Strategic Thinking and the IMP Approach: A Comparative Analysis

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Abstract

It is a characteristic of the IMP approach to studying business markets that the emphasis is placed upon rich description and efforts to understand the underlying processes behind interaction between organizations in networks, rather than on the formulation of managerial checklists and decision rules. For this reason, while IMP scholars have made some interesting and profound contributions to the explicit literature on management strategy, the overall contribution of the IMP approach to the strategy literature has been fairly slim. The purpose of this paper is to compare the IMP approach with five important schools of thought in strategy, with the aims of establishing what areas of agreement and disagreement exist and identifying whether the IMP approach can yield unique insights into strategy, strategizing, and the strategy process. We compare and contrast the IMP approach with, in turn, the rational planning approach to strategy associated with Ansoff, the positioning approach associated with Porter, the resource-based view associated with Barney, the deliberate/emergent approach associated with Mintzberg, and the strategy-as-practice approach associated with Whittington. As we move through these five schools of thought – which are addressed in a roughly chronological order - we discern an increasing degree of alignment with the assumptions and methods of IMP scholars. The outcome from our analysis is a suggested research agenda designed to bring the concepts and methods of industrial networks research to bear upon strategy, strategizing, and the strategy process.

Keywords: Emergent Strategy; Competitive Advantage; Rational Planning; Network Strategy

* Authors are listed alphabetically; all authors have contributed equally to the work.
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Introduction

While it would be quite wrong to say that the subject of strategy has received no attention in the writings of those associated with the IMP school of thought (see for instance, Araujo & Easton 1996, Axelsson 1992, Jüttner & Schlane 1996, Mattsson 1985 and 1987, Snehota 1990), it would equally be wrong to contend that strategy is one of the major explicit themes of IMP research. Analysis of the 957 research papers available at the IMP web site (impgroup.org) identified 14 papers (1.5%) with “strategy” in the title and 54 papers (5.6%) with “strategy” in the abstract. By contrast, an analysis of the 887 papers published between 2000 and 2005 (a period roughly equal to that over which the IMP database has accumulated) in three major academic journals in the marketing field (the European Journal of Marketing, the International Marketing Review, and Marketing Intelligence and Planning) found 41 papers (4.6%) with “strategy” in the title and 127 papers (14.3%) with “strategy” in the abstract. There was very little variation in the incidence of “strategy” papers across the three journals. While making no claim to meeting the highest levels of scientific proof, we conclude nevertheless that there is a prima facie case that the topic of strategy is less popular (by a factor of around three) in the IMP literature than it is in the general academic marketing literature. Notice that the three journals selected for this rough and ready analysis contain predominantly European research with a leavening of work by scholars from other parts of the world – and so to a first approximation mirror the IMP research database. The starting point for this paper is the assertion that too little explicit attention has been paid to the implications of the interaction and networks perspective (or “IMP view”) for strategy.

The purposes of this paper are (1) to conduct a conceptual and theoretical comparison of the IMP view of strategy with other established schools of thought in strategic management; (2) to identify salient differences and similarities between IMP and those other schools; and (3) to use this comparison to specify a research agenda looking into the implications for strategy of an interaction and networks perspective on the business world. We begin by engaging with that body of IMP literature that has explicitly addressed strategy, and so defining what we mean by “the IMP approach to strategy”. Subsequently, we compare the IMP approach to strategy with five major schools of strategic thought, which we identify in terms of their pre-eminent contributor, what one might call five “strategy gurus”. The five strategy gurus addressed in the paper are Igor Ansoff, Michael Porter, Jay Barney, Richard Whittington, and Henry Mintzberg. These five schools of thought have been chosen to represent the historical development of the field of strategic management over a period of roughly four decades – and are discussed in approximate chronological order. The five schools of thought range from the largely normative “rational planning approach” to the far more descriptive approaches espoused by Mintzberg and Whittington. From the comparative analysis of IMP thinking with these five schools of thought we draw conclusions about the contribution that IMP researchers have made to the theory of strategy, and about the nature of the empirical research that should be conducted to increase that contribution.

Strategy from an IMP Perspective

The strategy literature makes a common distinction between corporate, business, functional and administrative strategy (Spulber, 1994). IMP studies have made most contribution at the level of functional strategy (i.e., marketing and purchasing strategy) and possibly business strategy (see Snehota 1990: 169-171). One overarching distinction between the IMP approach and most other approaches to strategy concerns the assumptions, whether explicit or implicit, which are made about the extent of control that the firm has over key resources. Conventional approaches to strategy assume that the strategic problem is to allocate known and controlled resources in order to achieve business goals. The IMP approach is skeptical about the degree of control over resources that a firm can achieve, since many of the important resources available to the firm are under the direct control of other actors and can only be ‘controlled’ through the medium of interactive relationships and networks (Ford and Håkansson 2006). While denying that the firm has substantial strategic autonomy, and affirming that it must act through and with others, the IMP approach also denies the strict distinction between “firm” and “environment” that is characteristic of several approaches to strategy (Axelsson 1992). Firms jointly create the network; strategic acting within the network is a major factor in network development and change (Mattsson 1985, Mouzas 2001). In this paper we contend that although strategy has not been a major theme of IMP research, nevertheless a coherent perspective on strategy can be
discerned from the explicit and implicit studies of strategy conducted within the research tradition. These studies include early research papers such as “Marketing Strategies in Industrial Markets” (Håkansson 1980), seminal articles (Håkansson and Snehota 1989), research-based textbooks (Ford et al. 2002; Ford et al. 2003) as well as the major outputs from the first and second IMP projects (Håkansson 1982; Håkansson and Snehota 1995; Turnbull and Valla 1986).

There have been a number of important and explicit efforts by IMP scholars to address directly the link between the interaction and networks perspective and strategy, or strategizing.

In “No Business is an Island: The Network Concept of Business Strategy” Håkansson & Snehota (1989) clearly address the issue of strategy. This article stands out almost as a programmatic research manifesto already pointing at a series of necessary changes in the theoretical assumptions if one wants to tackle strategies from an industrial network perspective. Håkansson & Snehota's key contribution to a unique view of strategy is to emphasize that the strategy of a company is based on its interactive behaviour with major counterparts, which makes the individuals involved in key business relationships at least as important as the top management in shaping a firm's strategies. While this argument recalls Mintzberg's bottom-up “grassroots model” of strategies, it clearly adds an interactive dimension to strategy making, because it recognizes that the external context is an active part, indeed a living party in the process of strategy formation, and not simply a “passive” environment to which to adapt. In its interactions with key actors in the context, the firm also learns and ex-post rationalizes experiences that will set its new course: all this sounds very close to Mintzberg's views within the learning school. Other authors within the IMP tradition emphasize the resource dimension in strategy process research, something that is somewhat neglected within Mintzberg's views (Araujo and Easton 1996).

Snehota (1990:164) defined strategy as “the pattern of activities determinant of the gain in a context of market exchange”. A distinction is made between management of the strategy (or attempts to steer and affect the course of these activities, including plans and policies) and the strategy itself (which is indeed the emerging pattern of activities that may or may not have been really affected by managerial attempts): this distinction is pivotal to Snehota's argumentation and is clearly similar to Mintzberg's ideas in “Five Ps for Strategy”: strategy can be viewed as a plan, a ploy, a pattern, a position, or a perspective (Mintzberg 1987). Plans and patterns recall in fact Snehota's distinction above. Even if Snehota does not refer to this article of Mintzberg's, still he refers to Mintzberg (1987) as a further basis for his own definition of strategy.

