

A business relationship ending process - stages and actors

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Abstract

This research increases our knowledge of the business-to-business relationship ending process. It answers a question of how to describe a process of business relationship ending, while considering both the aspects of time and the multiplicity of actors involved. Previous research has predominantly been cross-sectional and applied only the viewpoint of one actor. As relationship ending is a process this research takes a processual approach. Moreover, as ending influences several actors, this research incorporates the multiplicity of the actors (individuals, companies, other relationships) involved into the model.

Understanding the ending process explains how ending happens, how the changes from an existing relationship to a dissolved relationship take place. The process of ending is seen to consist of actions performed by the actors, as well as their perceptions and decisions concerning the future of the relationship and the consequences they have on the relationship. The underlying assumption is that what happens in the relationship changes both the relationship itself and the network of other actors in which it is embedded.

The ending process is modelled by using six stages, which describe the different action and time periods of the process, and by using five levels, which describe the different actors, which bring the process about. The process model helps to understand the events, which take place more or less at the same time and the interconnection between them.

The research is carried out as follows. First, relevant literature is reviewed to find existing theoretical process models of business relationship ending. Second, a model is tried out against empirical knowledge acquired from a case study. Third, the findings of the case study are used to adjust the tentative model accordingly thus developing the empirically grounded process model.

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Abstract

How to describe a process of business relationship ending, while considering both the aspects of time and the multiplicity of actors involved? This research builds a process model of business relationship ending, incorporating both the time dimension and the multiplicity of the actors. A longitudinal, dyadic case study is conducted to develop the empirically grounded process model. The model distinguishes six stages in the ending process and depicts different actor levels that are involved.

Introduction

This research aims at increasing our knowledge of the business-to-business relationship ending process. We have a fairly uncompleted understanding of the ending phase as such (e.g. Dwyer, Shurr and Oh 1987, Sheth and Parvatiyar 1995) although the ending of business relationships is currently viewed as one of the essential elements of marketing (e.g. Fiocca 1982, Grönroos 1997). The main interests in the existing research have been the dissolution as a cognitive decision making process (e.g. Heide and Weiss 1995) and the communication strategies used during the dissolution process (e.g. Alajoutsijärvi, Möller and Tähtinen 2000). Although significant contributions in dissolution research, certainly not enough to reveal all the aspects of the phenomena.

How to describe a process of business relationship ending, while considering both the aspects of time and the multiplicity of actors involved? As relationship ending is not an event, but a process (see Pettigrew 1990) this research takes a processual approach. It builds an empirically grounded model of a business relationship ending process, incorporating both the time dimension (actions, events, stages and process) and the multiplicity of the actors (individuals, both partner companies, and network actors). First, I use existing research to find whether suitable theoretical models are available for the purpose of this study. Second, a theoretical model is tried out against empirical knowledge acquired from a case study of business relationship dissolution in software context. Third, the case study is used to develop the empirically grounded process model. The paper ends with a discussion of the model and future research.

A theoretical model of the stages of relationship ending process

The theory of business relationship ending is only evolving; therefore no terminological conventions have been established. Tähtinen and Halinen (2002) suggest that different terms should be used when referring to different kinds of endings, e.g. that ending could be used as a general term, and that dissolution could refer to naturally ending relationships. Therefore, in this research the term ending is used as the model constructed aims to cover all kinds of endings.

The process of ending disconnects the former partner companies from each other by cutting the activity links, the resource ties and the actor bonds that have kept them together. As Dwyer et al. (1987) suggest, more than just one stage is necessary to describe the complex process over time. In addition, relationship ending is likely to

involve several actor levels in each partner company (individuals, departments, business units, the companies as a whole) and in the connected network of relationships (third parties, dyadic relationships to them and broader networks). The model this research proposes aims to incorporate these complexities.

