces or you already got faces at their events, but just so you keep this personal contact cause often

I: Yes and see how they are sitting and…

P: Yes that's it! Then there are new people or just… I mean something that you have been working together and you keep some kind of a human contact.

I: Barrier, precisely the barrier for sharing stuff…

P: Precisely. Unfortunately there is still a little old-fashioned attitude to how you do things and there is really no reason for that.

I: No.

P: But, I don't know. I will maybe push a little because I think it makes sense, especially when you are working together cross department then. But

I: Cause you are also a part of each other's product?

P: Yes that's it and, I mean, we are working with airfreight import here and they have similar in Kolding so those two departments, and same goes with sea freight, they are automatically working a lot together and ask if you have something here and you have some there, well lets put it together and optimize or something.

I: Yes.

P: And everything will be easier in a way, if you also have tried working together and sitting physically together, even if it's (sic), when it comes to the end is not having a practical difference impact on your work.

I: Yes. So there is an occasion where you could consolidate. Where there has not been any information about it?

P: Well most likely there has. We have improved recently. There has been more focus on it. But we can certainly improve at some destinations, but it's a little, we judge which customers has some goods and if its urgent or not, cause if we need to take some with our Kolding office, then we need to figure out if it has to be sent to Copenhagen, well then we need to pick it up and dependent on how many boxes or whatever it is, whether the driver can sort it out or if its something that has to be one day delayed and sent to a warehouse and split. So we need to judge that way.

I: Okay.

P: Because the customer would quickly be expecting, and if it's take an additional day, then they come after us and then say…

I: Yeah they are also calculating.

P: Yes and then we are some idiots if it's like that.

I: Ha ha. Was that everything or do you have more on heart? No. I think we are there. There were some super replies. Thanks a lot for participating.

P: Your welcome. I hope it can be used.

I: Definitely. Thanks

10.7 Appendix 7 – Interview #4

Transcription of interview with Janus, Managing director in Prime Cargo China and Jimmy, conducted the 30th of March 2016.

Participator 1 (P1) = Janus, Managing director in Prime Cargo China
Participator 2 (P2) = Jimmy, Forwarder, Prime Cargo China
Interviewers (I) = Andreas van der Goot & Mads Kjærgaard Hansen

I: First of all can we ask each of you to present yourself? What's your name, What's your age and what are you main responsibilities in Prime Cargo?

P1: Yeah lets begin with me. My name is Janus. I'm forty years old and I am the managing director of Prime Cargo in China. So you can say I have the overall responsibility for profit & loss and the operations here in China

I: and for how long have you been here in Prime Cargo?

P1: Well I actually just started in December, but I worked for Prime Cargo for six years in the past here in Shanghai.

I: and what's your educational background? Are you a forwarder or?

P1: I have like a forwarding background. The one that get in Denmark in DSV

I: What about you Jimmy?

P2: My name is Jimmy. I was working for airfreight manager for thirteen years (sig.) and in charge of the overall export and import for airfreight. My background is. Actually my education was not straightforward. Is finance before? I started my job as a trainee in air … so I will continue this until now (sig.)

I: Could I ask your guys to describe like the main responsibilities that you are having from your position in Prime Cargo? What are your main daily tasks?

P1: Well for me as the MD is to overlook that the operations is running smooth, but especially to build a sales organization within China

P2: My responsibility is to help the sales group to get the most efficient, eh not efficient, the best rates and to make sure that space and operation is running smoothly and closing the files on time. And take agent client, visiting clients and the reporting to the MD.

I: Okay thanks. Could you describe the kind of collaboration that you are having with the office in Denmark? Lets for instance say when it comes to sales, what kind of communication do you have the office in Denmark in relation to the tasks? Can you work independently or are there any kind of…

P1: I think we ehh is a mixture of working independently but also as a team. We have weekly phone calls or Skype meetings with our sales staff in Denmark where we qualify and we target accounts. We have phone calls discussing rates and sales strategies. What we try to do is we try to for clients that have offices in both Denmark and China we try to do what we call a dual approach, where we approach the company in China but also in Denmark (sig.), so we open the door both in Asia but also in Europe and thereby we have a higher success-rate securing clients. So I would say that it's almost on a daily basis that we have communication with our offices in Denmark.

I: Okay. And is it also like this when it comes to airfreight?

P1: say it again sorry?

I: Is it the same with the operational. With you Jimmy?

P2: Yeah I almost contact Denmark office daily. Even after office hour. The purpose to contact them is for rates, quotation and the space, daily jobs and any emergencies.

Let say some emergency happens and we have to forecast next week or even next month volume and the space, discuss the tender how to make a tender and for example by the end of the year we have to be in contact for next years negotiating of rates with airlines. So we have to talk with each other to make agreements on how to choose which airlines, space, something like that. So we contact each other very often. By phone, by email and Skype.

