

## Innovation in Knowledge Based Service Firms: Does it vary by Firm Size

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### Abstract

If we look at knowledge intensive business services (KIBS) then we realize that innovation is critical to the growth of such firms. The study has focused on how firm size impacts different aspects innovation aspects. This may help the KIBS firms to focus on the most relevant aspects of innovation as they grow in size. The study contributes towards very limited literature in this area. In the context of KIBS, the different aspects of innovation are defined as: *New Service Concept* (NSC), *Process and Customer Interaction Innovation* (PCI), *Organizational Innovation* (OI), *Strategic Partnering Innovation* (SPI) and *Innovative Revenue Model* (IRM). The findings suggest that as knowledge based firms reach a critical size, such as 100 or more employees, their operations may become complex and they may also have the resources to introduce all aspects of innovation.

**Keywords:** Knowledge intensive business services, Firm size, new service concept, Process innovation, Organizational innovation, Strategic partnering innovation, Innovative revenue model.

### Introduction

It is important to study innovation in knowledge based service firms. This study has focused on the role of firm size on different aspects of innovation in KIBS firms based in India. In the context of KIBS, the different aspects of innovation are defined as: NSC, PCI, OI, SPI and IRM. It may be noted that a key subsector within these services is the legendary Information Technology (IT) services industry in India which has revenues of more than USD 170 billion in 2018-19 (NASSCOM, 2019). The growth of knowledge based services has been very prominent in the Indian economy both in IT and beyond in areas such as design, technical and business consulting, taxation, auditing, branding and marketing etc. As KIBS expand from 2 to 10 person firms to larger firms, it may give a competitive advantage to these firms if they are able to focus on various innovation aspects. It is also important for a firm to decide

which aspects of innovation to focus on as firms grow and pass through various stages. In the study, firm size has been considered by the number of employees and firms have been categorized as those with: 1-100; 101-1000; 1001-10000; and 10001 or above employees.

Relationship between entrepreneurial behavior and innovation is stronger in service sector as compared to other type of firms (Calisto & Sarkar, 2017). Service firms can gain from innovation expertise and resources across the world and gain strategic advantage by collaborating with customers across the globe for new service development (Alam, 2018). Use of external sources such as clients, suppliers, service providers etc. is particularly important in the service sector as it may help in gaining diversified knowledge at a relatively low cost (Zieba, Bolisani, Paiola & Scarso, 2017).

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Innovation is considered as an important means to achieve competitiveness and growth (Huggins and Thompson, 2015). In service firms, radical innovation in terms of the business model is known to give sustained competitive advantage (Philipson, 2016). Knowledge intensive innovative entrepreneurial ventures may be defined as a form of learning organization that use existing knowledge to generate new knowledge that facilitates innovation (Malerba & McKelvey, 2018). Laforet (2012) has discussed that small enterprises are risk averse and intolerant towards uncertainties. This suggests that as firm size increases the firm's tolerance towards risk increases and the firm is likely to be more innovative.

Different authors have attempted to classify innovation in services. Pavitt (1984) classifies innovation in services as dominated suppliers, scale intensive, and information intensive. Vence and Trigo (2009) classify innovation in services as firms which are low in innovation, firms which are technology intensive and moderate in innovation, and firms which are knowledge intensive and high in terms of innovation. In service firms as we study innovation, firms can largely be classified into two groups: KIBS and traditional services (Fuentes et al., 2015). This study has focused on KIIS also referred to as KIBS.

### **Review of Literature**

The review of literature has focused on the role that firm size plays on various innovation aspects in KIBS. The different aspects of innovation have been based on the the framework for innovation in services developed by den Hertog, van der Aa and de Jong (2010). These include Developing New Services, Innovation in Processes and Customer Interaction, Organizational Innovation, Strategic

Partnering Innovation and Innovation in Revenue Models.

### **Developing New Services**

A firm may innovate by launching new services (Bell, 2005) or by improving product characteristics. The services that a firm may introduce may be new in the industry or even new in the firm (Laforet, 2012). A firm may also innovate in terms of improvement in service quality. Service quality plays an important role in enhancing competitiveness of global firms (Sun & Pang, 2017). A firm may also bundle or combine different complementary services to provide a package to the consumer (den Hertog et al., 2010).