Tähtinen and Halinen (2002) have reviewed 45 articles focusing on relationship ending. They divide these studies into four approaches, of which the business marketing approach is of interest here. The decision to choose only the business marketing approach is a restriction made on purpose. I fully acknowledge that the studies focusing on consumers switching behaviour (e.g. Keaveney 1995, Roos 1999) contain valuable results and areas of interest (e.g. emotions in the ending process) that can contribute to the research on business relationship ending. However, interorganisational business relationship ending differs from consumer switching behaviour and that the differences hinder a single model from sufficiently describing both kinds of relationship ending.

The business marketing approach includes 20 studies on business relationship ending, of which 10 place their focus, as does this research, on the ending process (Tähtinen and Halinen 2002). These ten studies, as well as one recent process study (Halinen and Tähtinen 2002) were searched to find suitable models of ending process for the basis of this research. In the following the contribution and the focus of these studies are examined.

Of these eleven, Alajoutsijärvi et al. (2000) and Giller and Matear (2000) focus clearly on a specific stage of the ending process, namely on communicative strategies based on Baxter (1985). Alajoutsijärvi et al. (2000) suggest strategies that will minimise potential negative consequences of the ending. Apart from continuing the discussion on useful disengagement strategies, Giller and Matear (2000) also suggests a model of inter-firm relationship termination, e.g. of such ending where one actor decides to terminate the relationship. Thus, the article focuses a particular type of dissolution and provides descriptions of two stages in the process: termination decision making, and communicating the decision to the partner.

Grønhaug et al. (1999) place their main focus in a particular aspect of the ending process. They study a case where relationship fades away but the individuals (of one partner) involved in the relationship do not realise the ongoing change. The study discovers that the individuals come to hold so rigid mental models during the long relationship that these models restrict them in perceiving the changes in the relationship. The study sheds light on important aspect of ending – the perception of warning signals. If managers know what signs to look for, they can be more aware of the situation of their major relationships during any stage of their development and thus major changes do not come as surprises.

The study by Rosson (1986) focuses on changes in international channel relationships. It finds that a relationship can deteriorate in a fairly predictable way but also in an unpredicted manner and that the terminated relationships are sometimes replaced with other exporting modes. Gadde and Mattsson (1987) discover exit patterns taking place as a company once used as a single source supplier was gradually eliminated from the supplier base. However, the secondary data used did not allow Gadde and Mattsson to explain the patterns, nor did they describe the actions of the parties within the different patterns or exit processes. However, these two studies clearly conclude that different kinds of ending processes take place.

Havila (1996) and Havila and Wilkinson (1997) focus on the life after relationship ending. Their conclusion is that relationship ending is a controversial issue, as relationships can stay alive as the involved individuals continue doing business with

each other, although not in the ex-partner companies. The studies bring forth the important issues of actor levels, which this research aims at taking into consideration.

The remaining literature focusing on the business relationship ending process consists of four studies (Halinen and Tähtinen 2002, Halinen and Tähtinen 1999, Tähtinen 1999, Tähtinen and Halinen-Kaila 1997), reporting different phases of a research project. All these studies use not only the aforementioned studies as a source, but also consumer research on customer exit and switching (e.g. Roos 1999), channels research on relationship termination (e.g. Ping and Dwyer 1992), economics (Hirschman 1975), and social psychology (e.g. Duck 1982) to develop the theoretical process model of business relationship ending. Tähtinen and Halinen-Kaila (1997) builds a model of triadic network ending and Tähtinen (1999) as well as Halinen and Tähtinen (2002) restrict the focus to a single relationship ending. Since Halinen and Tähtinen (2002) is the only model that covers more than a few stages or aspects of any kind of ending process as well as includes different actor levels, it will be used in this research as the theoretical model to be grounded empirically.

Figure 1 presents the theoretical model (Halinen and Tähtinen 2002). The ending process is described by dividing it into different stages and by presenting its content in terms of activities undertaken and decisions made by the actors involved. Although we model the process in stages, we do not imply that the ending process always proceeds through all of the stages or in that exact order, rather the contrary. Several trajectories are possible. Nevertheless, the stage description is reasonable since it helps to divide the complex process into smaller and more comprehensible time periods and to underline those managerial actions that are needed for the advancement of the process.

