

Missing the picture - *an empirical study of value in network pictures*

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1. Introduction

Developing understanding of business is considered the essentials of marketing research. Over the past few decades especially business in relationships and networks has entered the research agenda as a hot topic. Moving from a merely transactional focus to a relationship focus has changed the way business is being discussed in academia as well as in practice, and attention has moved from what happens in firms to the interaction among/between them (D Ford & Hakansson, 2006). In that context there is an increasing focus on how managers understand and perceive the business surroundings that they are a part of, and further how that can be seen in the derived managerial actions.

The concept of network pictures, developed in the IMP (industrial Marketing and Purchasing) Groups tradition of research, offers a framework for creating a network understanding. Network pictures have been defined in the literature as business actors' subjective mental representations (or framework) of their surroundings, and thus as sense-making tools that underline decision-making in networks (Gadde, Håkansson, & Snehota, 2003 in (Corsaro et al., 2011, p. 919), and is used as a tool by both researchers and practitioners to capture how actors may understand their surrounding network (Mouzas et al., 2006; Ramos & Ford, 2011). Scholars argue for the use of network pictures as a valuable way of creating systematic understanding of how firms operate and approach their surrounding business landscape, and the literature provides a number of suggestions for the link between how managers view and understand their network, and how they develop and effectuate strategy into business (e.g. Corsaro et al., 2011; Laari-Salmela, Mainela, & Puhakka, 2015). These discussions are often centered around a conceptualization of network pictures made by Henneberg, Mouzas & Naudé (2006), suggesting that a network picture is an open concept of the following 8 interrelated dimensions; Boundaries, Directionality, Power, Time/task, Environment, Focus, Actors/Activities and Centre/Periphery. They propose that in order to create a picture of the network in an analytic and systematic way, those dimensions should be taken into consideration of both researchers as

well as practitioners searching for network understanding to base managerial actions upon. Reviewing previous research on network pictures shows that researchers adapt a modified selection of the dimensions to answer how the network of a firm looks, and how firms act upon that. Corsaro et al., 2011 ask *how aspects of network pictures affect managerial decisions* using the dimensions of power, dynamics, broadness and indirectness. Öberg (2012) study *how a network pictures can create understanding of external parties in merges and acquisitions* using the dimensions of activities, actors and resources, and Leek and Mason (2009) discuss *how different network pictures reflect managerial levels and functions*, using the dimensions of environmental forces, actors/boundaries, activities/ resources, positioning/centre and process/interaction. These dimensions seems to provide interesting answers to many aspects of the network pictures regarding the link between how the picture looks like, and derived actions. However one could question why the dimension of 'relationship value' is not considered a part of the picture, since it has been stated repeatedly that value is the key in marketing (Lindgreen & Wynstra, 2005, p. 732), the cornerstones of business market management (J C Anderson & Narus, 1998) and one of the central elements in the interaction of firms engaging in business relationships and networks (David Ford & McDowell, 1999; Haas, Snehota, & Corsaro, 2012; Lindgreen, 2012). Literature on value in business relationships shows that there is a growing body of literature addressing the concept of value *in* and *of* business relationships (Lindgreen et al., 2012). Scholars adopt various perspectives on the concept of value, such as customer value (Ulaga, 2001), supplier value (Walter, Ritter, & Gemünden, 2001), value perception (Corsaro & Snehota, 2010) value creation (Payne, Storbacka, & Frow, 2007), value constellations (Corsaro, Ramos, Henneberg, & Naudé, 2012) social value (Westerlund & Svahn, 2008) and many others. The characteristics of the 'relationship value' perspective is that it goes beyond the actual product or service being exchanged (Lindgreen, Hingley, Grant, & Morgan, 2012) and recognize the importance of understanding, creating and capturing value in a business relationship context (Corsaro, 2014a; Ulaga & Eggert, 2006). Research on value in business relationships provides answers to not only questions on how the value creating process takes place (Haas et al., 2012) how to create value from either a supplier or customer perspective (Ulaga, 2001; Walter et al., 2001) but also more complex understanding of how value are being perceived in a business relationship (Corsaro & Snehota, 2010), and how key value elements determine how managers act to achieve valuable business relationships (Corsaro, 2014a; David Ford & McDowell, 1999)

Despite the great interest to create an understanding of the value concept within a relationship perspective, scholars are still advocating for a better understanding of relationship value (Lindgreen et al., 2012), including how value are understood and unfolded in a network context (Corsaro et al., 2012;). At the same time scholars also call for an overall stronger understanding of the concept of network pictures (Mouzas et al., 2006), the role of behavioral aspects in creating network pictures (Corsaro et al., 2011) and the actors views on the network that they act within (Ramos & Ford, 2011).

