

PAPER TITLE: How do Managers Use Strategy Tools when Working Strategically with Procurement and Selling

AUTHOR: Caroline CHENG, Debbie HARRISON

ABSTRACT

IMP strategising research has been growing in scope over time from dyads to designing firm strategy within the business network and many studies have suggested a certain set of tools is useful. However, little is known about how tools, if at all, are being used in a business relationship setting in practice. The purpose of this paper is to investigate how managers work strategically with the most important suppliers and customers with use of tools. The research questions addressed are:

- Which possible strategy tools are involved when working strategically with the most important suppliers and customers?
- How are the strategy tools being used in interactive strategy development with the most important business counterparts?
- What are the outcomes of using and not using relationship and networking strategy tools?

Using a multiple case design, we investigate the use and non-use of relationship and networking strategy tools in 16 relationship strategizing efforts both on the purchasing side and on the marketing side in two Norwegian companies. Firstly, the cases show that a bundle of 29 tools are used as well as not used intentionally when working strategically with procurement and selling. On the procurement side, tools are deployed to a large extent to overcome challenges in intrafirm adaptation, whereas on the selling side, tools are used more in an experimental way to generate and sustain interest in an important customer. Secondly, the cases also exemplify that these bundle of tools can be practically sorted into two use modes – strategizing on mode and strategizing in mode. Furthermore, the same type of tool can be used in one of two interactive modes, which can either augment or limit a tool's potential, generating very different outcomes.

By incorporating the latest thinking on strategy tools, this paper contributes to the literature by highlighting the use modes and variety of outcomes that result from the use and non-use of strategy tools when working strategically with procurement and selling. For further research, we suggest that on the one hand, strategy tools on the procurement side should be driven by a more integrated view between inter-organisational interaction and intra-organisational alignment. On the other hand, strategy tools on the selling side need to be flexible enough to cater for wider implementation scenarios such as “limited dyads” in the case of public customers, and for “multiple dyads” in the case of a very major client dominating the customer portfolio. Given the significance of use mode in augmenting or limiting a tool's potential, further research could discern in more depth the spectrum of tool use modes in interactive strategizing. In terms of managerial implications when using strategy tools in a relationship setting, discerning the tool use mode – which is the possibility to strategise on or strategise in a business relationship - could be a useful starting point to tailor the strategizing process towards that important business counterpart, be it supplier, customer or others.

KEYWORDS: strategy tools-in-use; relationship management; network strategizing; strategizing in; managing in

INTRODUCTION

Although strategy has not always been the central theme in IMP research, it is fair to say that the issue of strategy has been extensively addressed in the body of knowledge that surrounds interaction relationship and networks (Baraldi et al., 2007), and that a coherent perspective on strategy that can be characterized as IMP strategising research is beginning to take form. The most salient points that characterize strategizing in networks research in the IMP perspective are co-evolution and interdependence, the emphasis on network positioning, and the notion of restricted managerial autonomy (Håkansson and Snehota, 1989, Håkansson and Snehota, 1995, Möller and Halinen, 1999, Håkansson and Ford, 2002, Gadde et al., 2003, Ritter et al., 2004). Recent research has even placed the IMP perspective side by side major schools of thought in strategy, namely the planning school, positioning school, resource-based view, emergent view and Strategy-as-Practice, for comparison and contrast (Baraldi et al., 2007).

IMP strategising research has been growing in scope over time from dyads to designing firm strategy within the business network and many studies have suggested a certain set of tools is useful. However, little is known about how tools, if at all, are being used in a business relationship setting in practice. Most IMP researchers are cognizant of concepts and frameworks such as network pictures and portfolio models. For the purpose of this paper, a more generic name for such *frameworks, concepts, models and techniques* that are used by managers to engage in some kind of strategy analysis and decision-making is ‘*strategy tool*’ (Clark, 1997, Rigby, 2001). As strategy itself is not very explicit in IMP research (Brennan et al., 2008, Brennan et al., 2009), it would be fair to assume that strategy tools would be very implicit in this body of knowledge. One consequence is that strategy tools for strategizing in business relationships and networks have neither been on top of IMP researchers’ agendas in empirical studies nor systematically addressed in conceptual studies. While there have been insightful reflections on the core interaction model and the ARA model (Axelsson, 2010, Zolkiewski and Turnbull, 2006), as well as studies that examined the use of relationship management methods extending to formal documented systems, personal judgement and meetings (Leek et al., 2002, Leek et al., 2004), “strategy tools” per se is still a relatively foreign vocabulary in IMP research.

In the broader world of strategic management, research on strategy tools has gained a lot of momentum under the Strategy-as-Practice umbrella (Whittington, 2006, Johnson et al., 2003, Whittington, 1996). What stands out in the latest thinking on strategy tools is the reconciliation of the conventional view of strategy tools as ‘technologies of rationality’ with the notion of strategy tools-in-use (Jarzabkowski and Kaplan, 2014, Jarzabkowski, 2004). Such a broader view of strategy tool thinking bridges the rational, technical side of strategy tools with its softer sides.

In light of the burgeoning discussion in IMP strategizing research gravitating towards managerial relevance (Ankers and Brennan, 2004, Brennan and Turnbull, 2002, Easton, 2000, Brennan and Turnbull, 2000, Brennan and Turnbull, 1999a), this paper tries to examine the use and non-use of strategy tools in a business relationship setting, and to connect such insights to the managerial relevance of IMP research. In a recent literature review study that examined the status quo of the tools and techniques coming out of IMP strategy research, one conclusion highlighted that only a minority of relationship and networking strategy tools are empirically-observed to be in use by practitioners (Cheng and Holmen, 2012). Therefore, the purpose of this paper is to investigate how managers work strategically with the most important suppliers and customers with use of tools *in practice*. The research questions addressed are:

- Which possible strategy tools are involved when working strategically with the most important suppliers and customers?
- How are the strategy tools being used in interactive strategy development with the most important business counterparts?
- What are the outcomes of using and not using relationship and networking strategy tools?

This paper is organized as follows. Section 2 will connect IMP strategizing research with a broader view of strategy tool thinking and provide a preliminary framework for investigating the use and non-use of strategy tools in a business relationship setting. Section 3 describes the methodology adopted by this study to generate the findings summarized in Section 4 and Section 5. The findings are then discussed in light of theory and the research questions in Section 6, before concluding the paper in Section 7 with suggestions for further research.

IMP APPROACH TO STRATEGIZING: THE ROLE OF TOOLS

Baraldi et al. (2007) has observed that IMP researchers are generally unsympathetic towards the rational planning approach with its clear demarcation between strategy formulation and implementation and its non-porous lines between the internal and external environment of the firm. Because there is a tendency to regard strategy tools as ‘technologies of rationality’ (March, 2006, Jarzabkowski and Kaplan, 2014), it is therefore expected that IMP researchers are generally unsympathetic towards the role of strategy tools as well. Strategy tools in IMP research seem to be out of synch with the core ideas of interactions, relationships and networks.

Nonetheless, outside IMP, research on strategy tools has been gathering considerable momentum in recent years (Jarzabkowski, 2004, Jarzabkowski and Wilson, 2006, Stenfors, 2007, Wright et al., 2012, Jarzabkowski et al., 2013, Jarzabkowski and Kaplan, 2014). Looking outwards to other related disciplines to enrich IMP research is also supported by IMP researchers (Zolkiewski and Turnbull, 2006, Harrison, 2004, Golfetto et al., 2007). State-of-the-art thinking in S-as-P research builds on the conventional view of strategy tools as “technologies of rationality” (March, 2006) but extends the thinking of strategy tools to “strategy tools-in-use”. The emphasis on tool use and the softer sides of strategy tools beyond its primary feature to embed content and method for structuring thinking are the two insights we will borrow for this paper.

In the next sub-sections, we pull together aspects of IMP strategizing research that guides our thinking of strategy tools in a business relationship and network setting, ending with a suggested framework to guide an empirical study to investigate tools-in-use in a business relationship setting.

Tools-in-use and non-use when working strategically with procurement and selling

What has stood out prominently in the IMP approach to strategizing is the argument that the individual actor (i.e. manager) can exert very little control over the relationship or network since business relationships are inevitable outcomes from the nature of business beyond the complete control of the participating company (Håkansson and Ford, 2002, Håkansson and Snehota, 1989). However, what is often overlooked is that the notion of restricted managerial autonomy, that firms do not have complete independence of action, *is inherent* in most strategy’s schools of thought, not just the interaction and networks perspective (Baraldi et al., 2007). In other words, the notion that firms do not have complete independence of action is by no means unique to the interaction and network perspective.

In fact, limited managerial autonomy is a necessary but not sole ingredient in the equation concerning a creative tension in managing in a network. The creative tension can be understood as comprising the two sides to the ability in managing in a network: managing business relationships and being able to manage in business networks (Möller and Halinen, 1999, Håkansson and Ford, 2002). It may not seem obvious, but it has been clearly articulated that it would be possible to formulate normative advice for use within the world of network and interaction paying attention to the importance of particular structural and processual characteristics (Ford and Håkansson, 2006). While it may sound rather non-IMPish that networks are being managed all of the time (Järvensivu and Möller, 2009), it is equally insufficient to characterize networks as fluid non-linear interactive processes whose evolution is unpredictable and whose “management” is a precarious adventure (Bizzi and Langley, 2012). The business reality is that a firm still needs to act, to try and control and influence, to suggest ideas and initiatives, to set limits and to seek opportunities (Harrison et al., 2010).