But Snehota also mentions the subjectivity of the representations given of a certain strategy (intended here as pattern of activities), which makes every act of recounting a strategy an act of reconstructing it (Snehota, 1990: 164): this approach recalls Mintzberg’s strategy as a perspective (although not fully, because Mintzberg is mostly concerned with collective perspectives). All in all, Snehota's thesis incorporates some of Mintzberg's main ideas such as a basic definition of strategies and how they are formed, but the thesis develops a much more externally oriented view of strategies in the same vein as Håkansson & Snehota (1989).

Ford et al. (1998) is an IMP textbook that shares with the two above IMP works basically the same view on strategies. Moreover, quite extensive space is explicitly dedicated to “the idea of strategy” (chap. 4) and to “developing strategy” (chap 5), and both parts are heavily inspired by Snehota's ideas. Here strategy is thought of as “the pattern of a company's choices that are significant for its economic performance over time, and that it becomes committed to” (Ford et al., 1998: 64). This textbook also includes a section on “the strategy development process” (Ford et al., 1998: 96-105), where an “organic” model of strategy formation, strongly inspired by Mintzberg (1989), is opposed to the “rationalistic” linear model (i.e., analysis-decision-planning). The “organic” model is presented as a circular process including the three components of “gaining knowledge”, “generating action” and “achieving commitment” (Ford et al., 1998: 97-99). In this model, like in Mintzberg’s view, learning and trials and errors are important elements that drive a strategy formation process where thought and action go hand in hand instead of being sequentially related. Basically the same “organic” model is presented also in another IMP textbook by Ford et al. (2002): the only difference is that here “gaining understanding” substitutes “gaining knowledge” and “formulating intent” substitutes “achieving commitment” (Ibid: 217-220). This book too contains a chapter (nr. 10) dedicated to the issue of strategy, where Mintzberg’s inspiration, like in Ford et al. (1998), is very clear.

Finally, there is the editorial to the special issue of Industrial Marketing Management “Strategizing in industrial networks” (Gadde, Huemer, & Håkansson, 2003) that followed the 17th IMP conference in
Oslo, whose theme was the “strategic dimension” of networks. The editors make clear a very important point here: even if “the general notion of strategy has not been a central concern in models and studies of industrial networks”, the issue of “strategizing” is a fundamental issue in IMP research (Ibid: 357-358). And in fact, the very choice of the term strategizing hints at something broader than just the very concepts of “strategy” or “strategy formation”. All in all, this editorial and the special issue of IMM aim to stress the strategic relevance of business relationships, networks and interactions. But in doing this, the authors also suggest the grounds for an alternative view of strategy. However, a specific definition of strategy or an analysis of the strategy formation process in a network context, are beyond the scope of the IMM special issue.

Comparison with Key Perspectives in Strategy

In this section of the paper we identify the similarities and differences between the IMP approach to strategy and five influential schools of thought in strategic management. Recognizing that there is plethora of schools of thought from which to choose, and several different taxonomies of those schools of thought, we have been selective rather than exhaustive in our choice of the schools to include in the analysis. In particular, the five approaches selected for the analysis range from the early stages in the evolution of strategic management, where formal planning systems grounded in neo-classical economics were paramount, to much more recent approaches emphasizing organizational learning and transformation that are grounded in organizational theory (Herrmann 2005; Mintzberg 1994; Mintzberg et al. 1998).

Ansoff (1965) and Porter (1985) represent comparatively early contributions to the field of strategic management that decouple strategy formulation from implementation, and propose prescriptive, generic approaches to strategy formulation. In the case of Ansoff this comprises a systematic process based around the strategic audit (SWOT), while Porter has contributed the generic strategies by which firms can create a sustained competitive advantage. Both approaches focus on the relationship between the firm and its environment (competitors and the macro-environment), and neglect internal characteristics of the firm. By contrast the resource-based view of the firm concludes that a firm can only build a sustained competitive advantage if it controls physical, human or organizational assets that are valuable, rare, inimitable, and non-substitutable (Barney 1991). Competitive advantage is derived from the control of unique resources – some IMP researchers might contend that network position was just such a unique resource, while others would argue that network position is insufficiently controllable to constitute a “resource”. The view of strategy developed by Mintzberg was largely a reaction against the linear, rational view of strategy that had dominated strategic management until the mid 1980s (Mintzberg 1994; Mintzberg et al. 1998). Mintzberg proposed an organic and incremental view of strategy, and this view is inspired by organizational theory rather than microeconomics. The approach is based on observation of how firms actually develop their strategies, which led to the conception that strategies are patterns of behaviour that emerge and become ordered over time. Whittington’s approach, while related to that of Mintzberg, differs subtly since the focus is upon strategy as a social practice (Whittington 1996). The focus on micro-level behaviours using idiographic research methods characteristic of work in the emerging strategy-as-practice field bears a striking resemblance to the preferred research approach of many IMP researchers.

H Igor Ansoff – Rational Planning

Ansoff (Ansoff 1965) writes from a perspective that in order to understand strategy it is necessary to understand the decision process (he cites Cyert and March (1963)) as the theoretical driver of this perspective). In Ansoff’s view the term strategic means ‘pertaining to the relation between the firm and its environment’ (Ansoff 1965:5). Strategy can be seen as intelligence activity that centres on understanding the firm’s external competitive position and ensuring that a firm’s products and markets have been carefully chosen and researched. Central to this is setting appropriate objectives. However, he does caution against assuming that all problems are inside the firm and suggests considering that problems may be in the environment. Within a firm, he also sees a hierarchy of decisions from strategic, through administrative to operational, giving what appears to be a view of a firm as a hierarchy.

This is a prescriptive tradition, which advocates a series of logical, sequential steps through which organizations can arrive at their best strategy. The core components of these logical steps are:
• An “external audit” examining both the competitive environment and the wider macro-environment to identify key opportunities and threats.
• An “internal audit” examining the differential strengths and weaknesses of the organization compared to key competitors.
• A summary of the marketing audit in a SWOT (strengths, weaknesses, opportunities, threats) analysis.
• Identification of strategic alternatives – different possible strategies.
• Evaluation of strategic alternatives – testing the different possible strategies for their efficacy in achieving the organization’s goals (which may be as conceptually simple as maximising long-term shareholder value (Doyle 2000)).
• Implementation of the strategy through the budgeting and operational planning systems, and control through a monitoring mechanism.

We refer to this as the rational planning approach because the underlying intellectual framework is an optimization routine employing rational choice theory. All of the possible alternative strategies are evaluated to see which provides the optimum results, and the best strategy is chosen. There is, in fact, considerable evidence that business organizations do not and probably cannot rigorously pursue optimal choice decision-making processes (Gigerenzer and Selten 2001; Simon 1960), while Henry Mintzberg has shown that firms do not actually make strategy in this way (Mintzberg 1973; Mintzberg 1976). Nevertheless, this in itself need not render the rational planning approach to strategy invalid, since it could be seen as an ideal form to strive for, rather than a description of what organizations actually do. The key features of this approach are a series of prescribed logical steps, the identification of strategic alternatives and application of a choice routine to identify the best strategy, and the emphasis that is placed on analysing the competitive environment and responding appropriately by acquiring and deploying organizational resources.