The purpose of this paper is therefore to study the role of value in a firm's network understanding, specifically how perception of value affects the network pictures in a dyadic customer-supplier relationship. By applying the notion of 'relationship value' into the concept of network pictures, this paper sets out to contribute to a further development of the network picture concept as well as a suggestion for how to understand value in a network context.

The paper is structured as follows: Initially there is a review of the main theories forming the theoretical background of the study. The methodology and analysis is then discussed, followed by a case presentation and findings, and finally the conclusion.

2. Theoretical background

The network picture concept

The concept of network pictures has been a part of the IMP (Industrial Marketing and Purchasing) literature since the end of the 1980's as direct or indirectly integrated in discussions on network horizons, network context, network identities and network environment (Mouzas, Naude, & Henneberg, 2006). Since that time much attention has been given to this concept framing how managers understand network and act within. The concept of network picture follows the tradition of research in the IMP (Industrial Marketing and Purchasing) Group working to/ at enhance theoretical as well as empirical understanding of interaction in business relationships and networks. The network picture concept plays a significant role herein, as it is actor's subjective mental representations of the surrounding network, that are the center of attention (Mouzas, Naude, & Henneberg, 2006), and Ford et al (2002) argue network pictures to be an optimal strategy for managers to cope with the diversity of managerial requirements as follows (which are closely linked to) with network relationships and interaction. The role of network picture are dual as the concept serves as both a research device/tool to capture and analyze actors' subjective views of the business network (Ramos & Ford, 2011), as well as a meaning-creating device to construct cognitive maps for decision making in business (Laari-Salmela et al., 2015). Further network pictures are used in a broad perspective to trace network development longitudinal (David Ford & Redwood, 2005), but also in a more narrow perspective providing insights into the individual actors' frame of mind, and what they individually consider to be relevant and important (Abrahamsen et al, 2012).

Since the introduction of the network picture concept different interpretations and definitions have been put forward to strengthen understanding of the concept. Discussing management in business networks, Håkansson et al., (2009) present network pictures as "*managers' subjective interpretation of the world around them and of the interaction taking place within it, whether or not they are involved in them*" (Håkansson et al, 2009, p. 194). Ramos et al., (2005) define network pictures as "*a representational*

technique that aims to capture or illustrate views that specific actors have of the networked environment within which they operate”, while Henneberg et al., (2006) define network pictures as “subjective mental representations of managers relevant business environment. They are posited to work as sense-making devices, and consequently shape managerial decisions, actions, and evaluations” (Henneberg et al., 2006; p. 408).

Reviewing literature on network pictures shows that there is a strong focus on the link between network pictures and actions or activities; Corsaro et al., (2011) discuss the connection between network pictures and behavioral choices, and find that managerial choices due to strategic actions, are affected by perception of the surrounding network. Leek and Mason (2010) examines perception of supplier relationships, and find that network pictures can be used as sense-making tool for information developing and sharing internally and externally. Öberg et al., (2007) use the concept to illustrate and analyze changes in networking activities following a merger or acquisition, and find that a changed business landscape, affect network pictures resulting in changed network activities. Ramos et al., (2012) study the complexity of network pictures, and argue that it is important for managers to understand their network pictures in order to understand business performance due to strategic development. Laari-Salmela et al., (2015) also combines network pictures with a practice perspective of strategy, and find that strategy formation is closely related to how managers make sense of changes in their network, and how that reflects in the strategic activities of the firm.