Relationship and network management involve both proactive and reactive elements: initiating and responding, acting and reacting, leading and following, influencing and being influenced, planning and coping, strategizing and improvising, forcing and adapting (Ritter et al., 2004). As suggested by Wilkinson and Young (2002), helping managers to be comfortable with paradoxes of management in networks and advocating flexibility does not undermine the use of management analysis and planning techniques because firms are still required to act, learn, respond and adapt in “intendedly rational ways” in networks. Focusing on relationship and networking strategy tools *is not* to say that there exist some fixed managerial toolkits for handling network management issues. All major network management situations are unique, with variation across issues and over time that can only be understood in the context of the network situation and from the perspective of the history that has produced the current relationships and positions (Möller and Halinen, 1999, Ritter et al., 2004). It is also important to specify the vantage point of the perceiver in viewing the role of managerial tools as buyers and seller were found to differ in their use of relationship management methods (Leek et al., 2004).

Taken together, there can be a role for tools that facilitate adaptation, constructive dialogue and mutual strategy development in a business relationship setting, differentiated between buyer and seller perspectives.

Outcomes of using relationship and networking strategy tools

Shifting the focus to how strategy tools are used also entails considering outcomes that do not refer to just functionalist view of tools that usually converge on the inadequacy of tools. A wider range of outcomes considers the degree to which a tool becomes routinised in organizational practice or the degree to which a tool enables interim decisions that allow a project or organization to move forward (Jarzabkowski and Kaplan, 2014). In terms of relationship and network outcomes, IMP strategizing research offers numerous insights into various typologies of activities and sub-approaches from relationship to network strategizing.

In the interactive perspective, IMP researchers have suggested that ongoing adaptations to a specific customer or supplier may have significant consequences for strategy (Canning and Brennan, 2004, Brennan and Canning, 2002, Harrison and Prencert, 2009). It can be further differentiated into intrafirm adaptation and interfirm adaptation (Canning and Hanmer-Lloyd, 2002, Brennan and Canning, 2002, Canning and Brennan, 2004, Brennan and Turnbull, 1999b). Such intra-organisational work efforts (relationship specific and cross-relational) are described to be network management tasks (Ritter, 1999, Ritter et al., 2004). It is also possible to view portfolios in a network context (Zolkiewski and Turnbull, 2002).

Onto a network level, one typology differentiates among network visioning, positioning and mobilizing sub-approaches to network strategizing (Tikkanen and Halinen, 2003, Möller and Halinen, 1999, Johanson and Mattsson, 1992, Axelsson, 1992). Aspects of the visioning, positioning and mobilization approach to network strategizing are also supported by, although not entirely congruent with, a managerial function perspective in terms of framing, activating, mobilizing and synthesizing (Järvensivu and Möller, 2009). These three approaches of visioning, positioning and mobilizing were also incorporated in a synthesis of how network strategy is being approached within IMP in a doctoral study (Awaleh, 2008). Furthermore, these three sub-approaches to network strategizing have generally been accepted as being at the heart of strategic management in a network view (Baraldi et al., 2007, Harrison and Prencert, 2009, Harrison et al., 2010, Holmen and Pedersen, 2010).

Taken together, strategy tools in a business relationship setting could serve various levels of outcomes: from intrafirm adaptation to interfirm outcomes spanning dyads, portfolio and network.

Use modes of relationship and networking strategy tools

Considering tool use and non use along with the various levels of outcome would not be adequate in an interactive perspective of strategy development. Drawing inspiration from the models of reality offered in the IMP tradition emphasizing substantive interaction and interdependence between companies, we can further set apart the notion of using strategy tools by use modes.

As a point of departure, the strategy of a company has been described to be based on its “interactive behaviour with major counterparts” (Håkansson and Snehota, 1989, Håkansson and Snehota, 2006) and where the predominant view is that “the strategy process is interactive, evolutionary and responsive, rather than independently developed and implemented” (Håkansson and Ford, 2002). This suggests that strategizing occurs as an interactive development with business counterparts. How this happens can be further dissected, as offered by studies trying to understand the various approaches for deliberate strategizing in full-faced network contexts. Deliberate strategizing approaches are suggested to ranging from strategizing based on network pictures, where counterparts’ strategies are disregarded, to strategizing as open and absorptive bystander, where a firm’s strategy is co-developed by the counterparts and whose views are also taken into consideration in such a co-development (Harrison et al., 2010). The use of interactive mode is an important decision in itself as interactive modes are more resource consuming than detached modes (Holmen et al., 2003).

Therefore, for the purpose of strategy tool use in an interactive setting, we can differentiate use modes as detached from the business counterpart or face-to-face interactively with the identifiable counterpart. These two use modes can be conceptualised as strategizing “on” versus strategizing “in” modes. This would not only encapsulate the idea of “managing of” versus “managing in” relationships and networks (Ritter et al., 2004), but also build on existing studies on framing modes (Holmen et al., 2003) and deliberate strategizing approaches (Harrison et al., 2010).

Preliminary framework for investigating and analyzing relationship and networking strategy tools in practice

We have drawn inspiration from IMP strategizing studies in approaching the use and non-use of tools in a business relationship setting from both buyer’s and seller’s perspectives.

In order to facilitate the effort to investigate the use of strategy tools in a business relationship setting, we connect IMP strategizing research with a broader view of strategy tool thinking and provide a preliminary framework for investigating the use and non-use of strategy tools in a business relationship setting. As shown in Figure 1, firstly, it is assumed that tools could be useful in a business relationship setting where there would be differences from buyer's and seller's perspectives.

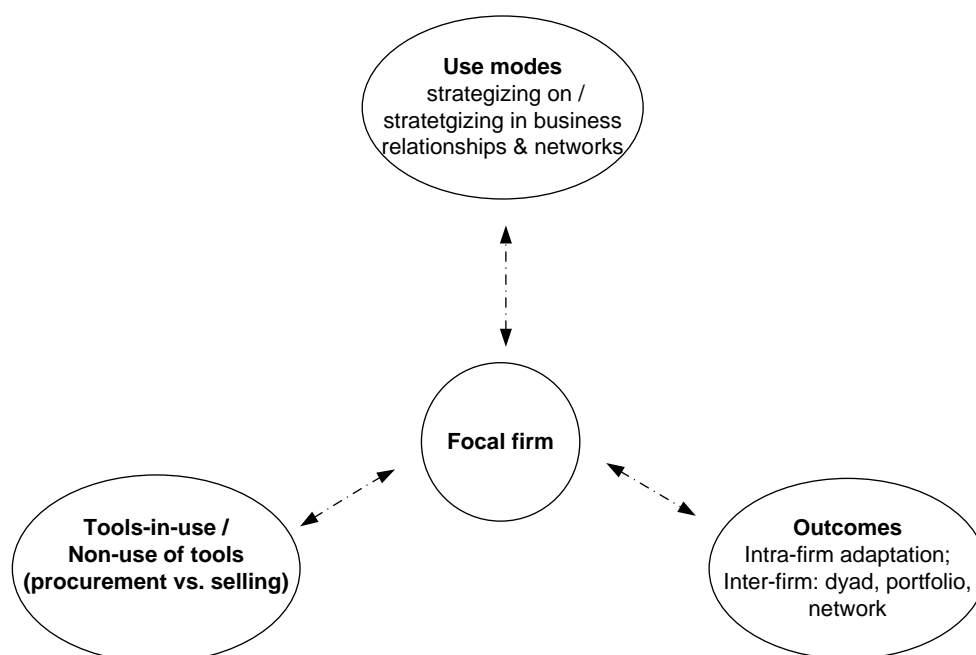


Figure 1 Strategy tools-in-use and non-use in an interactive perspective

In other words, there is the possibility that tools are not used, but also the possibility that they are used when firms work strategically with procurement and selling. Secondly, both use and non-use of tools in a business relationship setting can provoke intrafirm and interfirm outcomes where the latter extends from dyads, portfolios to networks. And finally, strategy tools in a business relationship setting could be used either in a strategizing on mode or strategizing in mode.

In the subsequent section, we describe how we carried out the study to investigate relationship and networking strategy tools-in-use in practice.

METHODOLOGY

This study distinguishes itself from previous research by applying a strategy tools-in-use thinking in IMP research to investigate how managers use strategy tools when working strategically with procurement and selling. In this section, we describe why multiple cases are used to study the research questions, the rationale for our case selection and the data collection procedures. We have also drawn from relevant S-as-P studies for our data analysis procedures.

Why (multiple) cases?

The research questions could not rely on a single case to generate further understanding on relationship and networking strategy tools-in-use. As suggested by Jarzabkowski (2004), focusing on tools-in-use necessitates a conscientious research approach from moving away from rich single case studies of doing strategy towards “developing equally rich but also methodologically robust comparisons of doing strategy in multiple case studies” (pp. 551-552). We designed our case study as a multiple-case embedded design (Yin, 2009) in order to answer our research question that is addressing “how” in an unexplored research area of the use of strategy tools in a business relationship context. The intent is to draw insights and knowledge from practitioners on the use (or non-use) of relationship and networking strategy tools, by locating them in a practice epistemology (Jarzabkowski and Wilson, 2006). Such a study on relationship and networking strategy tools-in-use would provide the basis for robust multiple-site comparisons that can result in conceptual products in the form of patterns, mechanisms, meanings and predictions (Bizzi and Langley, 2012, Langley, 1999). A multiple-case approach has also been argued to provide a stronger base for more robust theory building than a single case (Yin, 2009).

Case selection

Case selection is the most important methodological decision (Dubois and Araujo, 2007) and a frequent challenge in case study methodology (Eisenhardt and Graebner, 2007). In this study, the two cases are located in two Norwegian firms which are fairly large by Norwegian standards (by turnover and number of employees).

Firm R is a one of two divisions of a major Norwegian construction company specializing in homes as well as public works such as highways, schools and hospitals, and operates within a project-based environment, which is a characteristic of the construction industry. The firm has been family-owned, and its operations are increasing internationalizing outside Norway and Sweden to Poland and Russia.