### **Innovation in Processes and Customer Interaction**

A firm may develop new forms of customer interaction such as a new client interface. It may introduce new variations in self service (den Hertog et al., 2010). Taiwanese KIBS firms are likely to share knowledge with their customers through both codified and mixed means and firms that exchange more codified knowledge have advantage in terms of improved connections with clients, innovation and technologies (Hu et al., 2018). A firm may also develop improvements in user interface in terms of ease of use (Hipp & Grupp, 2005). It may also improve the way it delivers services to its customers Amara, Landry & Doloreux, 2009). In service firms, customer interaction is an integral part of service operations and any changes in one require changes in the other. A firm may also introduce process innovations for improving efficiency and reducing costs. A firm may aim towards reduced delivery time, increased productivity, more flexibility and lower costs (Boer & Duing, 2001; Chang, Linton & Chen, 2012). Information technology plays an important role in process improvements in service organizations

(Barras, 1990). There is a positive link between the range of services offered and process innovation (Avadikyan, Lhuillery & Negassi, 2016). With repeated and customized implementation of process improvement frameworks, the relevance of knowledge depositories starts increasing with each implementation (Balint, Forman & Slaughter, 2016).

### **Innovation in Organizational Structure and Administrative Processes**

Firms may introduce changes in their organization structure or introduce improvements in their administrative processes. A firm may introduce new processes in their administrative functions (Chang et al., 2012; Damanpour et al., 2009). New managerial practices and concepts may also be introduced (Armbruster, Bikfalvi, Kinkel & Lay, 2008). Knowledge sharing among employees may be encouraged (Amara et al., 2009). Internal changes in organization structure may be required to allow service workers to perform better (den Hertog, 2000). Constructive organizational culture is positively related to more effective knowledge management in the case of a software development firm (Prado-Gascó, Pardo & Pérez-Campos, 2017). Innovations in administrative processes and organizational structures all firms to offer a larger range of services (Avadikyan et al., 2016).

### **Innovation through Strategic Partners**

A firm may also innovate by collaborating with strategic partners. Innovative organizations collaborate with strategic partners (Arias, 1995). Different service providers may collaborate to provide combined or value added services. Even a community of service partners could be linked through a common platform for example the combination of Apple iStore and the software applications available on

the same (den Hertog et al., 2010). Firms may also focus on value integration jointly with strategic partners in order to provide enhanced value to the customers. Joint ventures, supplier cooperation and customer cooperation have significant impact on knowledge absorptive capacity of the firm to improve innovation (Saiz, David Pérez Miguel, Manzanedo & Campo, 2018).

### **Innovation in Revenue Models**

Another important way service firms may innovate is in terms of revenue models. Particularly in terms of high value services, customers may look forward for different ways to pay for the same. Firms may decide to change from a business model based on revenue derived from products to a model where revenue is derived from services (den Hertog et al., 2010). Firms may further innovate their revenue model by charging their customers based on usage of service or performance or in terms of value generated for the customer (Bonnemeier, Burianek, & Reichwald, 2010). For example, several software companies now offer to customers, the choice of paying for software as a cloud based service based on usage instead of paying for the full cost of hardware, software and installation. This reduces the investment risk of the customer and also allows for scalability as per demand. Similarly a firm may base its revenue model on the improvement in the performance of the customer on certain pre-specified parameters or even as a percentage of the value addition in the business of the customer.

### **Impact of Firm Size on Innovation**

Small enterprises are risk averse and intolerant towards uncertainties (Laforet, 2012). In small firms the innovation is ad-hoc and informal and mainly from a short-term perspective while in large firms it is more systematic. As firms grow large in

size, they have more resources available to innovate (Amara et al., 2009). Smaller firms are likely to focus more on incremental innovation and less willing to take on radical innovation. Freel and Harrison (2006) discuss on how the firm size may moderate the level of innovation and suggest that firm size could be a proxy for accumulated resources. Brettel and Cleven (2011) discuss as the number of employees in a firm increase, the likelihood to collaborate with external partners also increases. Freel (2006) has discussed that there is a positive linkage between firm size and the level of innovation. Although the small firms are more capable of quick reaction towards client needs, the large firms can spend more resources towards innovation and also benefit from economies of scale (Amara et al., 2009).