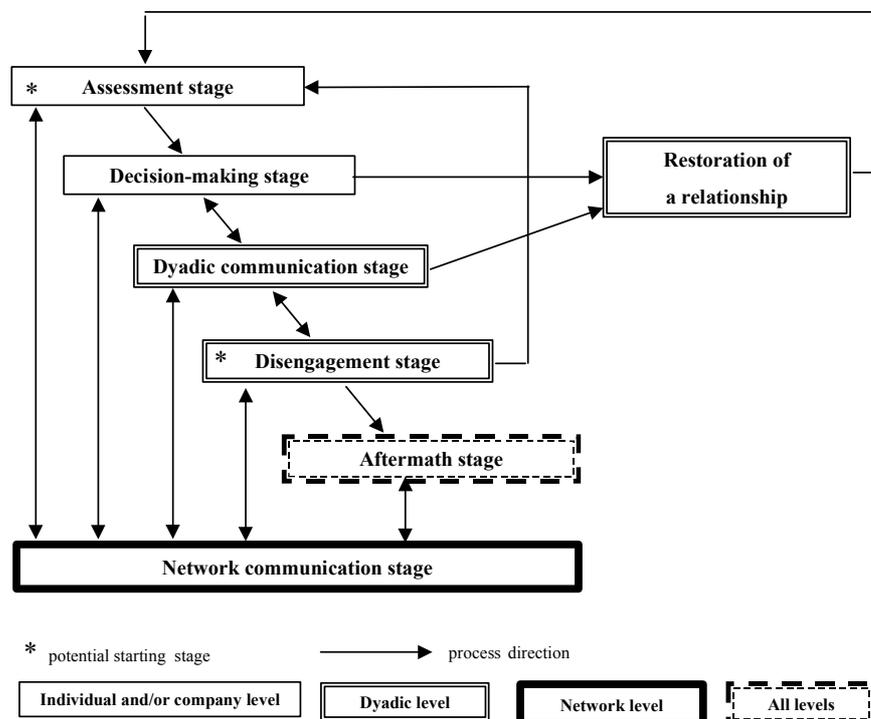


Figure 1. Stages of business relationship ending (Halinen and Tähtinen 2002)

In *the assessment stage* the reasons for dissolution and the attenuating factors are considered. In *the decision making stage*, either the individual having the authority or a group in the company makes decisions about the relationship's future. Adopting an

exit strategy in *the dyadic communication stage* means that the company aims to end the relationship but the voice strategy allows companies to take steps to restore the relationship. In addition to voice strategy, in which the partner wants to restore the relationship, four different exit strategies are distinguished, two indirect – disguised and silent exit – and two direct – communicated and revocable exit. By using disguised exit, the company wishing to end the relationship hides its real intentions. For example, it increases the partner's relational costs making the partner react and end their relationship. In silent exit the partners do not explicitly discuss the ending of the relationship, although they may share an implicit understanding that it is ending. Using communicated or revocable exit, the partner company will be directly informed about the exit intention. In the case of communicated exit, the exit decision remains final, although it is discussed with the partner. In revocable exit, the disengager company is willing to alter its ending decision after joint discussions.

If a voice strategy is used, the success of *the restoration of relationship* depends on the reactions of the partner. Unless the parties agree on performing restoring actions, *the disengagement stage* also starts during the dyadic communication stage. In this stage, usual business exchange starts to decline and therefore the existing ties, bonds, and links erode. In *the network communication stage*, the partners announce the dissolution to the other actors in the network and manage the consequences. The dissolution is finalised in *the aftermath stage* where both of the actors create an *ex post facto* account of the relationship dissolution to be disseminated within their companies and to the network. Halinen and Tähtinen (2002) stress that the stages are a combination of all the stages the dissolution process may travel through. Not all the stages occur in all endings, and their order of appearance can also vary.

The empirical grounding of the tentative process model

The tentative process model was empirically grounded through a longitudinal, instrumental case study of two business relationships. Data was collected from both seller and buyer organisations as well as important network actors through interviews and also from written sources in order to ensure triangulation (Denzin, 1984). The data collection procedures as well as full case stories are reported in Tähtinen (2001).