Firm A is a business unit within a major Norwegian supplier (main contractor) that provides oilfield products, systems and services for customers in the oil and gas industry world-wide. Its customer portfolio consists of oil majors. It in turn works with many sub-suppliers to secure its flexible cost base and to deliver turnkey projects. The firm is a public company listed on the Oslo Stock Exchange. As an organisation, Firm A has been built up around large and self-supporting projects. Its base organisation is lean, and is there to support the projects, which are set up to be self-sustainable.

Both firms are perceived to be embedded in their respective strategic industrial network of business actors and are therefore particularly suitable and interesting sites where relationship and networking strategy tools could be in use. [Table 1](#) outlines the main characteristics of the two research sites. That both sites are Norwegian companies minimized potential variance arising from variation in national business practices. That both sites came to present themselves as predominantly project-based firms was accidental but are seen to

strengthen the case selection even further to minimize potential variance from variation in business culture.

Table 1 Characteristics of the two research sites

	Firm R	Firm A
Sector/ industrial context	Civil engineering & Construction	Oil & gas
Specialisation	Development, design, engineering and construction of residential homes, hospitals, infrastructure	Provider of oilfield products, systems and services
Organisation	Project-based	Project-based
Ownership	Family-owned	Listed on Oslo Stock Exchange
Number of employees	2,500 (Norway, Sweden, Russia and Poland)	28,000 (worldwide)
Annual turnover (2012)	3.5 billion NOK	44.9billion NOK

Source of variation

The two cases were conducted within two related but not identical sectors in Norway, namely civil engineering & construction, and oil & gas. That their ownership type is different could potentially generate a source of variation towards the use of relationship and networking strategy tools for procurement and selling. The two research sites, each belonging to its own sector and industrial context as well as ownership type, were selected not to represent polar types as per the ideal research approach (Eisenhardt and Graebner, 2007) but more aptly to represent adequately “contrasting types” in the use (and non-use) of relationship and networking strategy tools. Such a deliberate research strategy is more likely to lead to robust comparisons and discernment of patterns within the focal phenomenon.

Data collection and data sources, both primary and secondary

The data collected in this study was part of an ongoing PhD study in strategy tools in a business relationship context. Access to the research sites were negotiated first through a public corporate recruiting event in mid Norway in mid January 2013. Firms were solicited to participate in the research project via a “Call for Participation”. Thereafter, Firm R and Firm A reverted positively and the contact established at the event was used to gain further access to get to the desired function in the firm (namely procurement and business development). In the research design, the target desired informants should have a good overview if not highly knowledgeable of the most important business relationships. The ideal candidate should hold a middle manager position if not a more senior rank in these functions.

For Firm R, the access process was accelerated after a referral to a potential contact who resides in another division of the firm not originally targeted for the study. However, this contact reverted positively not only as an informant but also as a main point of contact to refer other relevant informants. At this point, the research design evolved to consider locating a contrasting case in the different sector and industrial context in order to generation more sources of variation.

For Firm A, the access process was more linear where the initial contact who resides in the regional office suggested that the research project could benefit more from accessing the staff functions in the head office location in Norway. A formal point of contact in the Strategy and Business Development department was then established to line up the informants for the study.

The primary data source was semi-structured interviews and corporate documents arising from these interviews. Secondary data in the form of publicly available reports, documents and archival data on both the firm and the industry were used especially before the interviews and to verify information subsequent to the interviews. The interviews were semi-structured to facilitate the informants relating their use (or non-use) of relationship and networking strategy tools in the context of the top three suppliers and customer relationships that they are involved in or are highly knowledgeable of. For Firm R, screenshots of the tools and systems discussed in the interviews were also obtained.

A total of **eight** semi-structured interviews were conducted between February and May 2013 with the aid of an interview guide. The informants were first asked to talk about their three top business relationships and how these counterparts are involved in the firm's strategizing before being asked about *which possible tools* are involved in how the firm is thinking about the counterparts and what the firm is doing in the relationships to the counterparts. Interviews typically lasted 90 minutes and were recorded. For our intended use of the transcript for analysis focusing on meaning (Kvale and Brinkmann, 2009), each interview was transcribed verbatim.

Each of these most important business relationship serves as an embedded unit of analysis (Yin, 2009) in the multiple case study design. This study therefore entails **16** units of analysis (see Table 2).

Table 2 Overview of Informants, Interviews and the 16 Units of Analysis (UoA)

	Supplier Perspective			Cases	Customer Perspective			
	Most important Supplier Relationships (UoA)	# interviews	Informants	Firm	Informants	# interviews	Most important Customer Relationships (UoA)	
	R-KLD	2	R-S-DMg	R	R-C-DMg	1	R-OBO	
	R-UNI						R-STV	
	R-ARG						R-STF	
	R-PFC (intl)	2	R-S-Int					
	R-FAC (intl)							
	R-TEC (intl)							
	A- ADC	2	A-S-VP	A	A-C-VP (1)	1	A-STO	
	A-IKT						A-BRP	
	A-BIS						A-CNP	
	A-SFF							
	10	6				2	6	

Data analysis

The data analysis can be described to be carried out in three stages (consulting tool studies in Strategy-as-Practice). *It must be emphasised that while the description of these stages seems to connote a linear process, they were in practice more like steps backwards and forwards, and in an iterative fashion.* These three stages are:

- identifying relationship and networking strategy tools-in-use (Jarzabkowski, 2004, Jarzabkowski and Kaplan, 2014) and compiling case summaries,
- generating outcomes for using tools when strategizing with suppliers and customers (Mantere, 2005),
- constructing narratives of tool use and non-use (Maitlis and Lawrence, 2007)

Stage 1 – Identifying relationship and networking strategy tools-in-use and non-use and compiling case summaries

The first stage of the data analysis (or more aptly data reduction) was conducted in three steps.

- The output of the first step was to compile, in the form of an excel worksheet, the list of strategy tools mentioned by informants in each embedded unit of analysis (i.e. each of the top business relationships captured in the interviews). To sensitise us to what might be considered strategy tools but in a relational context, we consulted earlier work on using a tools lens (Jarzabkowski, 2004, Jarzabkowski and Kaplan, 2014, Wright et al., 2012, Jarzabkowski and Wilson, 2006, Stenfors, 2007).
- In the second step, we separated the tools-in-use from the customer perspective and the supplier perspective because we believed that the conditions associated with using them are distinct. The output of the second step is to refine the list, as we relied on earlier work in the form of a literature review of relationship and networking strategy tools in IMP strategizing literature (Cheng and Holmen, 2012).
- In the third step, case summaries were compiled. The interview data was subject to the text reduction technique of meaning condensation (Kvale and Brinkmann, 2009) to investigate what constitutes relationship and networking strategy tools for the informants in their day-to-day strategizing activities towards their most important business counterparts. As a data reduction strategy but not over excessively, an initial pattern can be discerned centering on relationship and networking strategy tools that bears resemblance to theory or discovered in practice. Examples of the former are use of portfolio approaches, key account approaches or scorecards. Examples of the latter are use of databases and contracts.

Identifying these relationship and networking strategy tools-in-use is necessary as they are used as “anchors” or “handlers” in Stage 2 of the data analysis. [The first part of our findings describes the strategy tools-in-use and non-use in a business relationship setting.](#)

Stage 2- Generating outcomes for using tools when strategizing with suppliers and customers

The second stage involves generating (inductively) the outcomes associated with the use and non-use of each tool while working strategically with the most important business counterparts on the supplier side and on the customer side. This second stage follows earlier work by Mantere (2005) in creating a typology of practices and entails the application of five steps (Kvale and Brinkmann, 2009):

- The complete verbatim interview transcripts were read through to get a sense of the whole.

- The identified tools from Stage 1 serving as “anchors” or “handlers” are now highlighted and therefore foregrounded as they are expressed by the informants.
- The list of outcomes emerges (as inspired by framework in Section 2.3), first as a set of rough categories and then gradually refined.
- The research question is then revisited, interrogating the interplay between the day-to-day strategizing and the use of tools while working strategically with the most important business counterparts.
- Finally, the refined list of outcomes emerges. In the same vein as what Mantere (2005) did in his research, these list of outcomes do not represent discrete stages in the strategy process, but represent the day-to-day strategizing while working with the most important business counterparts on the supplier side and on the customer side.

By consulting the secondary data on both the firm and the industry while going through the five steps ensured that this refined list of outcomes are generated through a rigorous procedure making full use of the richness of the interview data. These five steps are important to ensure that the first author does not construct narratives (described in Stage 3) through idiosyncratic impression gained through conducting the interviews, as cautioned by authors with similar methodological orientation (Maitlis and Lawrence, 2007).

Stage 3- Constructing narratives of tool use and non-use by use modes

In this stage, the narrative strategy is applied (Langley, 1999) in this study with two cases with embedded units in order to preserve the context of the case study but yet explicating the use of tools – with the aim of preparing the data for comparison.

We follow Maitlis and Lawrence (2007)’s approach in constructing narratives using each business relationship as a units of analysis and observation. We aim to capture the instances of tool use as well as non-use and how they are used in the refined list of outcomes in each of these most important relationships, which will always be unique to each manager (Henneberg et al., 2006). The output of the third stage of analysis resulted in 16 sets of narratives composed of ordered raw data (quotes from interviews) illuminating each tool-use- outcome bundle as a story. The narratives explicate, on both the supplier side and the customer side, how the strategy is used in strategizing on modes and strategizing modes. [The second part of our findings describes tool use outcomes and the significance of tool use modes in a business relationship setting.](#)

In sum, the approach taken in this study can be described as interactive and iterative, where the theoretical foundation and the research question are shaped, reformulated and refined throughout the collection and analysis of the empirical data. As a result of conscious research design and case selection, within case analysis of the variation in the use (and non-use) of tools between buyer perspective vs. seller perspective in each firm is possible. Furthermore, cross-case analysis of the variation in the use and non-use of tools between Firm R and Firm A is also possible.