Discussions on network pictures and actions are often based on a theoretical framework of network picture dimensions. The identification of these dimensions has repeatedly been the purpose of previous research on network pictures (Ramos, Henneberg, & Naudé, 2012), and in the comprehensive literature review by Henneberg, Mouzas and Naude (2006), network pictures have been conceptualized in the form of eight building blocks, each representing elements or dimensions of a network picture, deduced by aspects of network pictures presented in literature on the subject. Subsequently these dimensions has been adopted in other studies in a direct or more adjusted form (e.g. Corsaro et al., 2011; Leek & Mason, 2010; Öberg et al., 2007) in order to explain how (change in) network pictures affect or cause changes in networking activities, managerial choices and strategic decision making. Using what Henneberg et al., (2006) refers to as an ‘open concept’ of eight building blocks or dimensions researchers as well as practitioners will have the opportunity to examine and analyze managers perception of the network that they directly or indirectly engage in, and based on that establish a network understanding.

The network picture concept appear to be valuable sense-making tool for “building up more comprehensive understanding of various aspects of relationships” (Leek & Mason, 2010), and the proposed dimensions provide a systematic way of approaching important elements of how managers or researcher might perceive and understand the network in focus(Mouzas et al., 2006), and how to act within the network (Corsaro et al.,

2011). The network picture raises a number of questions of how actors act within and towards the network, but the questions of why actors act as they do in the network seems to be overlooked. To address this new level of understanding coping with the underlying explanations of why actors do as they do in the network, the concept of value might be relevant to apply.

The role of value in network pictures

Stepping back, looking at one of the essential purpose of entering into relationships and networks, the whole concept of value is hard to overlook. Value creation has always been considered an important key to a firm's long term survival, success and competitive advantage (J C Anderson & Narus, 1998), as well as an relevant research topic (J C Anderson & Narus, 1998; Corsaro & Snehota, 2010; Lindgreen et al., 2012). Value creation is emphasized as the essential purpose for firms to engage in relationships and network (Anderson, 1995), and how actors interpret and represent value is stated to be one of the main aspects of relationship value (Corsaro, 2014b). The role of value in network picture literature is small, and value is mostly discussed when discussing the overall purpose of the network picture, and in that sense the word value is often replaced by phrases like *importance*, *relevance*, and *usefulness*.

Understanding business in network is emphasized as the essential part of working with network pictures(Corsaro et al., 2011; Mouzas et al., 2006), including a deeper understanding of many of the aspects that follows when firms engage in relationships with each other (Leek & Mason, 2010). The purpose of using network pictures within research is the possibility to strengthen important understanding of how firms may achieve desired goals and results (Leek & Mason, 2010), and therefore, knowing that value plays an essential part of the overall purpose of doing business (Corsaro, 2014b; Ritter, Wilkinson, & Johnston, 2004; Ulaga, 2003), it seems highly relevant to also include the matter of value in the discussion on how business in networks can be understood.

The concept of value in business is considered a high-profile research topic (Haas et al., 2012), however often considered to be rather fluffy and hard to really grasp. One reason might be that value is presented as both tangible and intangible (Corsaro, 2014b), and it is often the intangible value that seems quite difficult to address. Walter, Ritter & Gemünden (2001) propose two main functions in a customer-supplier relationship, the direct functions of profit, volume and safeguard, and the indirect functions of innovation, market, scout and access. In this study these dimensions will be used to address the supplier perceived value. Ulaga (2003) suggest eight value drives that capture customer perceived value; product quality, delivery, time-to-market, direct products cost, service support, supplier knowledge, personal interaction and process costs. These value drivers will be used to address customer perceived value.

One thing is to study value from either a customer or supplier perspective, another thing is to study value in the relationship. By applying a relational perspective to the value discussion the level of

complexity rises, and new challenges occur. The element of value perception becomes more multidimensional as several actors with different perceptions become a part of the overall picture. Recent literature on value perception in business relationships points to the complexity of actors perceiving and interpreting value differently. Snehota and Corsaro (2010) identify three specific patterns related to value perception in a business relationship, arguing that value should be considered actor specific in the sense that the economic value of a business relationship originates in the spatial and temporary context of an actor and cannot be determined from features of the relationship or of the actor (Corsaro & Snehota, 2010, p. 992).