In the following, I will first describe the changes to the tentative model, that the empirical grounding prompted. The reason for this somewhat unusual order of presentation is that the empirical grounding took place while I was analysing the two cases, but these two stages of the research process cannot be described here at the same time. Therefore I have decided to first tell the reader more about the end result, e.g. the empirically grounded model, and then use it to analyse the two cases. This way the reader can also assess whether the model helps us to understand the ending process.

The theoretical model suggests that business relationship ending proceeds through several stages. When analysing the case data it became obvious that these stages did not optimally describe the process that the relationships went through and therefore modifications to the stages were needed. In the following, the modifications are shortly presented; followed by a short discussion about the actor levels.

In this research the view of active actors encompasses the notion that actors behave with an intention of achieving some target. Thus the purpose of each action had to be considered when deciding what stage would best describe that particular action. In addition, managers perform actions that either do not produce the wanted results at

all, produce some wanted and some unexpected results, or produce only unwanted results. These actions are also incorporated in the dissolution process.

The main modifications involve the titles and the content of the suggested stages. By changing some of the titles I aim to describe the content of each stage more accurately. Often the need for changing the title came from a better understanding of the actions performed during the stage, in other words the content of the stage.

The assessment stage was changed into a consideration stage, as the new name better distinguishes the considerations concerning the ending of the relationship from the ongoing evaluation or assessment of every relationship. Such ongoing assessment is a part of every phase of a relationship and thus it is not only a stage in the dissolution phase (see e.g. Järvelin 2001). Moreover, as long as the outcome of the assessment is satisfactory, in other words the evaluating persons are satisfied with the relationship and thus wish to continue it, it is not part of the dissolution process. As soon as the outcome of the assessment turns into an unsatisfactory one, the assessment can continue with considerations of what to do with the matter – either to continue or to end the relationship. The content of the consideration stage covers also all the information seeking that is done related to considering the ending and making decisions about it. Shortly, a consideration stage involves actors' decision-making behaviour, which evolves around the question of continuing or ending the relationship.

The suggested aftermath stage was modified in much the same way. I discovered that the actors did reflect on their previous behaviour in the relationship, not only after it had ended, but also during the ending process. This sensemaking behaviour also influenced their decisions and actions during the dissolution process. Therefore I chose to combine the aftermath stage; i.e. sensemaking after the dissolution, with the sensemaking that is done during the dissolution process. The new stage is thus labelled the sensemaking and aftermath stage.

Moreover, the purpose of its behaviour is to protect the actors themselves, to prove that they did not make mistakes, to enable them to think what they could have done differently, and to reduce their cognitive dissonance related to the process. Therefore, I added also the 'storytelling', i.e. spreading the news and telling the actors' own side of things to others in the network to the content of this stage. It is difficult to separate storytelling from self-reflection because they often happen simultaneously. Telling the story also changes it and the speaker can realise something new from the story, which again helps her/him in sensemaking.

The stages of dyadic and network communication were combined in the communication stage for two reasons. Firstly, the actor levels are sufficient means to determine whether the communication, or any other action, is performed at dyadic or at network level. Secondly, the aims of the dyadic communication and the network communication are different. The dyadic communication is about the future of the relationship, i.e. discussions about exit and/or voice, and/or informing the other party about the decisions made. The network communication can also be related to e.g. seeking additional information about the partner from the network, while considering the future of the relationship; these actions are now seen as a part of the consideration stage.

Thus the label 'dyadic communication' is for two reasons too restricting to describe the actions and the actors at this stage. Firstly, it suggests that the actions involve only the two parties of the relationship. This is a too narrow interpretation because the disengager company may well use a network actor to convey the message to the soon-to-be ex-partner. Secondly, a network actor can intentionally or

unintentionally send exit signals to the partner, even without the disengager company's knowledge of it. Therefore, from now on the stage is labelled as a communication stage and it refers to the communication that is about the ending or the continuation of the focal relationship, regardless of the level of the senders of the message.