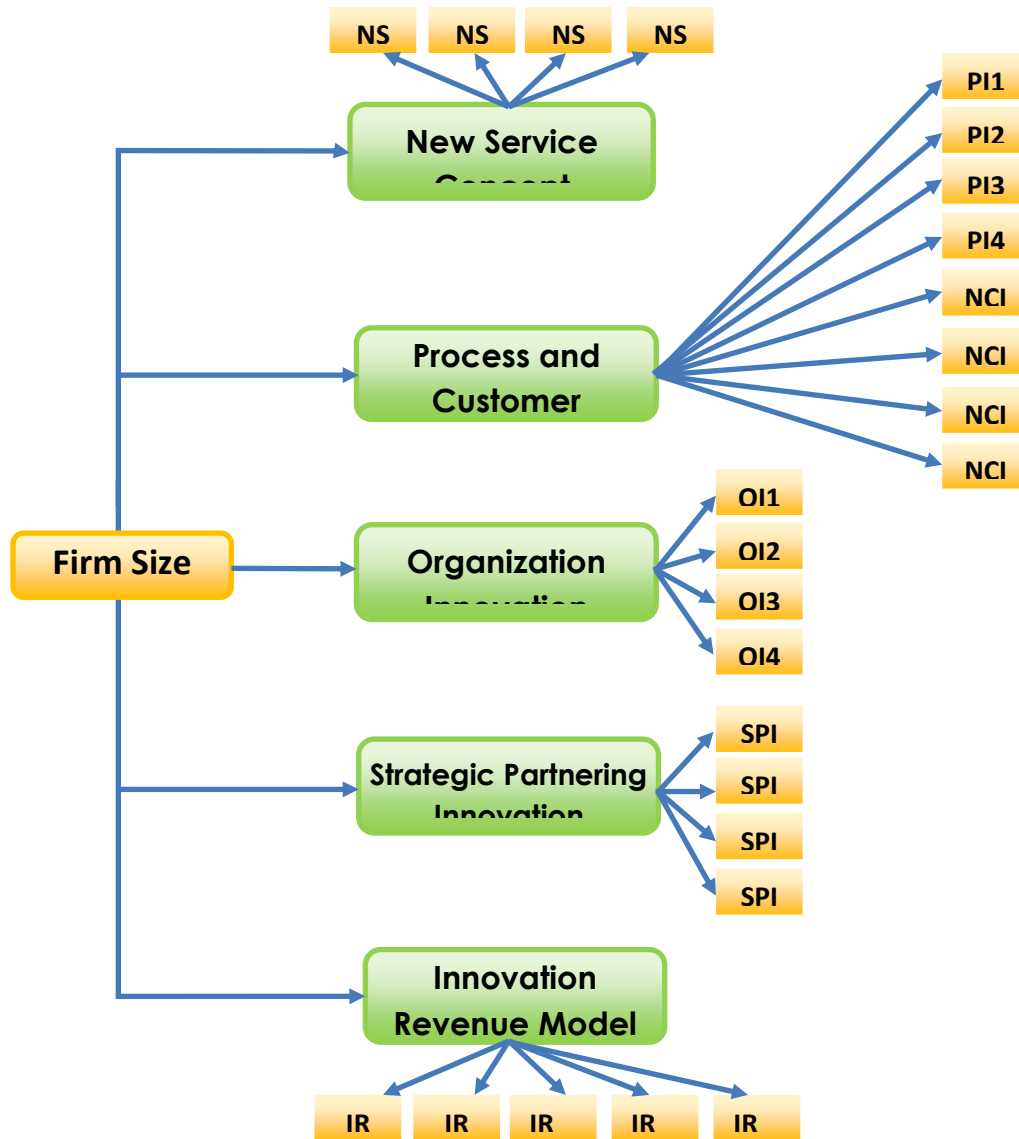
As we study the drivers of innovation in the manufacturing sector, it is found that firm size is one of the more studied variables as large firms with higher revenues are able to take more risk and a range innovative projects (Pires, Sarkar and Carvalho, 2008). Firms with large size have higher cash flows as well as are able to get credit from the markets on easier terms and are able to spread costs related to innovation over larger sales revenues (Rogers, 2004). Smaller may be faster and flexible in terms of recognizing opportunities. Such firms are also less bureaucratic and more flexible and thus can be more innovative although Pires et al. (2008) find that as firm size increases the likelihood of innovations increase as the level of available resources increase. The

extent of innovative projects increase as firm's revenue increases (Laforet, 2012). As the firm grows the firm organizational structure gets more complex and more organizational changes are required in order to be competitive.