STRATEGY TOOLS-IN-USE / NON-USE IN A BUSINESS RELATIONSHIP SETTING

The cases show that a bundle of 29 tools are used as well as not used intentionally when working strategically with procurement and selling. These findings are organised in Tables A1-4 in the Appendix. This section offers describes the patterns in the instances of use (and non-use) of tools discerned in Firm R and Firm A, from buyer's and seller's perspectives.

Strategy tools-in-use / non-use in Firm R (procurement side)

Table A1 (left hand side, Tools 1-9) summarises the 20 instances of use of tools and 11 instances of non-use of tools in Firm R.

Tools-in-use: Framework agreements and procurement process templates are Firm R's main tools-in-use. Framework agreements are interpreted in Firm R as such: a framework agreement supplier should always get the chance to review its prices if a competing offer is better. Framework agreements are being negotiated every 2-3 years to facilitate projects' use of this supplier (in terms of prices, delivery risks and payment details). Perhaps of more strategic importance, the framework agreement tool is described to formalize the supplier's responsibility to help Firm R to be in the forefront of the latest product and technologies. The intent is to use framework agreements (to access "free tips and tricks") from the supplier who is considered "professional in their field" and also to be updated on market movements. Procurement process templates are driven by its inhouse management system which guide and equip the procurement manager or purchaser with checklists and form templates in all the steps of the procurement process. It can be understood more as a risk management system.

In addition to framework agreements and procurement process templates, Firm R also attempts to create at least three tools while working strategically with procurement – spend data harvest tool, supplier scorecards and supplier status tagging.

- Spend data harvest tool in Firm R is created by improvising on its "accumulated purchase worksheet" to provide a historical cumulative spend by procurement packages. It can be used to project a future spend and equips the manager (before meeting a supplier) with negotiating power by simply knowing how much of certain supplies has been bought historically and need to be bought. Such figures are also available through regular accounting cycle dumps but the spend data harvest tool in Firm R is more timely. The effort is made to have spend data harvest tool in place as it is still considered the most objective and powerful negotiation device when it comes to approaching the most important suppliers. Such a spend data harvest tool also has many peripheral uses. First, alongside its ambition to source more internationally, this spend data harvest tool also becomes the medium for showing the breakdown between local and international spend and the development of the volume internationally for internal management updates. Previously, it was described that such numbers were always "up in the air". Second, having such concrete numbers also facilitate goal-setting as Firm R has as its ambition to increase international sourcing.
- Supplier scorecards are also used as tools to gather feedback on the interaction with the most important suppliers. This is in the experimental phase as supplier scorecards are still undergoing development in terms of the criteria to use. What Firm R has done is by extending the Procurement Plan into a supplier scorecard. Four criteria were initially chosen for the scorecard: delivery promptness and quality, cooperation/

communication/ documentation, billing and HSE (health, safety and environment indicators). It was important to keep the criteria simple. Its purpose is to “get some signals” on how the collaboration with the most important suppliers has been during the project period. In other words, the underlying goal of using this tool is to enable relevant personnel in Firm R to follow through with the supplier on a relationship level after hands-off from the Procurement department, and to document the interaction using the simple criteria. It therefore entails instituting routines for the purchasers to provide input for these four criteria on an ongoing basis. This supplier scorecard is therefore accessible by relevant employees the same way as the Procurement Plan, via the firm’s web-based management system. The plan is to work out an average score for the four criteria, and to import this average score into the main supplier database.

- Firm R also uses a supplier status tagging tool in its supplier database. These tags are informally known as “initial strategies” for their most important suppliers, and Firm R has the need to use separate tags for local and foreign suppliers. For local suppliers, the four strategies or tags are described to be: framework agreements, strategic cooperation, limited competition, wide competition. For international procurement, the tags are in three categories: those which the firm has had experience working with in Norway, those which has good potential as they have had experience working in Norway (but not for Firm R), and those more on the periphery which has tried to approach Firm R or which Firm R has made contacts with at trading fairs. These statuses are kept in the supplier database and made accessible by selected personnel in the firm.

Meetings and onsite factory visits are still much in use to interact face-to-face with the key suppliers. In particular, meetings with the supplier is seen to be very important to communicate the “scope of work” to ensure that understanding has been reached. The “scope of work” is one of three parts in the contract, the other two being commercial issues and technical issues. “Scope of work” pertains to how the supplier intends to do the contract of works on the construction site, and typically even goes down to details and specific tasks. Firm R also tries to visit the suppliers’ factories and operations to cement the relationship more securely but these are expensive and resource consuming. It is fair to say that Firm R is trying to meet the needs of some international suppliers, which are used to customers making factory visits and company visits in addition to regular phone contact.

Non-use of tools: Firm R also describes instances where tools are not used, even if they are available. For example, framework agreements are sometimes not used, especially for very close and strategic supplier relationships. Instead, there is a commitment (as well as an expectation to always work together) and “the mindset of collaboration and honesty” and “sharing the risk towards the end customer” pervades the business relationship. The kind of talk about planning for the future does not exist. Framework agreements can also be difficult to implement especially in international procurement. Firm R describes numerous challenges in cascading across the project teams to accord the supplier its hard-earned framework agreement supplier status in practice.

Not using framework agreement sometimes also coincides with the challenges of implementing Key Supplier Management, where effort is made to have a single overall point of contact between the firm’s procurement function and the key suppliers in the local

Norwegian setting. While not calling it Key Supplier Management, Firm R tries to practise several aspects of having a single overall point of contact between the firm's procurement function and the key suppliers in the local Norwegian setting. In theory, in the local setting, if the project teams decide not to use a framework supplier, the Department Procurement manager, acting as the Key Supplier manager at a relationship level for the firm, should be notified in order to have a total picture not just on a specific project. However, in practice, it is not always easy to expect a very good reason from the Project team to justify why this framework supplier should not be used.

Key Supplier Management was described to be very desirable especially in the arena of international procurement, but many challenges stand in the way of its implementation. The main task is first to develop company agreements with selected international suppliers where each relationship is relatively new and undergoing an initiation phase. One of the priorities for the role of international procurement is to have the effect of the single point of contact with the most important international suppliers, to be less vulnerable towards the international business relationship process and building.

Firm R expresses the need for retention mechanisms as it is concerned about committing resources to develop suppliers who subsequently defect to competitor firms.

Strategy tools-in-use / non-use in Firm R (selling side)

Table A2 (left hand side, Tools 10-13) summarises the 5 instances of use of tools and 4 instances of non-use of tools in Firm R.

Non-use of tools: Firm R acknowledges that very few tools can be used in the seller's perspective in Firm R. Rather, ongoing efforts are made to arrange meeting opportunities to create interest in a potential customer or to sustain interest with a key customer. When it comes to public customer where strict procurement rules apply, Firm R characterizes this customer in the public sector as a "safety net" kind of customer. The informant describes that it is impossible to have a relationship with the project manager. There is very little room in the relationship.

Tools-in-use: However, even though the relationship is rigid and subject to strict regulations, Firm R stresses the need to develop tools oriented towards the key customer (dyad level) in the effort to create more business opportunities in the future. One prominent tool according to the informant is staying "qualifiable" in public databases and being forward-looking in terms of green qualifications as a way of keeping up with the firm's competences and new standards. Since Firm R's customer portfolio is dominated by public entities, processes have also been adapted internally to ensure timeliness and efficiency for each bidding, and to maximise business opportunities for navigating in such rigid relationships. These entail coming up with innovative pricing strategies such as bearing risks for errors in calculation (total enterprise bidding). Aspects of key account management were also mentioned to be in practice, but more on a senior management level. In Firm R, key accounts could be important customers or "large collection of projects", distributed among the senior management.

Strategy tools-in-use / non-use in Firm A (procurement side)

Table A3 (left hand side, Tools 14-21) summarises the 30 instances of use of tools and 4 instances of non-use of tools in Firm A.

Tools-in-use: Firm A uses contract strategy as well as supplier scorecards and spend data as its main tools on the procurement side. As part of its contract strategy, four varieties of framework agreements are in use based on the criticality of the suppliers. There are frame agreements at the business unit level as well as corporate-wide frame agreements across several business units for high volume low complexity items. In addition, Firm A also uses so parallel frame agreements where many contractual areas are covered except for prices and delivery time. Under such a scenario, suppliers compete on prices and delivery time, project to project. Lastly, and more recently, enterprise type contracts are also practised where suppliers bear full responsibility for execution from supplying the engineering, planning the work, quality of the work and meeting the project schedule. The supplier works according to its own tools and systems, and have a responsibility for the quality of their work and an obligation to correct any deficiencies. The use of enterprise type contracts has a direct influence on the manner of follow up with the supplier.

In addition to its contract strategy, Firm A has also developed a sophisticated inhouse supplier qualification information where supplier scorecards and data harvest can be retrieved online with ease. The scorecard provides feedback on suppliers under six categories: timely delivery of goods and services, quality of goods and services, timely delivery of documentation, quality of documentation, HSE results, as well as collaboration and responsiveness. The acute need for such a system arose on the grounds that there is “no package responsible buyer who has the ownership”. Furthermore, while bad feedback is almost instantaneous and pervasive, good feedback is often much harder to get. These six criteria have been determined to be the optimal ones which Firm A need for supplier development and evaluation and which do not burden the system with too much details. As the inhouse system has been in place for a few years, Firm A is also able to retrieve spend data harvests, historical and current, which are very useful for negotiations.