I: Okay. So there is no file sharing like document sharing. You go by email?

P2: Yeah we send… For export we do send pre-alert from here to Denmark.

I: Yes

P2: By email. Attachments. It is the operations job. And for import we get a pre-alert from them. Like (in audio) That's the only documents we share. Also invoices, depicters or something like that

I: Okay. Lets say you have a request from a customer. Can you see the rates or do you have to ask for the rates?

P2: Ehh. For me. If prepaid in China I decide myself. And that's for export! If they pay in Denmark they still check with me because I control the costs. We discuss and I give them advise how to quote. For import into China. Denmark quote by themselves. For sure they discuss with us.

I: What if you have prepaid to door? Are you able to Danish local costs?

P2: Yes they give us general rate for reference when we can quote here by sales or by me (sig). But if we have special requests by email Denmark to us and give us advice (sig.)

I: Okay. Could you tell us a little?

P2: Because you know delivery charges will be different every time the address the is different

I: Yes of course

P2: But if for (in audio). It will be standard rate so we know every time when the client asks us. So we an quote to the client. Yeah. Here we have import destinations and charges we past to Denmark so they can have the reference when they have the requests for shipments.

I: Okay. Could you tell us a little about how your team in Demark is structured? I know that you are having different offices. Where are you guys sitting? Which city? And how many colleagues do you have and how are your teams kind of structured in the offices.

P2: In China we have 6 offices now. From Beijing, Qingdao, Shanghai, Ningbo, Xiamen, Shenzhen and Hong Kong. Actually 7 including Hong Kong. For sure we have office and they are sitting over there (sig.). I think overall we eighty-ninety people in whole China. Shanghai is the HQ for all China where our MD is sitting here (sig.) so communication by emails, phone calls and sometimes we visit each other.

I: Yes thanks. Well know we go to some questions in relation to IT. First of all both of you. What IT systems are you using in your daily work? We know that you just production system right? Something called Navigator? No CargoWise.

P1: Yeah CargoWise. We have a new operation system called EDI CargoWise which is an operation program designed specifically for freight forwarders. So this system has different modules. It has like a forwarding module, which is where we enter our bookings. It also has an account module where we then can do the billing and the invoicing for the shipping's that we handle. Plus it has a sales module where the sales teams in China can input sales report and they can make quotations for clients. And then on top of that is has a warehousing module so that if we have clients looking for a warehouse setup in China we incorporate that with the operation system that we use today.

I: and we know that there is also an intranet in Prime Cargo. Are you guys using the intranet and how often. Is it like every day or every week and so on. Can you tell us a little about that?

P1: Never! Ha ha.

I: Is that because…

P1: I think the intranet is more geared to Denmark. I think some of the information is in Danish. So if it is to be geared to China we probably need to have both English and Chinese.

I: So its simply because the content isn't relevant as a Chinese employee?

P1: Yeah. An probably because we haven't sold it well enough in China for people to know about it and use it.

I: Are you have any shared platform in China where you are able to communicate with each other like…

P1: We have a shared in the operation system that we use today in the EDI CargoWise has like a dashboard where you can share news and information about developments in China.

I: And you are using that?

P1: Not yet.

I: Not yet okay. How. Like would it work if the intranet on English (sic) Is the English level good enough?

P1: Ah year. Absolutely. And honestly speaking I'm not sure if it in English. It might be in English also. As you can here I haven't even used myself, even if I'm Danish so I think it's just a matter of doing some internal sales for the intranet. That. You know that can find contact information, pictures of the staff, companies news you know that the purpose of it, but we don't really use it China. There is not really the culture or the history of using intranet in China in Prime Cargo (sig.)

I: Okay. Well could let us know a little about, as a private person, you use of IT in the daily work and daily life when it comes to. Are you having smartphones? Are you using social medias? And how would describe that? Are you feeling comfortable with using IT on a daily basis?

P1: I think you have to repeat that we just lost a few seconds

I: Yeah we just want to know a little about your use of IT as a private person. Are you bot having a smartphone? Are you having social medias? And are you in general feeling comfortable about using technologies in your daily life

P1: I think everyone in the office has either an Android or an Apple IPhone. So I would say, absolutely, I would say China is probably one of the most advanced nations when it comes to, when it comes to Internet and social media.

I: And how is social media in China. What is like the large media? Is it Facebook or Twitter or?

P: No both Facebook, Twitter, YouTube is blocked in China so there is no access for that. But we have something called (in audio) which is the equitant of Facebook and there is another platform called WeChat, which is kind of like Viber or Whatsapp, but here you also photos, and moments of your life and share information. You also use it as Apple pay. Its similar to Apple Pay, its not Apple Pay but its similar to Apple pay. You can pay for restaurant, you can book you taxi, you can book movie and theatre tickets through that platform. China has all the platforms they are just with a different name. They are local.