Network communication can also be aimed at ensuring that the ending of the relationship is possible, i.e. developing new relationships and securing network positions. This type of communication will be conceptualised as a part of the enabling stage. This new stage also involves actions to lower the exit barriers, whether they are internal or external. The enabling stage emerged from the data. Strong barriers make relationship ending impossible, even though at least one actor would wish it. Thus the enabling stage consists of actions to destroy the barriers in order to make the ending possible.

The disengagement and restoration stages were the only stages suggested in the theoretical process model that so far have remained unmodified. Thus the stages that are now used to describe the dissolution process are: the consideration, restoration, disengagement, sensemaking and aftermath, enabling, and communication stages.

The theoretical model suggested that different actor levels would help understanding the dissolution process in more detail. The suggested actor levels were; the individual, the company, the dyadic, and the network level. The case analysis suggests that all these levels are useful in understanding the stages of the process in detail. However, the case material prompted also changes to the suggested actor levels. The tentative model proposed that certain stages would occur in certain actor levels, e.g. the dyadic communication would take place in the dyadic level. However, this proposition did not receive grounding in the case study. On the contrary, it became clear that actors at different levels can e.g. communicate exit intentions in the dissolution process. Thus after modifications, the stages describe the content of the action and the actor levels describe the performers of the action.

Before presenting the cases, a notion related to the actions and events that each stage is divided into. One action and/or event may indicate more than one stage within the dissolution process. For example, companies may decide to change the contact persons to restore the relationship (indicating restoration stage), but at the same time, it ends a personal relationship and disconnects an important communication link between the companies (disengagement stage). Moreover, different actor levels may perceive the same event differently, thus indicating different dissolution stages.

Two cases of relationship ending processes

The long and winding end

Case description

The first case is about the ending of a relationship between a buyer (Customer) and a seller (Seller) of a data warehouse solution. Already during the early days of the relationship Customer became dissatisfied with the performance of the Seller and several critical events took place. As the restoring actions did not satisfy Customer, the personal relationships of the Project Managers of the companies ended up in a conflict. The working atmosphere was far from co-operative, although there were attempts by companies' higher management to resolve the situation.

Despite the difficulties in co-operation, the software was delivered, but it crashed when used. Generally the situation culminated into Customer blaming Seller for bugs in the software and thus refusing to accept the delivery while Seller blamed Customer for changing the specifications and not setting up the hardware needed. After higher management negotiations, Seller agreed to change the software after which Customer accepted the application and the warranty period began.

However, the consultant that had developed the software left Seller before the application was fit for production use and it slowed down the work considerably. Customer felt that they had to have the application to production use one way or another before the warranty period was over. This prompted Customer to hire Seller's partner company (Partner) to finish the application quickly and reliably. Seller considered the hiring of Partner as a contract violation, which led to the invalidation of the warranty of the software. As a result, Seller contacted Customer's concern Head Office and a Resolution group was set up to settle things between Customer and Seller. In spite of the efforts, the group was not able to resolve the disagreements. Instead, it decided on the minimum corrections that they wanted Seller to make to the application (again) and, after that, to end the project. However, Seller's efforts in doing the agreed corrections did not satisfy the group and they made a formal complaint to Seller. This meant that Customer would not do any further business with Seller until the complaint was resolved.

The dissatisfaction towards Seller had reached a level where Customer together with its long-term software vendor (Old Seller) started evaluate other alternatives for data warehouse development. The conclusion was a decision not to continue the data warehouse development with Seller. The relationship with Seller was officially closed in the Resolution Group's last meeting.

After this Seller reorganised its customer support unit, which resolved the remaining problems in the software. This more or less resolved the official complaint, but it was too late to restore the relationship with Customer. Old Seller was already developing a totally new data warehouse system to Customer and the software developed by Seller was never used.

Case analysis

In the focal relationship, the stages started in the order pictured in Figure 2, but at some point of time, they were all going on simultaneously. Thus the stages are not to be understood as subsequent, like in history. Therefore the issue of when a certain action and/or event took place (absolute time) is not considered important in the following analysis. The stages of the dissolution process describe the content of the actions and decisions, whenever they take place.