Beside meetings, Firm A also uses HSE day and Supplier days to create more opportunities to interact face-to-face with its key suppliers.

- The main objective behind meetings is to attempt to provide the supplier with as up-to-date information as possible so that they can plan their resources.
- An annual HSE (Health, Safety and Environment) day is of high priority and is perceived to be an “experience exchange” day between Firm A and this supplier.
- Supplier days are also part of the frame agreement review process. Typically, Firm A would invite all relevant suppliers to participate in supplier days. In a one-day event, Firm A would solicit latest market updates from these suppliers and also share with them Firm A’s plans, where one of its ambitions is to meet its domestic as well as its international market needs. These suppliers were also invited to comment on Firm A’s strategy.

Procurement manager forums are also mentioned as a mechanism to discuss common challenges internally but these were described to be difficult to implement as employees are often reluctant to use time for “across” work. The best tool for sharing information across is the supplier information system.

Non-use of tools: Firm A tries to dedicate Key Supplier Managers to all critical suppliers. It acknowledges that how proactive the Key Supplier manager is varies widely. In addition, the expectation also varies from the supplier perspective, based on the type of supplier and other conditions. In Firm A’s current day practice, each KS manager has about 20 suppliers. The

significance of the Key Supplier Manager role is being widely discussed within Firm A, and its interpretation still tentative, with regards to the ratio of manager to suppliers, as well as the differentiation between proactive vs. responsive type function according to how strategically important is the supplier to Firm A. The challenge facing Firm A is that of “ownership” of a business relationship, an overall contact person who can be relied upon to provide the necessary knowledge and feedback for evaluating the business relationship. In its current form in Firm A, Key supplier management is described to run in parallel with other mechanisms “around” itself. In other words, KSM is perceived to be working on the business relationship over time for the complete project and around itself are the project-specific follow-up plan and the project meetings focusing on that one delivery.

Strategy tools-in-use / non-use in Firm A (selling side)

Table A4 (left hand side, Tools 22-29) summarises the 14 instances of use of tools and 9 instances of non-use of tools in Firm A.

Tools-in-use: In the seller’s perspective, Firm A makes many deliberate attempts to maximise the business opportunities in a timely fashion with they key customers. It works systematically to stay pre-qualified not only in public databases but also in proprietary databases of key customers.

While working strategically with selling, Firm A relies on several tools for communication and coordination and to synchronise information and activities internally in the form of communication matrices with the key customers, systematic tracking of ongoing tenders and process templates.

- Communication matrices are often drawn up to establish the communication channels between Firm A and its most important customers. However, they tend to constantly grow out of control for a very dominant customer as there are many collaboration and communication on many levels and across business functions.
- Firm A also uses what is called a “long list”, which is a list with many important information comprising ongoing tenders, all upcoming prospects (for as far ahead as the firm can see) with bid priority settings, and prognosis of future revenue, to systematically track ongoing tenders. Such a long list is equivalent to a crystal ball, where the firm tries to go in and “look into the future”. Should Firm A be unsuccessful towards any of the targeted bids, it will revise its priority settings.
- The process template is a formalized document developed by the headquartered Business Development department. It acts like a template to help Firm A managers with P&L responsibility conduct a winning strategy process, with specific information on what Firm A managers must do for a *particular* prospect with a *particular* client to put Firm A in the best possible position. The “Winning strategy process” document comprises a standardized tender process (putting down the tender team, meeting time frames set by the customer) as well as suggested initiatives in the form of very concrete action items concerning what Firm A managers should do particularly for this project for this tender with that client. The document essentially tries to boil down to 3-5 simple areas of focus and simple actions to be executed such as improved current relationship to client, or increased communication with client. It is customized for each client and each tender.

Non-use of tools: While not relying on an explicit tool, Firm A describes its constant effort towards maintaining a balanced customer portfolio. It describes its current situation as being too reliant on one big customer which it tries to serve. Firm A is also in desire to reach out to smaller and newer players in the oil and gas market.

There are a lot of internal discussions on whether Firm A should implement key account managers or not. In current practice, there are no announced key account managers towards the most important customers of Firm A, but there are managers who in a way act like that. More concretely, it is the project managers who act more like key account into *their* part of this customer.

The firm is also on the brink of introducing a CRM (Client Relations Management) system which is perceived to be moving up the notch in terms of professionalism.

TOOL USE OUTCOMES / USE MODES IN A BUSINESS RELATIONSHIP SETTING

Having established that there are instances where firms do or do not use strategy tools when working strategically with procurement and selling, we further analyse these bundles of 29 tools by addressing *how* the firms went about using tools in the buyer's and seller's perspective, and their outcomes in terms of how they facilitate intrafirm and interfirm outcomes where the latter extends from dyads, portfolios to networks. The analysis can be found in Tables A1-4 in the Appendix ([right hand side of the tables](#)).

This section describes the patterns in the tool use outcomes and the use modes of tools discerned in Firm R and Firm A, from buyer's and seller's perspectives.

Tool use outcomes and use modes in Firm R (procurement side)

[Table A1 \(right hand side, Tools 1-9\)](#) analyses the tool use mode in an interactive perspective and their outcomes.

Outcome: In Firm R's words, as one of the biggest challenge in Firm R in its project-based environment is intrafirm alignment towards working with suppliers. While many of the tools serve a dyadic purpose ([D](#)), to facilitate communication and coordination with the supplier, and to some extent to segment the supplier database into more manageable portfolios ([P](#)), what stands out prominently is that many of the tools are used towards intrafirm alignment ([I](#)).

Tools such as framework agreements are used for the purpose of not binding the supplier but as a cooperation mechanism for the supplier to be obligated to keep Firm R in touch with market movements and the latest technologies. Its secondary objective is to accord a favourable status to a supplier and to align the firm's action toward according the supplier this favourable status.

Tools such as spend data harvest can be observed to be aiming at intra-firm information sharing and coordination in the form of goal setting and internal management updates. Supplier scorecards are devised by extending procurement plans and using simple but precise criteria so that there can be firm-wide assessment on this supplier on an ongoing basis.

In its evolving inhouse supplier database, Firm R also attempts to have a better overview of its key suppliers, by tagging them with statuses for the firm's ongoing cooperation with them. Distinguishing framework agreement suppliers, a hard-earned status, from the non framework ones is also an intrafirm coordination initiative.

Use modes: The tools used by Firm R on the procurement sides can be practically sorted into strategizing on and in mode, where strategizing on mode dominates.

On tools: Some tools were developed (spend data harvest) for the eventual purpose of preparing for negotiation with the supplier. In the case of Firm R, the tool was not used in the supplier's presence but more to strategise on the supplier, to be better prepared in the next encounter with the supplier. It is inconclusive if Key Supplier management can be considered a tool for strategizing in the business relationship with its key suppliers as Firm R has described many challenges in implementing Key Supplier management in practice, hence it is a hybrid on-in tool.

In tools: Firm R relies on conventional practices such as meetings and onsite factory visits as strategizing in tools to work interactively with its key suppliers, where strategy could be interactively developed. Meetings and onsite factories can be considered as tools to be deployed in a strategizing "in" mode.

Tool use outcomes and use modes in Firm R (selling side)

Table A2 (right hand side, Tools 10-13) analyses the tool use mode in an interactive perspective and their outcomes.

Outcome: Firm R's selling side has its customer portfolio being dominated by public entities. As meetings with the customer are not allowed due to strict public procurement regulations, and therefore strategizing possibilities in the business relationship is limited, a new kind of dyadic relationship can be described to emerge in the form of "limited dyads". Firm R tries to formulate mechanisms (being more prepared internally, suggesting innovating pricing mechanisms) to find more room to navigate in cooperating with its customers in such a limited dyadic relationship (D).

Use modes: There is an equal proportion of strategizing on and in use modes. The limited dyadic relationships that pervade its customer portfolio have been described to limit the possibilities of strategizing. In Firm R's case, fewer tools can be considered on the selling side.

On tools: Firm R can at best position itself most favourably by staying qualified in procurement databases and keeping abreast with the market with innovative pricing strategies.

In tools: Conventional practices such as meetings are used as strategizing in tools. Limited forms of Key account management, due to its reliance on its top management in winning contracts as a family-owned firm, can be considered as tools for both strategizing on and in. The keyness is sometimes translated onto a project level while key accounts are managed by a large collection of projects.

Tool use outcomes and use modes in Firm A (procurement side)

Table A3 (right hand side, Tools 14-21) analyses the tool use mode in an interactive perspective and their outcomes.

Outcome: In Firm A, many of the tools serve a dyadic purpose (D), to facilitate communication and coordination with the supplier, and to some extent to segment the supplier database into more manageable portfolios (P). Firm A has in place a sophisticated contract strategy, differentiating framework agreements on a business unit level or corporate wide. It has also devised parallel frame agreement (where price and delivery times are subject to competition) and enterprise type contracts (where the cooperation with the supplier is even more comprehensive). In itself, its contract strategies can be considered a sort of portfolio tool-in-use (P) where suppliers are segregated into various levels of cooperation and competition possibilities.

In the same way as Firm R, what stands out prominently is its rather advanced inhouse supplier information and assessment system which serves as its main tool for intrafirm information sharing and coordination (I).

Use modes: The tools used by Firm A on the procurement sides can be practically sorted into strategizing on and in mode, where strategizing on mode dominates.

On tools: With more diverse geographical operations and expectedly a higher degree of institutionalisation of routines and procedures, including regular procurement manager forums to discuss common challenges in working with key suppliers. However, in practice, such forums are difficult to implement, and the firm falls back on its supplier information system for inter-firm information exchange and coordinating activities.