In line with Chandler (1962), Ansoff (1965) believes that structure should follow strategy and much of his writing is prescriptive giving tools for setting objectives, determining strategy and indicating how managers should undertake environmental and market analysis. There is a great deal of analysis and understanding of external factors needed to fulfill the requirements that Ansoff (1965) lays out. He suggests that decision makers always need to consider alternative portfolios when making decisions and discusses how the ideas of Markowitz (1952) in financial portfolio planning can be used to aid strategic decision making. Note the pervasiveness of the portfolio concept. He also makes some points which seem to have become forgotten in the current strategy rhetoric. Namely, that it is not necessary always to have a strategy; a firm could simply take the stance of simply looking for profitable prospects.

Comparing Ansoff with the IMP Approach

Cunningham (Cunningham 1995:325) summarized Ansoff’s approach as follows: “Ansoff and others were concerned with the systematic orientation to strategy formulation, based on evaluation of strengths and weaknesses, objectives, and environmental analysis.” IMP scholars are generally unsympathetic towards the rational planning approach to strategy. For example, Håkansson and Ford (2002) go out of their way to distance the IMP approach from rational planning by explaining that strategy formulation in complex networks is not a process of environmental analysis, strategy development, followed by the implementation of a strategy by one company in isolation from other firms around them.

At a more detailed level of comparison some early IMP work bore a resemblance to some of Ansoff’s ideas. Håkansson’s (1980) strategic choice matrix for industrial marketing (figure 1) bears comparison with Ansoff’s Growth Vector Components (figure 2). However, this also illustrates the difference in perspective between traditional strategic approaches and an interaction approach, since the former focuses on customer needs and the latter on the firm itself.
Figure 1 Håkansson (1980: 368) Classification of Different Marketing Strategies in Terms of Problem Solving Abilities

General ability to solve problems in a certain field

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Low</th>
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<tbody>
<tr>
<td>Product development</td>
<td>Customer development</td>
<td>Low price</td>
</tr>
<tr>
<td>Low price</td>
<td>Customer adjustment</td>
<td>High adaptive ability within a certain field</td>
</tr>
</tbody>
</table>

Figure 2 Ansoff’s (1963:109) Growth Vector Components

<table>
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<tr>
<th>Mission</th>
<th>Product</th>
<th>Present</th>
<th>New</th>
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</thead>
<tbody>
<tr>
<td>Present</td>
<td>Market penetration</td>
<td>Product development</td>
<td></td>
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<tr>
<td>New</td>
<td>Market development</td>
<td>Diversification</td>
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But does the IMP view suggest that we are only looking for close, long-term relationships within the network? We would argue that this is not the case and perhaps in order to understand strategic choices we need to consider the types of relationship.

So what does this leave to be investigated?

- Ansoff’s (1965) view of external competitive position is shaped by what may be suggested to be stark financial objectives, such as continuing growth in sales, increase in relative market share, growth in earnings etc., it is interesting to speculate if these objectives are still central to the majority of firms’ strategies today.

- There is no notion of competitive or strategic groupings in this writing. Cunningham (1995) also makes the point very strongly that it is necessary to understand the operation of competitive groups (he sees these as being different to strategic groups – which have a quite detailed set of literature associated with them).

- Do firms develop strategy with the needs of customers as the primary focus?

- The dynamics of strategy development within a network. These would be seen as a result of strategic decisions rather than the domino effects observed by Hertz (1998). In effect these could even be suggested to be ‘unthinkable’ in Ansoff’s terms whereby the firm or a strategic relationship are actually affecting the network rather than the environment affecting the firm (although one must take care here not to equate the terms network and environment)

- Strategic choices in the network – analysing choices.
Michael Porter – Positioning

In drawing a comparison between Porter’s view of strategy and the IMP view of strategy, we concentrate on the following three important ideas attributed to Porter:

- Strategic positioning
- Competition and competitive advantage
- Value and value chain.

Strategic positioning is viewed as a matter of gaining a long-term competitive advantage against others in the market. Differentiation and cost leadership are the two main strategies for gaining competitive advantage, meaning the capability of the firm to perform activities at lower cost than competitors or to perform activities that lead to differentiation in the mind of the customer compared to competitors. Strategic positioning is a matter of performing certain activities in a certain way. In summary, the essence of strategy to Porter is choosing to perform activities differently from rivals or to perform different activities from rivals (Porter 1996).

Dealing with activities Porter (Porter 1996:70) adds that “positioning choices determine not only which activities a company will perform and how it will configure individual activities but also how activities relate to one another” and argues that the competitive value of individual activities cannot be separated from the whole, so “strategy is about combining activities” (emphasis in original). Porter then writes that “strategy is the creation of a unique and valuable position involving a different set of activities” (p.68, emphasis added). Such a unique position is defined in order to achieve differentiation from rival firms.

Moving on to discuss the second point - competition and competitive advantage - Porter emphasizes competitive advantage against others in the market. Competitive forces exist in advance of competing and positioning (Porter 1980). The key to a company’s growth and success is to stake out a position that is less vulnerable to attack from other companies. In Porter’s thinking, there is a constant attention to current and potential competitors and a continuous competitive comparison with such market actors. The choice of activities to invest in within the process of strategic positioning implies a continuous attention to activities performed by rivals.

The third component of Porter’s work to be addressed is value and the value chain (Porter 1985). Porter’s value chain is an instrument to understand and to improve a company’s competitive advantage. The value chain is primarily analyzed in terms of sequential interdependent activities from which a competitive advantage can be created. The advantage can be generated because of an effective coordination between these activities and the optimization of their interconnections. A company’s value chain belongs to a broader value system that involves the upstream value chains of the suppliers and the downstream value chains of the channel actors.

The value chains of companies acting in the same industrial sector can differ from each other as each of them reflects the history, the strategy and the identity of each company. Each value chain can therefore refer to a specific competitive set that differs from that of the rivals and that can be a potential source of competitive advantage.

Comparing Porter with the IMP perspective

Taking the three key points of Porter’s thinking discussed above, we can now try to make a comparison between the view of this author and the IMP perspective.

Porter views strategy as a matter of creating a unique and valuable position against others in the market through the performing and combining of activities. The approach of IMP scholars dealing with market positioning differs in a number of ways.

1) While positioning is an important concept in IMP writing, it is network position rather than market position that is the key idea. Scholars therefore talk about “positions in networks” and also of positioning in different contexts of business relationships (Johanson and Mattsson 1992). The concept of position is more in terms of power and dependence between actors than in terms of conflict between them. Conflict and co-operation may co-exist between firms, not just rivalry.

2) The performance of activities, to generate a differential advantage or to achieve the lowest cost position, is important within Porter’s framework. However, activities are assumed to be under
the direct control of the firm. In the IMP view, activities are not assumed to be under the direct control of a single firm. They are a component of the “actors-activities-resources” framework and part of an interaction process between firms.

3) IMP scholars tend to disagree with Porters’ view of positioning uniqueness. Porter writes about “unique position” in the market. From a network perspective a company may have many different unique positions, depending on the relationships/nets to which it is connected.