I: Okay. Now we move to some questions about corporations internally in Prime Cargo. First of all could you describe the relationship to your colleagues in Denmark? I mean are you knowing them personally or is it only professional? And how would you describe it?

P2: Since I've been for thirteen years I travelled to Denmark for a couple of times and they come here for business trip. I know very… either on office daily basis and only personal. Some of them (sic). So we. I can say that we are good friends and you know we share the happy moments and the absent moment by loosing clients, adding new clients you know. We are really close contact with each other. It's a very good relationship. That's the way be colleagues

P1: I think Jimmy is right. Even if we are in China we still have a bit Danish team spirit where people interacts not only in work hours, but also after work hour, you know go out for a couple of beers and tell stories in the office and stuff like that. It is not just in China its also across borders. So we do a lot of travelling (in audio) for senior management and we do spend a lot of time also doing sales together, so we spend a lot of hours together and get to know each other really well.

I: Lets say just to clear it out. In your daily work if you are having communication with your Danish colleagues. Is that like communicating to external partners or can you feel that you are within the same company in they way that you are interacting?

P2: Definitely the same. I mean we are one company and we are friends and colleagues. So we have some expressions and joke and dirty stuff going on sometimes in our email exchange

I: and I guess you are also a little dependent on each other right? Cause how do you get information about partners, procedures, pricing in Denmark? Is there another method than to contact your colleagues?

P1: Can you repeat that?

I: Yes I'm just curious. If you need some information about partners, procedures, conditions in Denmark. Are you having the information in documents or do you actually need to write an email to your Danish colleague to get the information that you need.

P1: We usually have a daily correspondence on email.

I: If you are having any issues in your daily work. What is the first thing you do? Is it like asking the colleague sitting next to you or are you having a contact person in Denmark that you just know are able to answer specific questions or how is that? I mean everyone is facing issues in their daily work now and then

P2: It depends on what kind of issue. If have issues here internally we talk face to face. If we have issues related to the Danish office we will give them a call or emails (sig.).

I: And do you also share information and experiences between each other across countries. If you are getting an insight that you think are relevant for your Danish colleagues are you then sending them an email or how is that?

P2: Yeah we do email communication more often. If its regular basis business information we just an email. If it's something urgent or important we make a phone call or Skype.

I: Is there a, like recap on some projects where you through best practise or good and bad. What did we do good (sic). What didn't go that well or like do share experiences?

P1: I think we spend a lot of time discussing good and bad. Lessons learned, why didn`t we secure the account or why did we loose the account. Kind of reflecting on what we could have done better and what we could have done differently in order to, as an example, to secure a business or avoid loosing a client.

I: and for instance when it comes to sales. Is like how to explain it. Is the method and techniques of sales is that comparable between Denmark and China? I mean can you use your Danish colleagues to like get information that are useful in your work as a salesman in China? Or is it like to completely different markets and types of custom-ers?

P1: I think its eehm, maybe ten years ago is was quite different, nowadays Chinese companies are very international. A lot of our clients are multinational companies so they also have a western mind-set and western approach on how to do business. So I think all in all its quite similar process that we go though. I think the major difference is when it comes making a decision. Meaning closing the sale, that is usually done in Denmark (sic). So most of the decision-making are done in Denmark and we are try-ing to assist as mush as we can from China.

I: Okay thanks. The next question is regarding. If you could imagine having a feature like Facebook, or the Chinese version that described before, could you imagine using platform like that in your daily for work, for like sharing information or asking ques-tions? And how do you see the advantages…

P1: You need to start over. We didn`t get the start of it.

I: You didn´t got the start? Okay let's say that you are having a platform such as Fa-cebook, or the Chinese version that you have just described for us. Could you imagine using a platform like in your daily work for like interacting and sharing information? And how do se is there any advantages?
P1: Interacting for work or?

I: Yes

P: To improve communication?

I: Yes and do you see any issues with that kind of communication

P1: I mean well you can say in a way we kind of are using platforms in China (sig.). I mentioned to you about a platform called WeChat and WeChat… You know we have those groups, it can be management group, it can be sales group, it can an operations group for ocean or for air etc. So we have a lot of discussions in these groups already on how to, you know where people can ask a question or how do I quote for this client or you know who can join me for the next meeting and so on so forward. So I mean we use some platform already in China, not sure if they use them in Denmark, but we actually use them quite a lot here in China.

I: That's very interesting. And who has access to those groups. Is it only sales managers? Or is it also some from the operations?