There is a lot of variation in Key Supplier management practices within the firm and the data seems to suggest that this tool is used more to designate the critical suppliers (which would be accorded a Key Supplier manager) but there is still a long way to go to have “ownership” of a business relationship. Key supplier management in firm A is more leaning towards a tool for strategizing on its most important suppliers.

In tools: Firm A uses conventional practices such as supplier meetings, HSE days and supplier days to create more opportunities to interact face-to-face with the supplier – strategizing in. In particular, HSE days are considered “experience exchange” day that is highly prioritised. However, Firm A was able to use a not so conventional tool - its supplier scorecard - in a strategizing in mode, as it recounted on how revealing a supplier’s performance in a meeting “opened the eyes” of the supplier to gain insights on its performance and areas of improve. The supplier scorecard used in such an interactive mode allowed the supplier to reflect and made it conducive for both parties to carry on working strategically.

Tool use outcomes and use modes in Firm A (selling side)

Table A4 (right hand side, Tools 22-29) analyses the tool use mode in an interactive perspective and their outcomes.

Outcome: Firm A's selling side has its customer portfolio being dominated by a very major client, in what can be described as "multiple dyads". The tools tend to be oriented towards dyadic information sharing and coordination (D). Firm A has devised several tools for synchronising the intra-firm efforts towards working strategically on the selling side. Communication matrices have evolved to try to manage the numerous interaction points between Firm A and its clients and systematic tracking of ongoing tenders serve to gather input from various interaction points on its selling side to work in tandem with the most important customers. Of note is its formal document, a process template customised for each client, containing 3-5 specific action items that the contact manager must do to put Firm A in the best possible position.

Use modes: Strategizing on modes dominates.

On tools: Firm A has in place communication matrices and systematic tracking of ongoing tenders to position itself most favourably in terms of sales and business development. Its planned approach is also exemplified by its conscious use of process templates narrowing down to 3-5 areas of focus when working strategically with the customer.

In tools: Firm A relies on conventional practices such as meetings to work interactively with its customers. However, key account management does not work so well in its "multiple dyads" environment dominated by a major customer.

DISCUSSION

In this section, we reflect on our data for both the procurement side and the selling side against our research questions. The cases show that a bundle of 29 tools are used as well as not used intentionally when working strategically with procurement and selling. Strategy tools in a business relationship setting are used differently on the procurement side and the selling side. Tools are deployed to a large extent to overcome challenges in intrafirm adaptation on the procurement side, whereas on the selling side, tools are used more in an experimental way to generate and sustain interest in an important customer.

What stands out in the findings is that it would be incomplete to consider tool use and non-use along with its outcomes without considering the interactive mode in which it is being used. The cases exemplify that these bundle of tools can be practically sorted into two use modes – strategizing on mode and strategizing in mode. Furthermore, the same type of tool can be used in one of two interactive modes, which can either augment or limit a tool's potential, generating very different outcomes. On the procurement side, the choice of use modes has a bearing on the outcome of the use of the tool in augmenting or limiting a tool's potential. On the selling side, the availability of the use mode determines the strategizing possibilities, and the considerations of limited dyads or multiple dyads influences if tools are used and not used. We therefore update our thinking on strategy tool use and use modes from buyer and seller perspectives in [Figure 2](#) and further discuss these in this section.

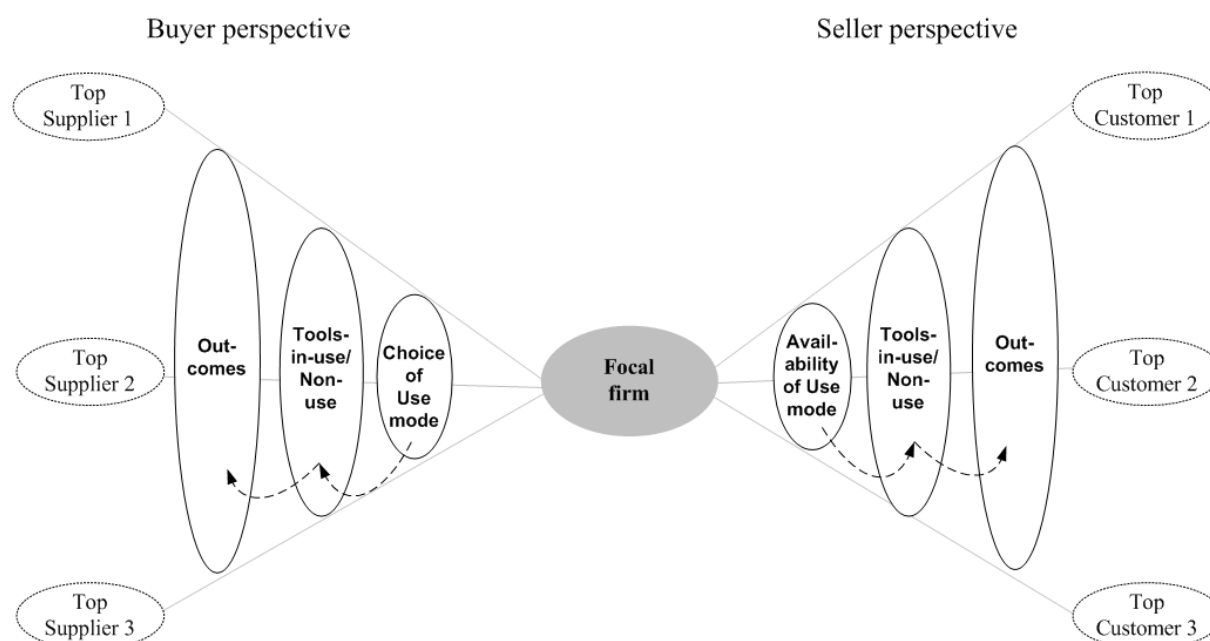


Figure 2 Strategy tool use and use modes from buyer and seller perspectives

Choice of use mode on the procurement side

For procurement, it is fair to say that there are more choices for tools, where they are sometimes used and sometimes not. At times, tools can just be too difficult or cumbersome to implement. Tools can also substitute for one another. For example, more sophisticated use of databases would relegate the importance of conventional practices such as procurement manager forums (as in Firm A) as database use is deemed more efficient. We further elaborate on these two points.

Strategy tools on the procurement side lean towards being objective, providing harder facts for to assess supplier performance, to aid negotiation and for decision making. Useful tools are harvesting spend and supplier scorecards. Where routines and procedures fall short, managers have a need to create tools to share information and coordinate activities more efficiently intra-firm. In other words, managers need tools to facilitate the inter-firm adaptation process or to effect the particular adaptation being sought by the counterpart firm. Without the influence over the internal process, adaptation can falter. Strategy tools are needed to translate and obtain feedback for relational objectives which are cascaded across functions and hierarchy in the firm intra-firm. For procurement, sometimes tools are deliberately not used. For example, in Firm R, framework agreements are not used with the most strategic suppliers. The business relationship moves forward based on trust and ongoing mutual cooperation.

Key supplier management, while appealing to managers in terms of concept, tends to be difficult to operationalise in practice in both firms. As each business relationship is unique, firms needs to find their own way of tailoring a tool to its specific relational context, and finding the best implementation approach poses a key challenge.

Use of databases can also substitute conventional practices such as procurement manager forums in Firm A. Such compromise of face-to-face sharing in the name of digital efficiency

should be evaluated especially in firms where the use of sophisticated databases is associated with professionalism, for very useful insights could emerge when procurement managers come together regularly to share their experiences in working strategically with the most important suppliers.

On the procurement side, it is fair to say that the firm gets a choice in applying a tool in a strategizing on mode or strategizing in modes, as with the example of the supplier scorecard in Firm R and in Firm A. On the procurement side, many tools can be on hand but their potential can be enhanced or limited by its use mode. When used effectively, the use of an appropriate tool in the interactive mode can generate a very positive outcome for the ongoing interactive strategy development with the supplier. Use mode is significant as interactive modes are more resource consuming than detached modes. Use of tools in either mode needs to be considered along with the type of counterpart involved to tailor the strategizing process for the firm.

Availability of use mode on the selling side

On the selling side, it is fair to say that there are less tools on hand, and furthermore use modes may not be available at all. Tools are also more challenged to cater for a wider variety of implementation scenarios. We further elaborate on these points.

For the selling side, selected tools are used to try to have aids to gain a big picture of the market and a constant overview of their industrial network of business actors, current and potential. In contrast to the procurement side, on the selling side, managers rely less on tools to share information and coordinate activities intra-firm while working strategically towards the customer. Rather, the dyad is the focus. It is possible to devise very target-oriented tools, as in the process template, to distil the necessary actions that the firm's contact managers must do when the timing is right. On the selling side, managers are also in need of tools to experiment and explore with the key customers. Sometimes it may appear that tools cannot be used, as in the case of having public entities as customers. But even in such a case, it may be possible to use some tools (such a deliberate planning to stay qualified and to anticipate forthcoming requirement such as green qualifications) to plan ahead proactively and be prepared in order to achieve the best possible outcome.

Tools must cater for a wide variety of scenarios from public customers, where there is very little room for navigation ("limited dyads"), to very big clients where many facets of the firm is intricately linked to this customer ("multiple dyads"). Practices such as key account management, while expressed as desired by managers, tends to be difficult to operationalise in practice in both firms. It suggests the need for "extrapolating" these tools for "limited dyads" in the case of public customers, and for "multiple dyads" in the case of a very major client dominating the customer portfolio.

The availability of the use mode determines the strategizing possibilities. For instance, in the case of Firm R Seller's perspective, strategizing in possibilities are limited (or even disallowed) for public customer and that precludes the use of tools even if they are available. In Firm A Seller's perspective, strategizing in possibilities are made very complex given the multiple points that that the firm has with its major customer.