3. Methodology

Besides from theoretical gaps in network picture literature, scholars also stress the need for more knowledge on network pictures in real firm settings (Ramos et al., 2012; Öberg et al., 2007). Mouzas et al., (2006) emphasize the need for more empirical research, and suggest like Anderson et al. (1994) that network perceptions advantageously can be studied using case studies. A case study offers the possibility to create a many-sided view of a given situation in its context (Halinen & Törnroos, 2005) the opportunity to capture the dynamics of the phenomenon being studied (Eisenhart, 1989), and provide the researcher with an possibility to obtain in-depth and comprehensive understanding of the specific phenomenon (Easton, 2000) in close contact with the studied object (firms) (Halinen & Törnroos, 2005).

As the research question of this paper sets to explain the role of value in network pictures, and how perception of value in a close dyadic business to business relationship affect network pictures on a firm level, and following the argumentation above, and that of Yin (2009) saying that case study are a relevant method when research question seek to explain present circumstances related to a social phenomenon answering “how” and “why” questions, the case study method is found to be methodically relevant to this study, like the use of the method can help to strengthen the empirical knowledge within the network picture literature.

Theoretical as well as empirical contributions addressing the individual side of network pictures has been made (e.g. Corsaro et al., 2011; Laari-Salmela et al., 2015), while there is still limited contribution to the dyadic level of network pictures (Leek & Mason, 2009). The unit of analysis in this case study will be network pictures at company level (Ramos et al., 2012) in a dyadic close relationship between a customer and a supplier. The case being studied is a business relationship between a customer in the global wind energy industry and one of its preferred suppliers of hydraulic solutions. They share a long term and close relationship as a part of each other's network, and has eventually developed a rather deep understanding of each other's business. During the data collection process the researcher were given privileged access to both companies in the network, both during interaction (observation studies), and individually through interviews.

Based on this, the selected case fulfills the two basic requirements presented by Brito (1999): appropriateness and accessibility.

For the present purpose our empirical material consists of observation studies of ten business meetings, six of which was held internally to the supplier and four joint meetings between the customer and supplier. The overall and general agenda of the ten meeting was to develop the customer-supplier relationship. Further, five in-depth interviews has been completed: two group interviews at the supplier and three interviews at the customer. Interviewees were chosen due to their direct engagement in the relationship and direct responsibility for mutual activities and/or at the supplier. The interviews as well as the observations have contributed with insights on both the relationship between them, but also insights on the networks that they individually is a part of

Observation of meetings has followed the procedure by Jorgensen (1989) and Gold (1958). The role as 'participant as observer' (Gold 1958) has been applied, and the author has stayed for a longer period in the firm, and by that becomes what can be described as an 'in-sider' (Jorgensen 1989). However, employees at both the supplier and customer have been informed of the research data collection taking place and thus the observer role can be considered 'overt' (Jorgensen 1989). Due to the continuous engagement at the supplier company the observer is a known and recognized person which have gained the confidence of employees to a degree that they do not feel observed (Gold 1958).

As the study is part of a larger project multiple interviews have been completed. The five interviews selected for this particular study can be characterized as deep and focused (Darmer, 1996). The interviews were conducted as an open dialogue in which respondents have the opportunity to elaborate on their answers, and there has been opportunity to touch upon relevant issues not covered by the interview guide. When respondents were invited to an interview, they were presented to the general topics and themes of the interview guide. The respondents from the customer were sent the interview guide prior to the interview.

Each interview opened with an introduction to the research project and issues of how the data will be used. The interview guide includes two sections: (1) The first part of the interview gives insights to customer-supplier relationships in which the parties engage in general. (2) The second part relates to the preferred customer-supplier relationship, with a specific focus on how they perceive

and understand the relationship. Every interview were recorded and transcribed. The transcriptions are sent to respondents and approved without comments.

4. Analysis

The data analysis has followed the framework developed by Miles and Huberman (1994) building on three phases; data reduction, data display, conclusion drawing and verification. Building on this framework we have analyzed the data from the observation studies as well as the data collected through interviews.

5. Case findings

In this section the results of the empirical study is presented. First is a brief presentation of each firm, followed by network pictures for each of the firm.