We now move on to discuss competition and competitive advantage. Porter talks about competitive advantage against others in the market. The IMP perspective is different in important respects.

1) The positioning and the advantage is not “against” others but mostly “in relation to others”.
2) Competitive forces are neither generic nor “absolute” in the network context. They are relative and the results of the positioning process. There is a variety of situations, so that one company could be a direct competitor of another in one business context but that company’s partner in a different context.
3) The view of the market and of competitors is always relative to the observer and to the specific context of the observer.

Indeed, the IMP view of competition is closer to that of Burt (1992), who argued that:
- competition is a matter of relations, not player attributes
- competition is a relation emergent, not observed
- competition is a process, not just a result
- imperfect competition is a matter of freedom, not just power.

Taking the third concept developed by Porter – the value chain – the IMP perspective differs at least in three respects.

1) The linear view of the value chain/system is replaced by an interactive value network view.
2) The concept of added value is replaced by a concept of value generated through interactive relationships.
3) The customer/user is an object of particular attention in IMP studies, but is relatively neglected in Porter’s framework. The customer plays an active role in value creation and is one of main actors in the value network.

We may observe that the IMP perspective is very close to the ideas developed Normann and Ramirez (1994) who do not agree with a linear (one dimensional), unidirectional and sequential view of the value chain/system. Normann and Ramirez write that “Our traditional thinking about value is grounded in the assumptions and the models of an industrial economy. According to this view, every company occupies a position on a value chain. Upstream suppliers provide inputs. The company then adds value to these inputs, before passing them downstream to the next actor in the chain, the customer…” (Normann and Ramirez 1993:65). The authors criticize this view and introduce the concept of value constellation saying that, from this perspective, value is co-produced by actors who interact with each other. A bi-directional, interactive and instantaneous view of value creation characterizes value constellations. The IMP approach to strategy is similar, involving interactive value creation, interactive strategy, and value networks – a concept that is similar to value constellations.

However, the IMP Group augment the work of Normann and Ramirez by considering the consequences of interdependences in an interactive strategy. Normann and Ramirez take a positive view of the interaction within the constellation, while the IMP Group takes the variety of different situations and consider both the positive and negative aspects of interacting and being interdependent.

**Jay Barney: The Resource-Based View**

The resource-based view of competitive advantage operates on the assumptions that firms are heterogeneous in terms of their control of important strategic resources, and that resources are not perfectly mobile between firms. Firm resources are defined as “strengths that firms can use to conceive of and implement their strategies” (Barney 1991:101). Resources can be classified as physical capital resources, human capital resources, and organizational capital resources. Physical capital resources include physical technology, plant and equipment, geographic location, and access to raw materials. Human capital resources include the training, experience, judgment, intelligence, relationships, and insight of the individual managers and workers of the firm. Organizational capital resources include the formal reporting structure, the formal and informal planning, controlling and coordinating systems, the
informal relations among groups within a firm and between a firm and other agents in the firm’s environment.

Jay Barney (1991:102, emphasis in original) has defined a sustained competitive advantage in the following terms: “…a firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors. A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy.” Note that this definition includes potential competitors, not just current competitors – a sustained competitive advantage protects the firm against other firms considering a competitive market entry as well as providing an edge over firms already in the market. Barney makes it very clear that a sustained competitive advantage cannot be defined in terms of specific period of calendar time; indeed, a sustained competitive advantage is one which cannot be nullified through the efforts of competing firms to duplicate it. A sustained competitive advantage will endure until some structural change takes place in the industry which renders it no longer relevant.

In order for a resource to be a potential source of sustained competitive advantage it must be valuable, rare, inimitable, and non-substitutable. Firms may have many unique attributes that do not assist them in exploiting opportunities or neutralizing threats. To be a resource an attribute must contribute to the firm’s ability to deal effectively with the competitive environment – it must be valuable. An attribute that is found among most firms cannot be a source of sustained competitive advantage – to be a resource it must be rare. Even though an attribute may be both valuable and rare, if it is easily imitated by competitors then it will not provide a sustained competitive advantage, since current or potential competitors will duplicate it. To be a resource it must be inimitable, which may arise because of the unique historical circumstances under which it was created, because of the causally ambiguous link from the resource to enhanced value creation, or because of the social complexity of the attribute. Unique historical circumstances simply mean that a firm was in the right place at the right time, and was therefore endowed with a unique resource (often called path dependency in the academic literature on the subject). A causally ambiguous link from the resource to enhanced value creation means that it is not possible to define precisely which resources provide a competitive advantage or why. Every firm comprises a very complex bundle of attributes, and it is often not a simple matter – perhaps not even possible – to identify exactly which characteristics of the firm make it more or less successful. Socially complex attributes, meaning characteristics of the firm that are embedded in its internal and external relationships, are a particularly difficult resource to imitate. This insight is one of the reasons why, in business-to-business markets, so much effort has been devoted to understanding inter-organizational relationships and networks. Finally, to be a resource an attribute of the firm must be non-substitutable. Even if a characteristic of a firm – for example, the charismatic leadership of its Chief Executive Officer - is inimitable, it may still be the case that other firms can match its performance by implementing strategies that deliver similar benefits – for example, by having an excellent formal planning system that creates a clear, agreed mission that is shared by all of the employees. The less substitutable a resource is, the more effective it will be in creating a sustained competitive advantage.

To summarise, the resource-based view of the firm concludes that a firm can only build a sustained competitive advantage if it controls physical, human or organizational assets that are valuable, rare, inimitable, and non-substitutable. In contrast to the approaches of Ansoff and Porter which focus primarily upon the external environment and assume that resources can be acquired and deployed to respond to environmental imperatives, the resource-based view advises organizations to concentrate on their unique resources and seek business opportunities that enable them to exploit these. Like other theories, the resource-based view has been subject to criticism. Priem and Butler (2001) argued that the resource-based view was tautological, and of little practical relevance to managers. Tautological, because the resource-based view can be interpreted as saying that “firms which control unique resources that enable them to exploit opportunities and neutralize threats will be able to implement strategies to exploit opportunities and neutralize threats better than other firms”. Of little practical relevance, because telling managers that they should aim to control valuable, rare, inimitable and non-substitutable resources is probably not telling them anything they do not already know, and does not help at all in explaining how to achieve this. Barney (2001a; Barney 2001b) has responded to these criticisms and, in particular, emphasized the practical relevance of the resource-based view. Managers experiencing a competitive disadvantage can use resource-based logic to identify the valuable and rare resources that competitors have, and establish whether these can be duplicated either by imitation or substitution. Resource-based logic encourages firms that are not currently exploiting all of their
competitive advantages to look for resources that they control which have the right characteristics to generate a sustained competitive advantage. By adopting a resource-based view, managers can seek to identify the resources that are generating their competitive advantage and, at a minimum, try to avoid damaging their resource advantage – this is a particularly delicate matter where the resource-advantage is derived from cultural and social phenomena, which could be damaged unintentionally by some apparently unrelated managerial fad (for example, a new remuneration structure).