CONCLUSION & SUGGESTIONS FOR FURTHER RESEARCH:

By incorporating the latest thinking on strategy tools, this paper contributes to the literature by highlighting the use modes and variety of outcomes that result from the use and non-use of relationship and networking strategy tools when working strategically with procurement and selling.

Based on the discussion, we suggest the following research possibilities.

- Develop more tools on the procurement side

that are driven by a more integrated view between inter-organisational interaction and intra-organisational alignment. In other words, developing relationship and networking strategy tools should not be constrained by the bifurcation between either looking upstream (supplier) or downstream (customer) but also consider the intra-organisational aspects. The overall tool bundle on the procurement side should be given consideration rather than the merits of individual tools.

- Develop more tools on the selling side

that are flexible enough to cater for wider implementation scenarios such as “limited dyads” in the case of public customers, and for “multiple dyads” in the case of a very major client dominating the customer portfolio. Tools are more like toys to experiment and explore with the key customers.

- Address use modes in addition to tool bundles

That many tools can be on hand on the procurement side but their potential can be augmented or limited by the choice of its use mode, and that the availability of the use mode on the selling side determines the strategizing possibilities, further research should dig further into tool selection coupled with the choice or availability of tool use mode. Generating possibilities on how tool can be used in the ‘on’ and ‘in’ mode would provide better guidance in terms of tool selection and increase uptake of tools.

- Consider tool use outcomes at an actor level

This study has been focused on the outcomes of the use of the tool at a firm level. For further research, the outcome of the use of a tool can further drill down from a firm level to the actor level. Going down to the actor level, further research could also explore extending the notion of network competence to include “relational tool use capability” in a business relationship setting. This would mean that future empirical studies could associate a manager’s experience and educational training to tool use in a business relationship setting.

Our findings also have implications for managers.

- Increasingly, many managers are recognising that managing business relationships and networks exists as a form of strategising work where tools play a part. As illustrated by this paper, discerning the tool use mode – which is the possibility to strategise on or strategise in a business relationship - could be useful starting point before considering the bundle of tools that can be available for selection. Managers would be in a better position to select the tools can tailor the strategizing process more effectively in interactive strategy development towards that business counterpart, be it supplier, customer or others.

REFERENCES

- ANKERS, P. & BRENNAN, R. 2004. A qualitative study of IMP researchers' perceptions of 'managerial relevance'. *20th IMP Conference*. Copenhagen.
- AWALEH, F. 2008. *Interacting Strategically within Dyadic Business Relationships - A case study from the Norwegian Electronics Industry*. PhD thesis, BI Norwegian School of Management.
- AXELSSON, B. 1992. Corporate strategy models and networks - diverging perspectives. In: AXELSSON, B. & EASTON, G. (eds.) *Industrial networks : a new view of reality*. London: Routledge.
- AXELSSON, B. 2010. Business Relationships and Networks: Reflections on the IMP tradition. *The IMP Journal*, 4, 3-30.
- BARALDI, E., BRENNAN, R., HARRISON, D., TUNISINI, A. & ZOLKIEWSKI, J. 2007. Strategic thinking and the IMP approach: A comparative analysis. *Industrial Marketing Management*, 36, 879-894.
- BIZZI, L. & LANGLEY, A. 2012. Studying processes in and around networks. *Industrial Marketing Management*, 41, 224-234.
- BRENNAN, R. & CANNING, L. 2002. Adaptation Processes in Supplier-Customer Relationships. *Journal of Customer Behaviour*, 1, 117-144.
- BRENNAN, R., GRESSETVOLD, E. & ZOLKIEWSKI, J. Year. Towards a Taxonomy of Strategic Research in the IMP Tradition. In: 24th IMP Conference, 2008 Uppsala, Sweden.
- BRENNAN, R. & TURNBULL, P. 1999a. The Managerial (Ir)relevance of IMP. *15th IMP Conference*. Dublin.
- BRENNAN, R. & TURNBULL, P. 2000. The Pursuit of Relevance in Interaction and Networks Research. *16th IMP Conference*. Bath.
- BRENNAN, R. & TURNBULL, P. W. 1999b. Adaptive Behavior in Buyer-Supplier Relationships. *Industrial Marketing Management*, 28, 481-495.
- BRENNAN, R. & TURNBULL, P. W. 2002. Sophistry, relevance and technology transfer in management research: an IMP perspective. *Journal of Business Research*, 55, 595-602.
- BRENNAN, R., ZOLKIEWSKI, J. & GRESSETVOLD, E. 2009. Developing a Taxonomy for Strategizing in Industrial Networks: Manual and Computer-Assisted Approaches. *25th IMP Conference*. Marseille.
- CANNING, L. & BRENNAN, R. 2004. Strategy as the Management of Adaptation. *20th IMP Conference*. Copenhagen.
- CANNING, L. & HANMER-LLOYD, S. 2002. Modelling the adaptation process in interactive business relationships. *The journal of business & industrial marketing*, 17, 615-636.
- CHENG, C. & HOLMEN, E. 2012. Classifying Relationship and Networking Strategy Practices. *28th Industrial Marketing & Purchasing (IMP) Conference*. Rome, Italy.
- CLARK, D. 1997. Strategic management tool usage: a comparative study. *Strategic Change*, 6, 417-427.
- DUBOIS, A. & ARAUJO, L. 2007. Case research in purchasing and supply management: Opportunities and challenges. *Journal of Purchasing and Supply Management*, 13, 170-181.
- EASTON, G. 2000. Is Relevance Relevant? *16th IMP Conference*. Bath.
- EISENHARDT, K. M. & GRAEBNER, M. E. 2007. Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50, 25-32.
- FORD, D. & HÅKANSSON, H. 2006. IMP - some things achieved: much more to do. *European Journal of Marketing*, 40, 248-258.
- GADDE, L. E., HUEMER, L. & HÅKANSSON, H. 2003. Strategizing in industrial networks. *Industrial Marketing Management*, 32, 357-364.
- GOLFETTO, F., SALLE, R., BORGHINI, S. & RINALLO, D. 2007. Opening the network: Bridging the IMP tradition and other research perspectives. *Industrial Marketing Management*, 36, 844-848.
- HARRISON, D. 2004. IMP as Fashion: Past, Present and Future. *20th Annual IMP Conference*. Copenhagen, Denmark.

- HARRISON, D., HOLMEN, E. & PEDERSEN, A.-C. 2010. How companies strategise deliberately in networks using strategic initiatives. *Industrial Marketing Management*, 39, 947-955.
- HARRISON, D. & PRENKERT, F. 2009. Network strategising trajectories within a planned strategy process. *Industrial Marketing Management*, 38, 662-670.
- HENNEBERG, S. C., MOUZAS, S. & NAUDE, P. 2006. Network pictures: concepts and representations. *European Journal of Marketing*, 40, 408-429.
- HOLMEN, E., HÅKANSSON, H. & PEDERSEN, A. C. 2003. Framing as a Means to Manage a Supply Network. *Journal of Customer Behaviour*, 2, 385-407.
- HOLMEN, E. & PEDERSEN, A. C. 2010. How do suppliers strategise in relation to a customer's supply network initiative? *Journal of Purchasing and Supply Management*, 16, 264-278.
- HÅKANSSON, H. & FORD, D. 2002. How should companies interact in business networks? *Journal of Business Research*, 55, 133-139.
- HÅKANSSON, H. & SNEHOTA, I. 1989. No business is an island: The network concept of business strategy. *Scandinavian Journal of Management*, 5, 187-200.
- HÅKANSSON, H. & SNEHOTA, I. 1995. *Developing relationships in business networks*, London ; New York, Routledge.
- HÅKANSSON, H. & SNEHOTA, I. 2006. "No business is an island" 17 years later. *Scandinavian Journal of Management*, 22, 271-274.
- JARZABKOWSKI, P. 2004. Strategy as practice: Recursiveness, adaptation, and practices-in-use. *Organization Studies*, 25, 529-560.
- JARZABKOWSKI, P., GIULIETTI, M., OLIVEIRA, B. & AMOO, N. 2013. "We Don't Need No Education"-Or Do We? Management Education and Alumni Adoption of Strategy Tools. *Journal of Management Inquiry*, 22, 4-24.
- JARZABKOWSKI, P. & KAPLAN, S. 2014. Strategy Tools-In-Use: A Framework For Understanding 'Technologies Of Rationality' In Practice. *Strategic Management Journal*.
- JARZABKOWSKI, P. & WILSON, D. C. 2006. Actionable Strategy Knowledge: A Practice Perspective. *European Management Journal*, 24, 348-367.
- JOHANSON, J. & MATTSSON, L. G. 1992. Network positions and strategic action. In: AXELSSON, B. & EASTON, G. (eds.) *Industrial networks : a new view of reality*. London: Routledge.
- JOHNSON, G., MELIN, L. & WHITTINGTON, R. 2003. Micro strategy and strategizing: Towards an activity-based view - Guest Editors' Introduction. *Journal of Management Studies*, 40, 3-22.
- JÄRVENSIVU, T. & MÖLLER, K. 2009. Metatheory of network management: A contingency perspective. *Industrial Marketing Management*, 38, 654-661.
- KVALE, S. & BRINKMANN, S. 2009. *InterViews : learning the craft of qualitative research interviewing*, Thousand Oaks ; London., Sage Publications.
- LANGLEY, A. 1999. Strategies for theorizing from process data. *Academy of Management Review*, 24, 691-710.
- LEEK, S., TURNBULL, P. W. & NAUDE, P. 2002. Managing business-to-business relationships, An emerging model. *Journal of Customer Behaviour*, 1, 357-376.
- LEEK, S., TURNBULL, P. W. & NAUDE, P. 2004. A comparison of manufacturers and financial services suppliers' and buyers' use of relationship management methods. *Industrial Marketing Management*, 33, 241-249.
- MAITLIS, S. & LAWRENCE, T. B. 2007. Triggers and Enablers of Sensegiving in Organizations. *The Academy of Management Journal*, 50, 57-84.
- MANTERE, S. 2005. Strategic practices as enablers and disablers of championing activity. *Strategic Organization*, 3, 157-184.
- MARCH, J. G. 2006. Rationality, foolishness, and adaptive intelligence. *Strategic Management Journal*, 27, 201-214.
- MÖLLER, K. K. & HALINEN, A. 1999. Business relationships and networks: Managerial challenge of network era. *Industrial Marketing Management*, 28, 413-427.