Case companies – Hydac & Veta

Company A) Hydac A/S (hereafter Hydac) is a medium-sized supplier to the Danish industrial market for hydraulic solutions. The firm was founded in 2000 as a subsidiary to Hydac International, the world largest family-owned hydraulic firm. The business of Hydac DK consists of four main business areas; solutions that are especially design and developed for the customer, serial production, configurable solutions and service offering. Hydac serves a broad customer portfolio, and delivers solutions to both small and medium size local companies in Denmark, but also large multinational firms, primary within the wind sector. From the startup in 2000 Hydac has been through a positive development with constantly growth and an increase in the strategic development focus, both internally and especially towards the firms many relationships. During the last three years, Hydac has become more aware of its position in the network, and there is a growing interest and attention towards a more relationship oriented management approach.

Company B) Veta is one of the key actors within the global wind energy industry, and serve a global market of both large and medium sized customers. Veta carry out task of developing, manufacturing, distributing and supply aftermarket service. Veta has existed for more than a century, and from the very beginning and until now the firm has been the subject of many periods that has required a strong focus on survival and building a very competitive business. This has required many changes not only internally, but indeed also towards the large portfolio of both customers and suppliers. Today Veta has a strong strategic focus on its

network position, and collaboration both forward and backwards in the value chain are characterized by a very formalized strategic structure.

Together Veta and Hydac share a history of collaboration that goes back more than 13 years. Hydac has been a part of the supplier base at Veta, and the relationship has increased lately as Hydac has been selected as a preferred supplier within the category of hydraulic solutions. The relationship between them has especially been of great importance to Hydac, since Veta has had a large share in the growth and development that Hydac has undergone, including the recently increase in strategic development of both customer and supplier strategies. Hydac on the opposite support Veta production as well as technical development both locally and globally, and has to a large degree implemented change in all organization due to specific requirement from Veta.

Network picture dimensions

As explained in the section on theoretical consideration, a number of network picture dimensions are selected for this specific study of the dyadic relationship between Hydac and Veta. These dimensions together forms the understanding of how each firm engage in the relationship

Boundaries

As Hydac is a subsidiary to the larger group Hydac International the firm has a large indirectly network of both affiliates globally as well as customers and suppliers in the wide network. Locally in Denmark Hydac work within a network characterized by a smaller number of suppliers and customers, with whom relations in return is relatively strong, and in several cases long-term. Hydac has a long history of close collaboration with both customers and suppliers, and not many relationships has ended as a result of conflicts, or because Hydac has deselected any. One reason for the smaller network is that Hydac International supplies many of the products and components that Hydac utilize in production or in direct sale. Another reason is that seeking, maintaining and utilizing a large network within a range of industries is costly, and the management of Hydac does not consider the benefits to exceed the cost of managing a larger network. Hydac has a strategy to build close and long term relationship with customers and suppliers and work hardly on keeping the relationships as part of business. There are though a few product categories where a strategy of dual sourcing is implemented, mainly because Veta demands a second sourcing strategy from all their suppliers. .

Veta on the other side holds a large network of both local and global relationships with customers and suppliers from within many different industries. The relationships are mainly chosen due to the factors of price and the handling cost included as part of collaboration. For instance, if Veta has relationships that do not contribute in a satisfying way to the business of Veta, the supplier will be replaced. Veta often tell suppliers that they will be replace by other similar suppliers in the market where there is a strong competitive

environment, if they do not succeed in meeting the demands of Veta. Veta has a dual sourcing strategy in most areas of purchase, and as a preferred supplier to Veta suppliers compete with often more than five strong suppliers. The reason for having a large network is among other that Veta performance in a landscape of high competition as well as a constant focus on price and cost reduction, and therefor are in need of a large network within which they have the possibility to press the suppliers on primary the price, but also factors like delivery performance, payment terms and the ability to organize and structure business due to the requirements of Veta. Another reason is also, that Veta manage a long value chain, and need to minimize the risk of suppliers that do not deliver, and secure a high level of service support on short notes. In that sense the large network of suppliers become as way of securing own delivery performance. Veta as firm spend a lot of resources on managing the network, and due to the supplier portfolio, there is a strong focus on evaluating existing suppliers, developing existing suppliers if considered valuable or seeking alternative suppliers to minimize risk.