**Comparing the Resource-Based View and the IMP Perspective**

The relationships and networks approach to strategy has something in common with the resource-based view, in that the current resources of the firm are considered to be the key factor in determining its strategic behaviour. However, while the resource-based view focuses on three principal categories of resource – physical capital, human capital, and organizational capital – the relationships and networks approach identifies the firm’s *portfolio of relationships* and its *network positional resources* as the key factors in strategy formulation. The relationships and networks approach has very little in common with the rational planning approach to strategy; certainly there is no list of steps to be followed, and no suggestion of an optimisation procedure. However, according to Ford and his colleagues (Ford et al. 2003, p5, emphasis in original) what clearly distinguishes this approach from both the rational planning approach and the resource-based view is: “the Myth of Independence: A company is able to act independently. It can carry out its own analysis of the environment in which it operates, develop and implement its own strategy based on its own resources, taking into account its own competences and shortcomings.” To the contrary, from the relationships and networks perspective:

- Companies have a restricted view of the surrounding network.
- Firms have limited freedom to act independently, and the outcomes of their actions will be dependent upon the actions of other firms within the network.
- Strategizing is not simply concerned with competition. Business relationships have to be considered in their entirety, and there is no simple dichotomy between co-operative and competitive relationships. It is frequently the case that two firms will be simultaneously competing and co-operating within the same business relationship – for example, in the automotive industry, where it is quite common for competing automobile manufacturers to collaborate on the development a new vehicle platform.

Within this perspective, much of the effort involved in developing strategy is concerned with identifying just how much freedom of action the individual firm has within the constraints of the industrial network. Strategy involves dealing with the actions of other network members, and achieving the organization’s goals by “working with, through, in spite of, or against them” (Ford et al. 2003, p6). No matter how strategically capable the organization may be, its own performance is irredeemably tied up with the performance of other members of the network. According to Håkansson and Snehota (1989:190, emphasis added): “The performance and effectiveness of organizations operating in a network, by whatever criteria these are assessed, become dependent not only on how well the organization itself performs in interaction with its direct counterparts, but also on how these counterparts in turn manage their relationships with third parties. An organization’s performance is therefore largely dependent on whom it interacts with.”

When strategy is conceived as the management of relationship and networks, the primary focus ceases to be the internal allocation and structuring of resources, and becomes the way in which the organization relates its activities and resources to other parties in the network. The activities of strategising involve far less analysis of a supposedly impersonal external/competitive environment, and far more explicit attention to the nature of the business relationships and networks of which the organization is a part. Strategic action is concerned with the efforts of actors to influence their positions within networks (Johanson and Mattsson 1992).

**Henry Mintzberg – Organic, Incremental Strategy**

Mintzberg developed his views on strategy as a reaction to the linear and rational view that was dominant until the mid 1980s. To the view of strategy as strategic “planning” or “positioning” based on a strictly analytical exercise that decouples thinking from acting, Mintzberg opposes an organic and incremental view of strategy (Mintzberg 1994; Mintzberg et al. 1998). This view is inspired by organizational theory more than microeconomics and by a concrete probing into the actual behaviour of organizations, rather than by a normative and model-bound stance. Especially in his writings closer to
the learning school of strategies, Mintzberg describes strategies as the patterns of actual behaviours of organizations that emerge and become ordered over time (Hardy et al. 1983).

These patterns of decisions and actions are not the prerogative of top managers, but grow like “weeds in a garden” that can take root anywhere in the organization until they proliferate and become collective (Mintzberg 1989:214-216). This emergent process is at the heart of Mintzberg’s “grassroots model” of strategies, more a bottom-up than a top-down process (Mintzberg and McHugh 1985). In the development of strategies, learning plays a central role according to Mintzberg: the world where organizations act is too complex and uncertain to be fully analyzable and hence controllable before actually acting within it (see Mintzberg Ahlstrand & Lampel, 1998: 179-184). Therefore, it makes more sense to take small steps and rely on the mistakes made to learn and improve action for the next step or attempt (cf. the notion of “logical incrementalism” by Quinn 1980): trials and errors become important drivers of strategy because they allow learning by doing, which Mintzberg views as superior to learning before doing. In a way, Mintzberg reverses the traditional strategic motto of “think before you act” with the suggestion “act before/while you think”.

In fact, Mintzberg stresses that thinking (strategy “formulation”) and acting (strategy “implementation”) often happen simultaneously. They do so for good reasons: it is dangerous to attribute to some actors the role of thinkers and to others the role of implementers. Instead of strategy formulation, Mintzberg prefers to focus on the broader process of strategy formation, meaning the emergence of a distinct and oriented pattern of actions, driven by the interplay between action and thought and characterized more as an act of synthesis than as one of analysis.

To Mintzberg, in fact, the formulation of a strategy is never really a strategy in a full sense: it is simply the conception and possibly the expression of a set of goals and means, typically formalized in a plan. But there are millions of plans that never became reality, remaining in large part analytical exercises. These are what Mintzberg terms “intended” strategies (Mintzberg 1987:14), but many of these intentions become “unrealized” strategies: only the part, or better the version, of the plan that becomes executed results visible as what Mintzberg terms the “deliberate” strategy. But much of what organizations do and many of their stable patterns of actions were never formally planned. This large set of actions simply emerge without anybody having made a formal analysis and decision in advance: these actions are what Mintzberg calls “emergent” strategies in a proper sense. It is only when one considers both the “deliberate” and the “emergent” strategies than one can have a fuller view of what an organization actually does, that is, its “realized” strategy.

This approach opens up a more complete and nuanced view on strategy. But Mintzberg recognizes that common usage and different research approaches to strategies result in confusion and multiple definitions. In fact, Mintzberg (1987) distinguishes five different notions of strategy, the so called “Five Ps for strategy”: plans, ploys, positions, patterns and perspectives. Mintzberg’s view leans towards strategies as patterns, but he still argues that strategy is really composed of all of the five Ps. And that it would be simplistic to view strategy as just one of these five terms. And it is in his work within the “configuration school” that Mintzberg embraces several facets of the strategy phenomenon, as a variable blend of these five P’s. This school integrates in fact the main messages of other schools of strategy research (e.g., the planning, the learning or the power school), pointing where and when in an organization’s life their various messages are most relevant to understand strategies.

The configuration school investigates the transformations an organization goes through in its strategy, structure and culture (Mintzberg et al. 1998:301-347). Despite long stable periods, organizations occasionally undergo changes: strategic management is about keeping stability when needed and initiating and handling changes when these are necessary. Depending on the type of change and the life stage of an organization, strategy can be any of the five Ps above. Mintzberg’s work within this school also stresses the importance of long-term historical studies to penetrate the organizational context where strategies are formed and how they changed (Mintzberg and Waters 1982).