P1: No we have different groups. Like I have management group, which consists of three people. That's myself, its Jimmy and then a lady called Anni. And those are like my go-to people when I have some issues or questions or concerns that I need to (in audio) our. Then we have like sales group and that my entire sales team. They are a part of that group including myself. Jimmy has a group of himself and his supervisors in ocean freight and airfreight so you can say that some of them are just of managers but others are also for the entire team. But it could also I mean its actually a mixture of both business but also personal information that is shared in this forum (sig.)

I: Okay. I just need to get it straiten out. You have around ninety people right in China?

P2: Correct

I: How would you, like how many would you say that is using are freight forwarders? And how are sales? And how many are warehousing staff? Roughly just roughly

P2: We just separate by operations, sales, accounting, IT and some of them are you administration. But we don't have warehouse.

I: Okay. That's an external partner?

P2: Yeah. We outsource

I: Okay

P1: But to answer our question a bit more specific. We are, what are we, like 6 sales people in China and the rest in operations slash management

I: Okay I think we are almost there, but we still have a few questions on external relations

P1: Sorry?

I: We are still having just a few questions on external relations. Are you having any systems for collaboration with external partners or how do you communicate with your clients and your partners, suppliers and so on?

P1: We use the same tools that we use with Prime Cargo Denmark. You know is email, it's the operation program that we have introduced in China. But in China we actually also do a lot pricing on this WeChat platform. So you know you have a client and they send me an message on WeChat you know what is the average rate of this and this and then we send him, you just send them a quote over the phone instead of making an official quotation and sending an email, send a contract, a lot of stuff is actually something that we do over a chat.

I: Okay that's interesting. Is it like? Can you do this because everyone is using this feature in China or is it like do you need to ask the partner that you are talking to, do you have this? Or is it just like totally common that all companies are using this feature

P2: All companies

P1: For China all companies, I mean all people uses this software. So its like, its kind of almost like an integrated part of your daily day is to have his WeChat, you use it to send messages and ask questions and send, you know send a spot rate or whatever.

I: Okay I can´t help from thinking…

P1: Buts its purely for China. We don't do that for agent and partners overseas. For them we use emails.

I: Okay I can´t help from thinking what about old people. Are they using it as well?

P1: Yes

P2: My parents are using it

P1: It has a function where you don't even have to write anything, you just push a bottom and then you record a message, so everything is just a recorded message and then you listen to the message that is given.

I: How… Could you see this take effect (sig.) like in another or, or maybe in a different platform, but internally inside Prime Cargo? Where you have like a platform might be less formal but still professional daily lives and issues.

P1: We lost you again for a minute, can you repeat that question?

I: Yeah lets say you take the features from WeChat. Could you see some advantages in implementing that to Prime Cargo?

P1: I don't know. I mean one of the issues and concerns that I have is that you know you kind of need to have some sort of documented backup on quotes and information that you give out. That's, you don't really have that, because everything is kind of like in a cloud system that we don't control. WeChat controls it. So I think that's going to be very dangerous to do so. Unless you make this information on your own cloud server, because then you can you know kind of store the information but I would do that. For us you know when we quote we take a picture of the quotation and then we can send it to our sales team and then they make quotation based on that

I: Okay. So there is a privacy issue

P1: For us in China using WeChat is just kind of speak things, because everything moves in a faster pace out here

I: Okay. I have a few more questions and its up.

P1: No worries

I: I just lost it. Give me two seconds. Just ask. Jimmy could you tell me your age sorry?

P2: I'm 42

I: Thank you. In regards to your cost structure or how do you. It might be towards you Janus. How do you decide, like when you have a customer, have done you share the profit? Like who decides who gets what?

P1: Well, I think we have two scenarios. We have one scenario where we have a customer that has business from China to Denmark that means that we send business from Prime to Prime. Then we have fifty fifty cost solution.

I: Okay

P1: So we split in the middle and we share everything. Whether is loss or whether its profit.

I: Okay

P1: For some accounts we do a different we do a different profit share, but everything is agreed to, could be we share like a certain amount of USD per bill of lading or per shipment or per container. The latter we usually with our agents where we have an agreement that, as an example, you know we give them twenty dollars profit share on a full container and then we keep the rest of the profit here.

I: Just roughly. Could you give me an estimate of who do you, which offices in Prime Cargo do you do the most transactions with.

P2: Kolding!

I: Kolding. And how much would that in percentage be? Just roughly

P2: 65-70 %. For air freight I think its almost eighty %. For ocean its sixty five %

I: Is that like twenty % of your total revenue?

P1: For all of Denmark or?

I: Yeah all of Denmark how much would that be?

P1: About forty, no yeah forty-five %

I: And the rest is the rest of the world?

P1: Yeah

I: I think was it. Thank you very much for your participation and time

P1: No worries and let us know how it goes when you are done