### **Conceptual Framework**

The existing literature suggests that as firms increase in size, their accumulated resources and scale and complexity of operations increase and thus they are more likely to innovate in different ways. Thus the study has examined hypotheses with respect to the role of firm size on different aspects of innovation. Sareen and Pandey (2015) have developed and defined the constructs and scale for measuring different aspects of innovation in terms of: *New Service Concept (NSC)*, *Process and Customer Interaction Innovation (PCI)*, *Organizational Innovation (OI)*, *Strategic Partnering Innovation (SPI)* and *Innovative Revenue Model (IRM)*. The details of the constructs are provided in Appendix A. The measurement scales have been tested for reliability and validity. Cronbach's alpha value is above .8 for the constructs measuring different aspects of innovation. Face validity and content validity was ensured through and extensive review process. Construct validity was established through factor analysis. The conceptual framework is provided in Figure 1. The items belonging to each construct are detailed in Appendix A.

Figure 1: Conceptual Framework



**Note:** The above figure is author’s own compilation. The constructs for measuring different aspects of innovation have been adapted from Sareen and Pandey (2015). All items of the constructs *Process Innovation (PI1 to PI4)* and *New Forms of Customer Interaction (NCI1 to NCI4)* load on single factor which is named *Process and Customer Interaction Innovation (PCI)*.

**The following hypotheses have been tested:**

H<sub>01a</sub> : The difference in NSC of firms with above 10000 employees and firms with upto 100 employees is significant

H<sub>01b</sub> : The difference in NSC of firms with above 10000 employees and firms with 101-1000 employees is significant

H<sub>02a</sub> : The difference in PCI of firms with above 10000 employees and firms with upto 100 employees is significant

H<sub>02b</sub> : The difference in PCI of firms with above 10000 employees and firms with 101-1000 employees is significant

H<sub>03a</sub> : The difference in OI of firms with above 10000 employees and firms with upto 100 employees is significant

H<sub>03b</sub> : The difference in OI of firms with above 10000 employees and firms with 101-1000 employees is significant

H<sub>04a</sub> : The difference in SPI of firms with above 10000 employees and firms with upto 100 employees is significant

### Research Method and Approach

The study aims to evaluate the impact of firm size on different aspects of innovation in KIBS firms. The study adopted a single cross-sectional research design. The study focused on firms across the spectrum of KIBS in India and firm sizes varied from organizations with upto 100 employees to organizations with more than 10000 employees. SPSS Version 20 was used for data analysis. In order to assess the impact of firm size on different innovation aspects, ANOVA analysis has been done in terms of 4 groups. Firms with employee strength (Emp) of: 1 to 100 belonged to Group 1; 101 to 1000 belonged to Group 2; 1001 to 10000 belonged to Group 3; and 10001 or above belonged to Group 4.

In the Indian economy sub sectors which dominate KIBS are Software Consultancy, Computer and Database Activities, Research and Development, Engineering Services, Business and Management Consultancy, Market Research, Advertising, Accounting, Auditing and Tax Consultancy etc. These sub sectors are well represented in the sample survey.

### Data Analysis and Discussion

The data has been analyzed through ANOVA Analysis in Table 1 on the

H<sub>04b</sub> : The difference in SPI of firms with above 10000 employees and firms with 101-1000 employees is significant

H<sub>05a</sub> : The difference in IRM of firms with above 10000 employees and firms with upto 100 employees is significant

H<sub>05b</sub> : The difference in IRM of firms with above 10000 employees and firms with 101-1000 employees is significant

A web based questionnaire served as an instrument to administer the survey. Initially a personalized email was sent to 687 senior to middle level executives. The mail described the purpose of the study and requested for participation. Positive response was received from 280 respondents and subsequently an email having the link of the questionnaire was sent to them. Many of the respondents held senior positions in their firms such as CEO, President, Director, CFO, COO, CTO, CSO, GM, VP, Partner, Country Manager etc. Reminders were sent to 131 respondents who had shown initial interest but hadn't completed the survey. Finally, 172 completed responses were received. This represented a rate of response of 25%. The rate of response for mail based surveys in case of senior executives may range from 10 percent to 12 percent (Hambrick, Geletkanyca & Fredrickson, 1993). On final review of the responses only 151 valid responses were found representing a rate of response of 22%. 21 firms were excluded for reasons such as the name of the respondent or designation was not filled properly.

variance by firm size of the innovation aspects: NSC, PCI, OI, SPI and IRM.