All of Mintzberg’s research is strongly anchored empirically and of descriptive rather than of normative character. Even if he explicitly tackles strategies, a topic laden with normative implications, he always grounds his conclusions in the reality of strategy making, rather than in ideal models on how strategy should be made. Such an empirical and descriptive focus is shared by the IMP tradition and can inspire an IMP-based revision of the strategy concept and in general an IMP-based view on strategy.
Connecting Mintzberg and the IMP views on strategy

There is a great deal of common ground between Mintzberg’s approach to strategy and the approach espoused by IMP scholars when they write explicitly about strategy (for example, Ford et al. 2002; Gadde et al. 2003; Håkansson and Snehota 1989; Snehota 1990). The connections are strong in three main respects: the concept/content of strategies, their process and, to a certain extent, also their context. As for the **content** of strategies, when a definition of strategy is provided by IMP researchers, it often strongly reflects Mintzberg’s own definition, that is, a pattern of choices and actions. As for the **process** of strategies, IMP researchers stress like Mintzberg a learning by doing and experience-based model, where actions and thought sustain each other. The process of strategy is not detached from the context and this connection partly explains why strategies are formed in a certain way: in fact, IMP scholars stress the **complexity** that wraps organizational life, which requires envisaging strategy formation as an organic and incremental process instead of a linear and rational one. An important difference between Mintzberg and the IMP tradition is that the strategic context on which the latter focus is for the most part the context outside the organization.

The strategy context assumes therefore some very salient features for IMP researchers, and not simply a general label of complexity, but more precisely three complexity-enhancing features: **heterogeneity**, in the external actors with which the organization interacts, **co-evolution**, in the changes inside and outside each organization, and **interdependence** with the other organizations in the network (Ford et al. 2003). These three features imply that “the strategy process is interactive, evolutionary and responsive, rather than independently developed and implemented” (Håkansson and Ford 2002:137).

It would seem that the IMP literature has already incorporated Mintzberg’s message but has extended it with a specification of the complexity dimensions in the (external) context of strategy and with a contribution to the understanding of the strategy process (that is, how strategies are formed). Industrial network scholars include the influence of external actors in the strategy process and explicitly depict it as interactive: this is for instance the type of contribution addressed by Håkansson & Ford (2002) or by the special issue of IMM on strategizing (Gadde et al. 2003).

Mintzberg’s sophisticated view of strategy with its emphasis on a descriptive rather than a normative stance is a likely candidate to inspire research into strategy from an IMP perspective. Clearly one should carefully define who or what the subject of a strategy is: would it be a focal firm, a dyad or the whole network? The organic model includes three moments that can unfold simultaneously but that may have different loci in a network; or alternatively the “gaining knowledge” of an actor can set into motion the “generating action” of another actor’s strategy formation cycle, but be blocked by the lack of “achieving commitment” of a third actor. Could it be that strategy formation in a network requires that these cycles be more or less tightly connected between the various actors? Or, more atomistically, how are the organic cycles inside each organization affected by the similar cycles going on inside other organizations? These are just examples of research issues where a tighter connection between the IMP’s and Mintzberg’s view on strategy could be very fruitful.

To summarize, it seems that Mintzberg’s nuanced view of the notion of strategy and of the strategy formation process has not been fully exploited especially in empirical research within the IMP group. But also on a conceptual and theoretical plane, Mintzberg and the “learning school” would help get a more fine-grained view of the strategic processes that unfold within otherwise rather statically conceived network contexts. This holds also for Mintzberg’s message from the “configuration school”, which has not gained equal attention within IMP as that from the “learning school”. Some issues that the former school could help to tackle are (1) the connection of the change and stability of an organization with the network context and (2) the utilization of a mix of strategic approaches (plans, emergent strategies, perspectives etc.) depending on the network context where an organization is embedded.

**Richard Whittington: Strategy as a Social Practice**

Strategy as Practice focuses on strategy as “as a social ‘practice’, on how practitioners of strategy really act and interact” (Whittington 1996:731). The substance is a focus on micro activity, that is, individuals acting. Johnson et al (2003:3) define micro-strategizing and strategizing as “…an activity-based view of strategy that focuses on the detailed processes and practices which constitute the day-to-day activities of organizational life and which relate to strategic outcomes”. Strategy practice - or strategizing - takes place within the organisational context of the individual and is hence localized.
What are the underpinnings of this micro, activity-centred perspective? The central bases can be traced as part of a general shift in social science to focus on practice and a move to Mode 2 research (Balogun et al. 2003; Johnson et al. 2003; Whittington 2003; Wilson and Jarzabkowski 2004). The general shift to practice in social sciences can be observed in other management areas such as innovation and technology. Furthermore, the move to Mode 2 research in the management community shifts the agenda to more practitioner-centred university research.

To research the practices that underpin processes of strategy formation requires an investigation of the actual practices of strategizing. The day to day work of strategy comprises individual skills, the organization of work, and strategy technologies in use, such as five forces analysis (Jarzabkowski 2004; Whittington 2004). Whittington (2004:66) distinguishes between strategy technologies that are organisational (e.g. away-days or retreats) and physical (e.g. power point presentations, flip charts).

The strategy as practice approach can be considered as both complementary to, and an extension of, the strategy process perspective. If the significance of the process perspective was to question the assumption of rationality in studying the ‘how’ of strategy making, then the focus of the strategy as practice approach is to study the actual activities that form the practice of these strategy making processes (Johnson et al. 2003; Whittington 1996). The organisational level of analysis is superseded by a focus on what individuals do in their strategizing work.

A number of empirical studies have emerged since Whittington’s (1996) article. Several studies emphasize routines, standard operating procedures and resources as underpinning strategy-as-practice (Hendry and Seidl 2003; Jarzabkowski and Wilson 2002; Mezias et al. 2001; Regner 2003; Salvato 2003). In Jarzabkowski and Wilson’s (2002) study, the practices involved in the formulation and implementation of strategy by top management teams in a UK university are discussed. They consider micro-processes to be embedded in the structures of the organization and the patterns of interaction within the team of individuals concerned. Salvato (2003) focuses on firm-level evolution in his study of two cases. Core micro-strategy is the concept used to describe the routines, micro-activities and resources of the organization that underpin strategizing. The interactive routines are talk-based in Samra-Frederick’s (2003) study of strategists at work. Maitlis and Lawrence (2003) explain the strategizing of a UK orchestra via a model of organizational strategizing episodes. An episode contains four main stages, such as ‘engaging with and taking positions on the issue’. Luhmann’s concept of episode is used by Hendry and Seidl (2003) to provide a contrasting study using an episode approach. Strategic episodes provide a boundary to ‘contain’ practice, and are formed by existing structures of routines and discourses. Other studies have explicitly addressed the interplay between continuity and change in micro-processes of strategy using Activity Theory (Jarzabkowski 2003).

How can the actual day-to-day activity be focused upon? The methods used in recent empirical studies include case studies and ethnographies. A number of research designs, incorporating interactive discussion groups, self-reports and practitioner-led research, have been proposed by Balogun et al (2003) in an attempt to broaden the methods tool kit. Whatever the methods chosen, the strategy as practice perspective implies a shift in methodology away from methods such as the large-scale survey (Johnson et al. 2003; Rouse and Daellenbach 1999; Whittington 1996). As Balogun et al (2003) suggest, “…most strategic management research is concerned with macro levels of analysis that do not provide the detail needed to understand strategizing practices”. Further, the issue of who is the strategist is worthy of some consideration. It is not ‘only’ managerial elites or top management teams who are strategy practitioners. It is important to study both managers at other levels and non-managerial staff (Balogun et al. 2003).