Focus

As Hydac has worked on a more relational approach to business as part of management strategy, there is a growing focus on the relationship between Hydac and customers and suppliers, more than a focus on the firms itself. It can be seen in the amount of resources spend on developing and implementing partnership strategies towards suppliers as well as customers. There is though a stronger focus on relationships towards customers, and as Veta is considered a very important customer, much attention is paid to maintaining and developing that specific relationship. The relationship between Hydac and Veta has increased since Hydac was chosen as preferred supplier, and Hydac has approached the relationship with a more relational approach focusing clearly on the relationship between them, more than on Veta itself. This approach however haven't gained much accept from the Veta side, since Veta has a completely different strategy towards the relationship. Veta apply a more firm oriented focus, with attention on Hydac as supplier and Veta as customer. Veta pursue a strategy towards exposure and development of suppliers, more than of the relationship. That can be seen in the communicated supplier strategy, that all suppliers are presented for at the annual supplier-day, and also in the quarterly business review meetings where Veta evaluate performances of suppliers due factors like cost down projects, quality improvement, global performance etc. Due to the specific relationship with Hydac, most focus is on the development potential that Hydac holds regarding each of those factors, and Veta has demand concrete actions from Hydac for how they will serve Veta in a way that ensure Veta strengthened competitiveness.

Directionality of interaction

Hydac is acting as supplier to Veta, and services therefor moves from Hydac to Veta. The interaction between them however can be characterized as reciprocal as both Hydac and Veta communicate and engage in meetings and workshops as part of collaboration. In the relationship Hydac is the giving part, whereas

Veta is the taking part. The quality of Hydac is comparatively positive, as Hydac has main focus on assisting Veta, and likely also because Hydac have a high level of dependence on Veta, as they holds more than 70% of the turnover at Hydac. The quality of Veta in contrast can be defined as both assisting and hindering. Assisting because Veta wants to secure Hydac the best possible preconditions for delivering, but also hindering, because Veta has an agenda for challenging suppliers in order to push them to make positive development, and in that matter might seem as a hindering.

Activities

Individually both firms engage in a long range of activities in their network linked together differently, including multiple resources tied together, and more or less strong bonds between a numbers of actors. In the relationship between Hydac and Veta there is a strong link between activities performed in each of the firms. Veta perform a long range of development and operational activities that are directly linked to the activities at Hydac. An example is when Veta decides to either postpone or frontload production in which Hydac are suppling solutions, systems or components. In that case Hydac experience a strong link to the production planning activities internally, and a derived effect on the purchasing activities towards sub suppliers. On the other hand Veta also experience that activities at Hydac is closely linked to the performance activities at Veta. When Hydac do not comprise delivery time, Veta experience a delay in their ability to perform towards their customers. The relationship is characterized by a high focus on the activities that Hydac performs towards Veta, and Veta often clarifies that it is central for the daily collaboration that Hydac manage to adapt their own activities to the activity setup at Veta, so that Veta can maintain a high delivery performance towards end customers, as well as fast time-to-market for new developed solutions.

Time/Task

As Veta has been purchasing with Hydac for more than 14 years the relationship might be categorized as a long term relationship. The relationship between Veta and Hydac has been a large part of the growth that Hydac has accomplished, as Veta has been a highly important customer for many of those years due to the orders that Veta has placed at Hydac, and also the pressure for development that Veta has exposed Hydac for. For Hydac it is a clear strategic goal to build long term relationships to both customers and suppliers. Following this strategy, Hydac expect to have the opportunity to become an integrated part of business at especially the customers, and by that secure more business including financial stability, the possibility of sharing technical as well as business knowledge during the relationship. Hydac experience that many of their customers move ahead and change the way business is done, and in order to be a part of that transformation and learn from it, Hydac needs to be present in the relationship. Hydac prioritize to build up strong personal relationships between the sales person of Hydac and the purchaser at the customer to secure a tight bond between the two firms, and thereby maintain the relationship for a long period. At Veta they pressure a different time strategy towards e.g. suppliers. Veta often replace purchasers with new purchasers in order to

avoid strong personal relationships, and also suppliers experience to be replaced due to the strategy of sourcing from a broad portfolio of suppliers in order to reduce cost and minimize risk. There has though been a new tendency from Veta side of business to prioritize more long-term relationships, as Veta experience that it demands greatly resources to build up new relationships and to participate in the development of suppliers in order to secure that they have the right approach and set-up towards Veta.