**Table 1:** Analysis of Variance of Innovation Aspects by Firm Size

Innovation Aspect	F Value	Significance* (Between Groups)
NSC	1.379	.252
PCI	3.934	.010
OI	4.738	.003
SPI	3.204	.025
IRM	3.940	.010

\*The significant level for the mean difference is 0.05

### New Service Concept

Table 1 describes the analysis of variance of the variable NSC with respect to firm size. It is observed that the differences between groups are not significant. Thus there is no significant difference in NSC related innovation across different firm sizes. It is often seen that small firms bring new service concepts to the market and at the same time more resources and intellectual capital with large firms supports launch of new services. The findings do not support the hypotheses  $H_{01a}$  and  $H_{01b}$ .

### Process and Customer Interaction Innovation

Table 1 describes the analysis of variance of variable PCI with respect to firm size. It is observed that the difference among the groups is significant ( $p < .05$ ). Table 2

describes multiple comparisons of PCI by firm size.

In Table 2, it may be noted that difference between Group 4 and Group 1 is significant ( $p < .05$ ). Thus PCI is stronger for firms with more than 10000 employees as compared to firms with upto 100 employees. As firms increase in size, the complexity and scale of operational processes and customer interface increase. At the same time, it may be noted in that there is no significant difference in PCI between Group 4, Group 3 and Group 2. The findings confirm the hypothesis  $H_{02a}$  that there will be a significant difference in PCI of firms with above 10000 employees and firms with upto 100 employees. The findings do not support the hypothesis  $H_{02b}$  that there will be a significant difference in PCI of firms with above 10000 employees and firms with 101-1000 employees.

**Table 2:** Multiple Comparisons of PCI by Firm Size

(I) Emp	Difference of Mean (I-J)	Std. Error	Sig.*	95% Confidence Interval		
				Lower Bound	Upper Bound	
1	2	-.38329	.17352	.186	-.8740	.1075
	3	-.27595	.16529	.428	-.7434	.1915
	4	-.41560*	.12640	.015	-.7731	-.0581
2	1	.38329	.17352	.186	-.1075	.8740
	3	.10734	.19994	.962	-.4581	.6728
	4	-.03231	.16921	.998	-.5109	.4462
3	1	.27595	.16529	.428	-.1915	.7434
	2	-.10734	.19994	.962	-.6728	.4581
	4	-.13965	.16075	.860	-.5943	.3150
4	1	.41560*	.12640	.015	.0581	.7731
	2	.03231	.16921	.998	-.4462	.5109
	3	.13965	.16075	.860	-.3150	.5943

\*The significant level for the mean difference is 0.05

### Organizational Innovation

Table 1 describes the analysis of variance of the variable OI with respect to firm size. It is observed that difference among the groups is significant ( $p < .05$ ). In Table 3, it may be noted that difference between Group 4 and Group 1 is significant ( $p < .05$ ). Thus organizational innovation is stronger for firms with more than 10000 employees as compared to firms with upto 100 employees. As firms increase in size, the complexity and scale of organizational structures and administrative processes increase pushing large knowledge based firms to introduce

organizational innovations. At the same time, it may be noted in that there is no significant difference in OI between Group 4, Group 3 and Group 2. The findings confirm the hypothesis  $H_{03a}$  that there will be a significant difference in OI of firms with above 10000 employees and firms with upto 100 employees. The findings do not support the hypothesis  $H_{03b}$  that there will be a significant difference in OI of firms with above 10000 employees and firms with 101-1000 employees.