What are the challenges for the strategy-as-practice arena as it currently stands? In summary, these are (i) maintain substance by bridging the content-process dichotomy in the strategy literature, (ii) linking practices to the organisation, industry and environmental levels, and (iii) the role of actors outside firm boundaries (Clark 2004; Johnson et al. 2003; Whittington 2004; Whittington 2003; Wilson and Jarzabkowski 2004). In terms of the third challenge, Clark (2004:105) describes the issue thus: “…when researchers come to analyse and review the drama of strategy they highlight, almost exclusively, the role of internal management”. Whittington et al (2003), in their paper discussing the discourse of strategy at a broader societal level, include “8 key sets of actors within the strategy field: gurus, business schools, consulting firms, financial institutions, top management teams, business media, state institutions, and pressure groups” (p. 398). Indeed, one could add customers, suppliers and in fact competitors to this list.
Finally, Whittington (2003) poses six research questions on strategizing and organizing, each of which is intended to provide some commonality of interests and ideas for the strategy-as-practice area (p. 121). These six questions are, respectively:

1. “How and where is strategizing and organizing work actually done?
2. Who does the formal work of strategizing and organizing and how do they get to do it?
3. What are the skills required for strategizing and organizing work and how are they acquired?
4. What are the common tools and techniques of strategizing and organizing and how are these used in practice?
5. How is the work of strategizing and organizing organized itself?
6. How are the products of strategizing and organizing communicated and consumed?”

Comparing Strategy-as-Practice and the IMP Perspective

The activities of strategy in an IMP view of the world are “…performed within the framework of external relationships…” (Håkansson and Snehota, 1989:196). This should imply that IMP is well placed to contribute to the strategy-as-practice area, with a plethora of examples of actors, activity links and resource ties relating the organisation across firm boundaries. Indeed, where are customers and suppliers on Whittington et al’s list of eight key strategic actors? IMP operates with a language of moving beyond “…the role of internal management” rather than “highlighting” this “almost exclusively”. There should be great potential for contributing both theoretically and empirically in focusing on interactions across organisations, in particular if studies focus on both sides of a relationship, rather than the single organisation in “its” network (Ford and Ritter, 2004).

Yet the strategy as practice literature is focused on the day-to-day activities, or practices, of individuals in strategy formation. Being well placed with a pre-existing focus on external relationships is a good starting point, but how can this be given content, as it were? In other words, the key question becomes ‘how is strategy practiced in industrial networks?’

First of all, it is people who perform strategizing activity in network contexts. This implies a focus on individual managers (and indeed non-managers) rather than organizations as actors in industrial networks. It is “how practitioners of strategy really act and interact” over organizational boundaries, in the “process of relating” (Håkansson and Snehota, 1989) that must become the object of interest. What are the activities, or the practices, involved in individual managers actually doing this “process of relating”? What are the interactions amongst individuals doing these micro-activities across multiple relationships?

If the pattern of strategic activities in networks can be sub-divided into three general types, network visioning, network positioning, and network mobilizing (Tikkanen and Halinen 2003), what would the questions become in order to uncover the practices or micro-activities involved? In terms of network visioning, some questions could be ‘how is the network horizon formed’, ‘how are network pictures formed’, ‘whose network picture becomes dominant in the organization’, and so on.

In terms of network positioning, the issues could become what is the nature of the actual interaction involved between individuals within and across the organization in planning and in deliberately forming strategy in network settings, in deliberately trying to change network position (Harrison 1999; Mattsson 1987; Tikkanen and Halinen 2003). Some interesting questions arise. How and why do individuals use new and existing relationships in ‘consolidating’ or ‘creating’ new network positions?

The use of language here implies some deliberateness or intent in network strategizing. There are few known examples of deliberate co-ordination activities, such as the creation of new relationships, the creation of new network positions, and indeed the creation of networks. This is in line with some of the work on strategic nets, although the focus should be upon strategic activities, rather than structural connections and what the ties themselves imply for a focal company. As Whittington discussed, the formal aspect of strategy is more plausible as an object of study, because the intent in attempting to strategize is easier to see from the outsider or researcher perspective. Further, he goes on to point out that this has value in itself, in that micro perspectives on strategy should incorporate the oft-criticised rational view. It should be possible to study and indeed value the intent of individuals while still maintaining the emergent properties of networks; otherwise perhaps network evolution becomes somewhat fatalistic.
Finally, if network mobilizing incorporates the network competences and capabilities required for processes of internally generated change, what tools, technologies and skills are necessary to underpin these? This is particularly interesting in terms of the fact that interactive strategizing refers to more than one relationship. Are various relationship databases used as tools in supporting network competences?

**Conclusion & Research Implications**

**Conclusion**

In table 1 we present a summary of the key features of the five schools of thought in strategy that we have considered alongside those of the IMP interaction and networks approach. The table summarizes the main message, key concepts and theoretical backgrounds of the six approaches, next to their views on the cognitive dimension of strategy and their methods and units of analysis.

The IMP approach to industrial marketing and purchasing owes its intellectual origins to a fairly diverse range of progenitors, including social exchange and inter-organizational theory, new institutional economics, and economic sociology. However, as an intellectual tradition, it is largely opposed to the core ideas of neo-classical economics such as market equilibrium, atomistic firms, perfect information and wholly rational decision-making. It is not surprising, therefore, that we have found little in common between the IMP approach to strategy and the approaches of Ansoff and Porter – which have close intellectual ties to neoclassical economics. Our impression is that researchers engaged in early IMP studies (for example, Håkansson 1980) quickly became emancipated from Ansoff's normative approach, and opted to investigate the reality of inter-organizational relationships rather than theorize in the abstract about what they might be like, or how they should be managed. There are some superficial similarities of terminology between some of Porter's ideas and those of IMP scholars, but Porter's work is based on the structure-conduct-performance (SCP) paradigm of industrial economics – meaning that industry structure determines firm conduct, which in turn determines economic performance – and such determinism is anathema to most IMP scholars. So we find that superficial terminological similarities, such as the expression *position* and *positioning*, mask profound underlying differences. The resource-based view of the firm also has close ties to neoclassical economics. Barney (2001b) has explained that when developing his seminal exposition of the resource-based view (Barney 1991) he chose to expound his theory with reference to the SCP paradigm, but that he could equally well have used neoclassical economics or evolutionary economics. Indeed, Barney (2001b) asserts that the only substantial difference between neoclassical economics and the resource-based view is the assumption that some resources (or “factors of production”) are held to be in inelastic supply. Despite this, the way in which the resource-based view focuses on internal sources of competitive advantage suggests a weakness in the IMP *oeuvre*, namely the largely external focus. IMP research has tended to stop short of investigating the internal organizational relationships and networks which interact with external relationships and networks. Little attention has been paid to the question of whether more successful organizations have better mechanisms for managing their external relationships and networks. Do organizations that achieve consistently above-average economic success have better *internal* resources, competences or capabilities for handling *external* relationships in the surrounding network?

The IMP approach is in broad terms a contemporary of Mintzberg’s approach to strategy, having emerged during the 1970s and 1980s, and shows similarities to it in methodological terms – an inductive empirical approach favouring rich descriptions – and derives similar conclusions about the role of formal planning in firms – that there are strict limits to the ability of firms to plan their future strategies. These similarities suggest areas for future research, which we examine in the next section.