- RIGBY, D. 2001. Management tools and techniques: A survey. *California Management Review*, 43, 139-+.
- RITTER, T. 1999. The networking company - Antecedents for coping with relationships and networks effectively. *Industrial Marketing Management*, 28, 467-479.
- RITTER, T., WILKINSON, I. F. & JOHNSTON, W. J. 2004. Managing in complex business networks. *Industrial Marketing Management*, 33, 175-183.
- STENFORS, S. 2007. *Strategy tools and Strategy toys: Management tools in strategy work*. Unpublished doctoral dissertation, Helsinki School of Economics.
- TIKKANEN, J. & HALINEN, A. 2003. Network Approach to Strategic Management - Exploration to the Emerging Perspective. *19th Annual IMP Conference*. Lugano, Switzerland.
- WHITTINGTON, R. 1996. Strategy as practice. *Long Range Planning*, 29, 731-735.
- WHITTINGTON, R. 2006. Completing the practice turn in strategy research. *Organization Studies*, 27, 613-634.
- WILKINSON, I. & YOUNG, L. 2002. On cooperating: firms, relations and networks. *Journal of Business Research*, 55, 123-132.
- WRIGHT, R. P., PAROUTIS, S. E. & BLETTNER, D. P. 2012. How Useful Are the Strategic Tools We Teach in Business Schools? *Journal of Management Studies*.
- YIN, R. K. 2009. *Case study research : design and methods*, Los Angeles, Calif., Sage Publications.
- ZOLKIEWSKI, J. & TURNBULL, P. 2002. Do relationship portfolios and networks provide the key to successful relationship management? *Journal of Business & Industrial Marketing*, 17, 575-597.
- ZOLKIEWSKI, J. C. A. & TURNBULL, P. W. 2006. Missing Theory and Future Directions. *22nd IMP Conference*. Milan.

APPENDIX

Table A1 and Table A2 present our findings in Firm R from the supplier side and the customer side respectively.

The tables should be interpreted as follows.

On the left hand side, each relationship and networking strategy tool-in-use is checked for its use and non-use in each key business relationship (unit of analysis). Where a tool is found to be in use, the tick symbols ✓ and ☑ are used to differentiate its use by selection (the tool is either routinised or institutionalised in the firm and selected for use) or creation (the tool is not routinised or institutionalised in the firm, but improvised for use in the firm). Where informants mention a tool that is routinised or institutionalised in the firm but was not selected for use out of conscious choice, this is denoted by ✕. Furthermore, we also capture a tool that was specifically mentioned by the informant as desired or will be implemented by ⌚.

On the right hand side, when a particular tool is used, the tool is also analysed for its tendency towards each outcome sub-elements (intra-firm adaptation; dyadic information-sharing, coordination & negotiation; portfolio; or network strategizing) as related by the informants, denoted by I, D, P and N respectively. Furthermore, each tool is then analysed for its use modes as described by the informants: “on” (detached from the business counterpart) and “in” (face-to-face interactively with the business counterpart).

Table A3 and Table A4 present our findings in Firm A from the supplier side and the customer side respectively and should be interpreted in a similar way.

APPENDIX

Table A1 Relationship and Networking Strategy Tools-in-use in Firm R (Procurement side)

Instances of use and non-use of tools									No.	Relationship & Networking Strategy Tools-in-use	Use Mode		Outcome of using the tools			
Procurement						Selling					Strategizing		Intra-firm Adaptation (I)	Inter-firm		
R- KLD	R- UNI	R- ARG	R- PFC	R- FAC	R- TEC	R- OBO	R- STV	R- STF			On	In		Dyad (D)	Port- folio (P)	Net- work (N)
✖	✓	✖	⌚	✓	⌚				1.	Framework agreements	On		I	D		N
✓	✓	✓							2.	Procurement process templates	On		I			
	☑								3.	Spend data harvest (by extending Accumulated purchase worksheet)	On		I			
☑	☑	☑							4.	Supplier scorecard (by extending the Procurement Plan)	On		I			
									5.	Supplier status tagging in supplier database						
☑	☑	☑								- (4 initial strategies)	On		I		P	
			☑	☑	☑					- (3 initial strategies for int'l suppliers)	On		I		P	
				✓					6.	Meetings	On	In	I	D		
			✓		✓				7.	Onsite factory visits		In	I	D		
☑	⌚	☑	⌚	⌚	⌚				8.	Key Supplier Management	On	In	I	D		
			⌚	⌚	⌚				9.	Retention mechanisms	On		I			
<u>Buyer perspective:</u> ✓ in use (selected) = 8 ☑in use (created) = 12 ✖ non-use = 2 ⌚ not used but desired = 9										<u>Buyer perspective:</u> On: 7 On-In: 2 In only:1			<u>Buyer perspective:</u> I: 10 D: 4 P: 2 N: 1			

APPENDIX

Table A2 Relationship and Networking Strategy Tools-in-use in Firm R (Selling side)

Instances of use and non-use of tools									No.	Relationship & Networking Strategy Tools-in-use	Use Mode		Outcome of using the tools			
Procurement						Selling					Strategizing On	In	Intra-firm Adaptation (I)	Dyad (D)	Inter-firm	
R- KLD	R- UNI	R- ARG	R- PFC	R- FAC	R- TEC	R- OBO	R- STV	R- STF							Port- folio (P)	Net- work (N)
						☑	✖	✖	10.	Initiation meeting: show interest, initiate contact early with them, suggest initiatives	On	In		D		
							✓	✓	11.	Qualification in public databases	On			D		
								☑	12.	Pricing strategies: Price & Design contest and Total Enterprise bidding	On			D		
						☑	✖	✖	13.	“Key account management”	On	In	I	D		
						Seller perspective: ✓ in use (selected) = 2 ☑in use (created) = 3 ✖ non-use = 4 ⌚ not used but desired = 0				Seller perspective: On: 2 On-In: 2 In only: 0			Seller perspective: I: 1 D: 4 P: 0 N: 0			

APPENDIX

Table A3 Relationship and Networking Strategy Tools-in-use in Firm A (Procurement side)

Instances of use and non-use of tools								No.	Relationship & Networking Strategy Tools-in-use	Use Mode		Outcome of using the tools				
Procurement				Selling							Strategizing On	In	Intra-firm Adaptation (I)	Dyad (D)	Inter-firm Portfolio (P)	Network (N)
A- ADC	A- IKT	A- BIS	A- SFF	A- STO	A- BRP	A- CNP										
									14.	Framework agreements						
✓	✓	✓								- at business unit level	On		I	D	P	
			✓							- corporate-wide frame agreements	On		I	D	P	
			✓							- parallel frame agreements	On		I	D	P	
	✓									- enterprise type contracts	On		I	D	P	
✓	✓	✓	✓						15.	Inhouse scorecards In SQiS (6 categories)	On	In	I	D		
✓	✓	✓	✓						16.	Spend data	On		I	D		
✓	✓	✓	✓						17.	Meetings	On	In		D		
✓	✓	✓	✓						18.	Annual HSE day		In		D		
✓	✓	✓	✓						19.	Supplier day		In	I	D		N
☑	☑	☑	☑						20.	Key supplier management	On		I	D		
✖	✖	✖	✖						21.	Procurement manager forums	On		I			
Buyer perspective: ✓ in use (selected) = 26 ☑in use (created) = 4 ✖ non-use = 4 ⊗ not used but desired = 0										Buyer perspective: On:7 On-In: 2 In only:2		Buyer perspective: I: 9 D: 10 P: 4 N: 1				

APPENDIX

Table A4 Relationship and Networking Strategy Tools-in-use in Firm A (Selling side)

Instances of use and non-use of tools								No.	Relationship & Networking Strategy Tools-in-use	Use Mode		Outcome of using the tools					
Procurement				Selling							Strategizing		Intra-firm Adaptation (I)	Dyad (D)	Inter-firm		
A- ADC	A- IKT	A- BIS	A- SFF	A- STO	A- BRP	A- CNP					On	In			Portfolio (P)	Network (N)	
				✓	✓	✓			22.	Pre-qualification databases	On			D			
				☑	☑				23.	Communication matrix but out of control	On			D			
				✓	✓	✓			24.	Systematic tracking of ongoing tenders	On			D			
				✓	✓	✓			25.	Tender process templates: Winning Strategy Process (with 3-5 areas of focus)	On			D			
				⌚	⌚	⌚			26.	Balancing customer portfolio	On				P		
				✓	✓	✓			27.	Meetings	On	In		D			
				✖	✖	✖			28.	Key account management (customised)	On	In	I	D			
				⌚	⌚	⌚			29.	Customer Relationship Management System	On		I				
				Seller perspective: ✓ in use (selected) = 12 ☑in use (created) = 2 ✖ non-use = 3 ⌚ not used but desired = 6					Seller perspective: On: 6 On-In: 2 In only:0				Seller perspective: I: 2 D: 6 P: 1 N: 0				