**Table 3:** Multiple Comparisons of OI by Firm Size

(I) Emp	Difference of Mean (I-J)	Std. Error	Sig.*	95% Confidence Interval	
				Lower Bound	Upper Bound
1	2	.21225	.753	-.8329	.3676
	3	.20218	.670	-.8240	.3196
	4	.15460	.004	-1.0148	-.1403
2	1	.21225	.753	-.3676	.8329
	3	.24456	1.000	-.7112	.6721
	4	.20697	.430	-.9303	.2404
3	1	.20218	.670	-.3196	.8240
	2	.24456	1.000	-.6721	.7112
	4	.19663	.437	-.8814	.2307
4	1	.15460	.004	.1403	1.0148
	2	.20697	.430	-.2404	.9303
	3	.19663	.437	-.2307	.8814

\*The significant level for the mean difference is 0.05

### Strategic Partnering Innovation

Table 1 describes the analysis of variance of the variable SPI with respect to firm size. It is observed that the difference among the groups is significant ( $p < .05$ ). In Table 4, it is noted that the difference between Group 4 and Group 1 is significant ( $p < .05$ ). Thus strategic partnering related innovation is stronger for firms with more than 10000 employees as compared to firms with up to 100 employees. The findings support the

hypothesis  $H_{04a}$ . It may be reasoned that as firms increase in size they are able to offer a better value proposition to strategic partners and thus are more likely to introduce strategic partnering related innovations. At the same time, it is noted in that there is no significant difference in SPI between Group 4, Group 2 and Group 3. The findings do not support the hypothesis  $H_{04b}$ .



**Table 4:** Multiple Comparisons of SPI by Firm Size

(I) Emp	Difference of Mean (I-J)	Std. Error	Sig.*	95% Confidence Interval		
				Lower Bound	Upper Bound	
1	2	-.12015	.19441	.944	-.6700	.4297
	3	-.19787	.18519	.767	-.7216	.3259
	4	-.42926*	.14161	.030	-.8298	-.0288
2	1	.12015	.19441	.944	-.4297	.6700
	3	-.07772	.22401	.989	-.7112	.5558
	4	-.30911	.18957	.450	-.8453	.2270
3	1	.19787	.18519	.767	-.3259	.7216
	2	.07772	.22401	.989	-.5558	.7112
	4	-.23139	.18010	.649	-.7408	.2780
4	1	.42926*	.14161	.030	.0288	.8298
	2	.30911	.18957	.450	-.2270	.8453
	3	.23139	.18010	.649	-.2780	.7408

\*The significant level for the mean difference is 0.05

### Innovative Revenue Model

Table 1 describes the analysis of variance of the variable IRM with respect to firm size. It is observed that the difference among the groups is significant ( $p < .05$ ).

In Table 5, it may be noted that difference between Group 4 and Group 1 is significant ( $p < .05$ ). Thus innovative revenue model related innovation is stronger for firms with

more than 10000 employees as compared to firms with up to 100 employees. Thus the findings support the hypothesis  $H_{05a}$ . At the same time, it may be noted in that there is no significant difference in IRM between Group 4, Group 2 and Group 3. The findings do not support the hypothesis  $H_{05b}$

**Table 5:** Multiple Comparisons of IRM by Firm Size.

(I) Emp	Difference of Mean (I-J)	Std. Error	Sig.*	95% Confidence Interval	
				Lower Bound	Upper Bound
1	2	.08000	.19029	.981	
	3	-.14783	.18127	.881	
	4	-.41017*	.13861	.036	
2	1	-.08000	.19029	.981	
	3	-.22783	.21926	.782	
	4	-.49017	.18556	.077	
3	1	.14783	.18127	.881	
	2	.22783	.21926	.782	
	4	-.26234	.17629	.531	
4	1	.41017*	.13861	.036	
	2	.49017	.18556	.077	
	3	.26234	.17629	.531	

\*The significant level for the mean difference is 0.05

### Conclusion

The study evaluates the role played by firm size on different aspects of innovation across KIBS. In terms of firm size, the findings show that there is no difference in NSC across firms in different size bands. This is in contrast to existing literature. Laforet (2012) has discussed that small and medium enterprises are risk averse and intolerant towards uncertainties. Freel and Harrison (2006) suggest that firm size could be a proxy for accumulated resources. Freel (2006) argues that there is a positive link between firm size and innovativeness. The proportion of firms engaged in multiple aspects of innovation grows with firm size (Miles et al., 2017). The findings suggest that KIBS firms across different size bands are equally engaged in development of new service concept related innovation.