Strategy-as-practice is the most recent approach to researching strategy that we have considered in this paper. While the focus of analysis for the other approaches is strategy, the focus of analysis for strategy-as-practice is on *what strategists do*. The research methods employed to investigate such phenomena are predominantly ethnographic, and there is a suggestion that practitioner-based research, or action research, might be fruitful approaches. Such methods are rare but not unknown in previous IMP research studies (for example, Borghini et al. 2005; Lenney et al. 2004). Interestingly, the strategy-as-practice perspective suggests a similar gap in prior industrial networks research to that suggested by the resource-based view – insufficient attention paid to the internal mechanisms by which network strategy is formulated.
Table 1: Summary Comparison of the Schools of Thought (with their approximate point of emergence)

<table>
<thead>
<tr>
<th>Ansoff</th>
<th>Porter</th>
<th>Barney</th>
<th>Mintzberg</th>
<th>Whittington</th>
<th>IMP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main message</strong></td>
<td><strong>Strategy relates the firm to its environment</strong></td>
<td><strong>Strategy creates a unique position based on activities differentiating from rivals</strong></td>
<td><strong>Sustainable competitive advantage arises from unique resources</strong></td>
<td><strong>The stable actions we call strategy both emerge and are planned. But it is hard to steer changes</strong></td>
<td><strong>Strategy is formed by the daily practices performed by strategists</strong></td>
</tr>
<tr>
<td><strong>Key concepts</strong></td>
<td><strong>Growth Vector Components – the Ansoff Matrix</strong></td>
<td><strong>Competitive strategy; Competitive advantage; Value chain</strong></td>
<td><strong>Resources: Valuable, Rare, Inimitable, Non-substitutable</strong></td>
<td><strong>Intended, Deliberate, Emergent and Realized strategies. Grassroots strategy</strong></td>
<td><strong>Practical action. ‘Ways of doing’, routines, discourse, technologies and tools</strong></td>
</tr>
<tr>
<td><strong>Theoretical heritage (subjects)</strong></td>
<td><strong>Management – Drucker, Organizational Behaviour – Cyert/March, Financial planning – Markowitz</strong></td>
<td><strong>Industrial economics</strong></td>
<td><strong>Economics - neoclassical theory of the firm, Penrose (1959)</strong></td>
<td><strong>Incrementalism – Quinn, Trial &amp; Error/Sense Making – Weick, Chandler and business history for configurations</strong></td>
<td><strong>General shift in social science back to practice</strong></td>
</tr>
<tr>
<td><strong>Theoretical assumptions</strong></td>
<td><strong>The firm is an independent entity</strong></td>
<td><strong>Structure-Conduct-Performance paradigm</strong></td>
<td><strong>Inelastic supply of key resources</strong></td>
<td><strong>Too complex-uncertain world for rigid plans to work</strong></td>
<td><strong>Day to day activities in local contexts</strong></td>
</tr>
<tr>
<td><strong>Cognitive approach</strong></td>
<td><strong>Formal, analytical. Rational planning.</strong></td>
<td><strong>Analytical. Planning, Ploys (deceptions)</strong></td>
<td><strong>Formal, analytical</strong></td>
<td><strong>No primacy Action/Analysis. “Learning by doing” and emergence</strong></td>
<td><strong>Tools and technologies, discourse</strong></td>
</tr>
<tr>
<td><strong>Unit of analysis</strong></td>
<td><strong>The firm</strong></td>
<td><strong>The firm; the competitive forces; the industry/sector</strong></td>
<td><strong>The firm</strong></td>
<td><strong>The Individual Strategist</strong></td>
<td><strong>Mutual influencing, adaptive and joint learning</strong></td>
</tr>
<tr>
<td><strong>Methodology</strong></td>
<td><strong>N/a</strong></td>
<td><strong>Qualitative empirical research</strong></td>
<td><strong>Large-scale empirical studies, qualitative studies</strong></td>
<td><strong>In-depth case studies, business histories</strong></td>
<td><strong>Qualitative case studies and surveys</strong></td>
</tr>
<tr>
<td><strong>Strategy formation</strong></td>
<td><strong>Systematic analysis of external and internal factors to evaluate strategic alternatives</strong></td>
<td><strong>Analysis of external forces and internal factors to find defendable position</strong></td>
<td><strong>Develop &amp; implement strategies based on control of unique resources</strong></td>
<td><strong>Strategy is a partly emergent and partly planned process in which a certain course of action stabilizes</strong></td>
<td><strong>The day-to-day practices of strategists underpin organisational strategy formation processes</strong></td>
</tr>
</tbody>
</table>

**Implications for further research**

The close connections that we discern between the industrial networks approach and Mintzberg’s view of strategy suggest a useful empirical research agenda. To date, Mintzberg’s view on strategy seems to have been employed simply as convenient support for a possible view on strategy within industrial networks theory. Mintzberg provides empirical support on issues that industrial network researchers have not directly addressed, such as the very notion of strategy or the strategy formation process. This suggests that it would be fruitful to pursue empirical research on the processes by which strategies are
formed and how they emerge using a network-theoretical approach. There are two logical phases to such a research agenda. First, although there are comparatively few studies in the industrial networks literature that deal explicitly with the strategy process, there are many in-depth case studies that may deal with the strategy process implicitly. This suggests a review of such studies to try to make explicit the implicit treatment of the strategy process – the research task is likely to be rendered more difficult since researchers in the field tend to steer clear of normative approaches, and so do not necessarily signal the “strategic content” of their work. Second, there is scope to define a new empirical project designed specifically to illuminate the strategy process within industrial networks.

In other words, there is scope for an empirical study employing an industrial networks conceptual framework to unravel and understand the details of how strategies (however they are defined) are formed and emerge in a network context. It is likely that there are several prior studies in the IMP database that have investigated just such issues, but that never employed the term “strategy formation” to label the phenomenon that was studied.

We can also derive some suggestions for research on industrial networks strategy from the strategy-as-practice perspective. Both the concept of interaction episode and the Interaction Model itself could help discussing practices or micro-activities. It would be useful to analyze the empirical material in a particular exchange within a relationship: this could involve a single episode or multiple episodes in sequence. Some of the most recent strategy-as-practice studies use routines or standard operating procedures and resources as ways to discuss the micro-activities. The Interaction Model might be an interesting way to underpin these three types of strategic activities. It is one thing to investigate a meeting or series of meetings as micro-activities concerned with developing a network position, but there has to be a relationship content or substance involved. Moreover, the Interaction Model explicitly includes such elements as routines, which are present in strategy-as-practice studies. Routines, investments and the other ‘stocks’ of the relationship, the asset side if you will, are incorporated in what the report of the 1st IMP study (Håkansson 1982) refers to as “elements and processes of interaction”. This could be used to underpin the practice of interactive strategy making. The crucial issue is to maintain substance within the investigation of practices.

Moreover, a focus on micro-activities would even help in revising from an IMP perspective the very notion of “plans”, a cornerstone in all strategy literature. Firstly, plans would no longer be normative constructs (as portrayed by Ansoff or Porter), but simply empirical phenomena, that is, important tools or routines widely employed by strategists at each firm. Secondly, one can investigate which are the network contexts that induce firms to rely more heavily on planning or even on creating “interactive plans” with their counterparts. Finally, talking explicitly of performance variables, one can ask which are the interactive settings and network contexts that are more conducive to the plans of individual firms becoming more easily realized into strategies.

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