Power

In general Hydac holds a relatively strong power in the network, as Hydac supply solutions, services and components that are of significant importance to the customers. On the supplier side of the value chain Hydac also possess relatively strong power, as many of the sub suppliers rely on the purchase of Hydac as important part of their business. Veta as one of the main actors in the wind energy industry also holds a significant power towards both customers and suppliers. In the relationship between Hydac and Veta to dimensions of power can be found. There is the short term day-to-day power, where Hydac as the supplier of important solutions for Veta has a stronger power position. On the long-term Veta holds the power, as an ending relationship between them will have considerable effects on the business of Hydac, whereas Veta, due to the strategy of dual sourcing, has another supplier ready to take over business from Hydac rapidly.

6. Case discussion

In the above section the extended network picture framework has been applied to the dyadic relationship of Hydac and Veta. The framework constitutes of six selected network picture dimensions; boundaries, focus, directionality of interaction, activities, power and time/task, and have further been extended with the dimension of value.

Using the first six dimensions provides a picture of the relationship that shows a high degree of diversity in how they individually accesses and act within the relationship. Hydac strive to build a small but very strong network with close relationships towards customers as well as suppliers. In opposite to Veta, Hydac prioritize to have a stabile organization towards collaborators, and only rarely change contact persons. Veta on the other hand strive to build a large network in many different industries, and the approach to the relationships can be characterized as arm-length. Veta do not have a strategy of building strong bonds between actors in the relationship, and they often present customers for change of actors in the collaboration groups. The case shows that Hydac has a clear focus on the relationship between the two firms, whereas Veta has a clear focus on the firms within the relationship. Where Hydac develops collaboration strategies, Veta proposes how Hydac might change business in order to meet the demands from Veta. There is a strong link of activities between Hydac and Veta, and the interdependence is high from both sides. Hydac however

experience a strong pressure for adapting an activity structure that supports the structure of Veta, and often receive demands for implementing new activities due to changes at Veta.

As it is the case with Hydac and Veta, scholars within network picture literature have stressed that network pictures do not necessarily look the same from different perspective, in fact *there is no one picture* (Ford et al, 2002 in Mouzas et al., 2006, p. 424), but that network pictures differs when applying an individual, firm or network focus. This case of Hydac and Veta supports this, as the case clearly shows that each of the firm have completely different network pictures. An explanation of this can be found in their individually perceptions of value, as perception of value tend to be actor specific (Corsaro & Snehota, 2010). Reflecting on the seven functions of customer relationships (Walter et al., 2001), and the relationship value drivers (Ulaga, 2003) the case shows that customer Veta access and approach the relationship to supplier Hydac with the intent to create a collaboration that benefits Veta on a number of elements. Specifically Veta highlights that being able to exert pressure on the supplier through cooperation and through Veta's other network to deliver a better cost and prices, is considered important. Furthermore Veta highlights the importance of creating activity links that supports the business of Veta in a way that secure delivery performance as well as supports the strategy of short time-to-market for new developed solutions. Veta holds a clear firm focus, and consider it to be valuable that the supplier manage to organize own business in a way that supports the business of Veta.

Hydac on the other hand access and approach the relationship mainly because there is a profit possibility in the business with Veta, and the case shows that Hydac highly depend on the profit and volume of orders from Veta, and therefor structure and organize network and business in order to meet the demands of Veta. Hydac prioritize a minor but strong and long term relationships. The reason for this is the wish to become an integrated part of business at both customers and suppliers in order to secure a part of the value chain, as well as a part of their continuously development.

7. Conclusion

Value can be regarded as the center of collaborative customer-supplier relationships" (James C Anderson, Hskansson, & Johanson, 1994). The present study introduces the notion of value to the network picture discussion. The network picture concept as sense-making device for managers and researchers to understand network and relationship are found to be valuable when searching for answers to how firms access and approach the network in which they are embedded. The question of why firms act and prioritize as they do in the network is however not captured in current discussions on network pictures. By applying the concept of relationship value to the network pictures of the two case firms, Hydac and Veta, it is possible to add on a new level of understanding that captures why each of the firm make choices in their network and joint relationship.

8. Literature

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