The findings also show that there is a significant ( $p < .05$ ) difference in PCI, OI, SPI and IRM for firms with above 10000 employees and firms with up to 100 employees. This can be explained by the reasoning that as the firms increase in size, the complexity and scale of operational

processes and customer interface increase and the need for introducing PCI increases. Similarly, as firms increase in size, the complexity and scale of organizational structure and administrative processes increase and the need for introducing OI increases and firms are also able to offer a better value proposition to strategic partners. With increasing complexity and scale, need for introducing new and innovative revenue models also increases. Large firms spend more resources towards innovation and also benefit from economies of scale (Amara et al., 2009). Larger firms are in a better financial position to promote innovative activities (Rogers, 2004). Pires et al. (2008) discuss that as firm size increases, the likelihood of product and process innovations increase as firm size is an indicator of the internal resources of a firm. The findings also show that the difference is not significant in PCI, OI, SPI and IRM between firms with 101 to 1000 employees; 1001 to 10000 employees; and above 10000 employees. This suggests that as knowledge based firms reach a critical size, such as 100 employees, their operations may become

complex and they may also have the resources to introduce process, organizational, strategic partnering and revenue model related innovations.

The implications for managers are that as the firms increase in size, the scope of introducing innovations also increases. Although small firms may introduce new services as well as large firms, the larger firms may have an advantage in introducing process, organizational, strategic partnering and revenue model related innovations. In knowledge based firms, unlike manufacturing firms, most employees are highly qualified professionals and a firm size of above 100 employees indicates that

the firm has achieved a sufficient scale to engage in different aspects of innovation. The study has contributed limited research in this area and there is scope for further research. The study has been conducted in an Indian context. There is scope for further studies on knowledge based industries located in other countries. While the study measures firm size by the number of employees, the same may be measured on other parameters such as revenue or market value of the firm. This may give new insights. Also similar studies may be conducted on other service industries besides knowledge intensive business services.

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**Appendix A: Details of Items belonging to Constructs on Innovation Aspects****a. New Service Concept**

Code	Item
NSC1	Our firm has developed services that are new to the market
NSC2	Our firm has developed services that were not previously offered by us
NSC3	Our firm has improved existing service offerings
NSC4	Our firm has provided new service offerings by combining various individual services

**b. Process and Customer Interaction related Innovation**

Code	Item
PI1	Our firm has introduced new or significantly improved production process
PI2	Our firm has introduced process innovation to increase productivity (for example, introduce IT enabled processes)
PI3	Our firm has introduced process innovation to implement new information systems
PI4	Our firm has introduced process innovation to reduce costs
NCI1	Our firm has created customer interfaces that were not previously offered by us
NCI2	Our firm has created customer interfaces that are new to the market
NCI3	Our firm has introduced processes to enhance customer access to our services (for example, expand service hours and locations)
NCI4	Our firm is able to resolve customer complaints and problems efficiently

**c. Organizational Innovation**

Code	Item
OI1	Our firm has implemented new organizational structures
OI2	Our firm has implemented new administrative processes (for example, new methods to reward and motivate employees)
OI3	Our firm has increased the deployment of cross functional teams
OI4	Our firm has increased intra-organizational collaboration

**d. Strategic Partnering Innovation**

Code	Item
SPI1	Our firm has worked with business partners to jointly create new or improved services
SPI2	Our firm has worked with business partners to provide integrated or combined services (for example, an IT company combines software development and testing services)
SPI3	Our firm has worked with business partners to provide value added services
SPI4	As a part of a larger value network, our firm has worked with business partners to develop a common business model within the industry (for example, developing applications via the android ecosystem for mobile industry)

**e. Innovative Revenue Model**

<b>Code</b>	<b>Item</b>
IRM1	Our firm has developed customized pricing models based on customer specific requirements
IRM2	Our firm has offered different billing methods to customers (for example, from projects based on billable hours to turnkey projects with fixed costs)
IRM3	Our firm has developed usage based revenue model (for example, clients are charged on usage in terms of time or intensity)
IRM4	Our firm has offered performance based revenue model (for example, billing is based on performance in terms of guaranteed response times or assured quality levels)
IRM5	Our firm has developed value based revenue model (for example, billing is based on benefit generated for the client in terms of increase in sales or cost savings)