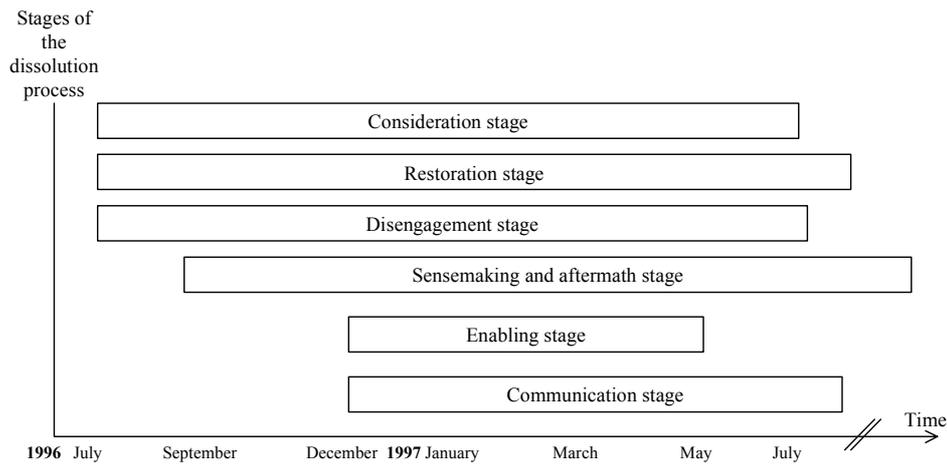


Figure 2. Stages in the long and winding end

The first of the stages was *the consideration stage*, during which the end or the continuation of the relationship was considered and decisions were made concerning the continuation of the relationship (see Figure 3).

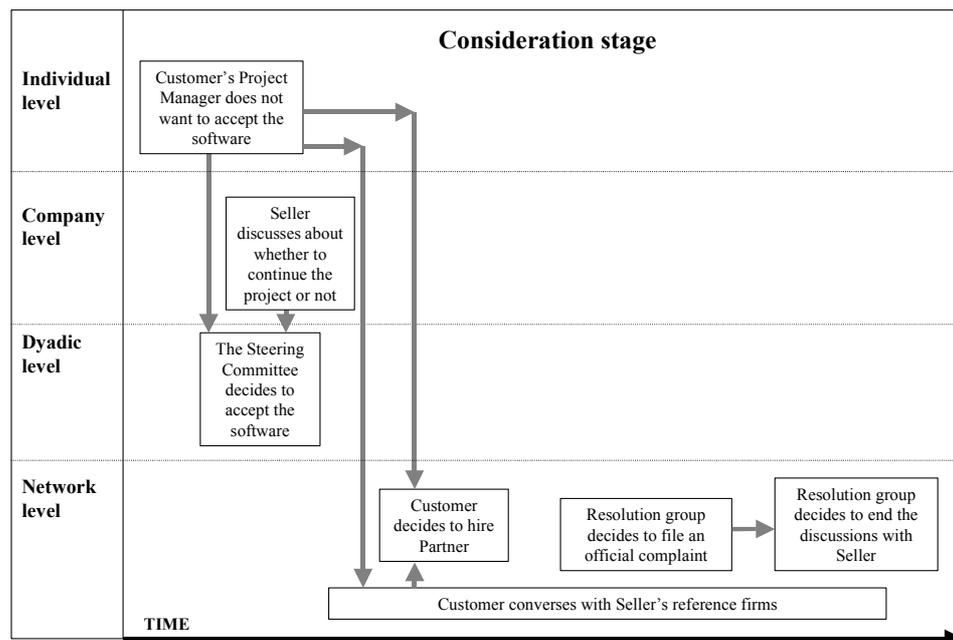


Figure 3. The consideration stage of the long and winding end

The first event consists of several actions in both companies and in the relationship. In Customer, the actions accumulated so that the Project Manager became convinced that Customer should not accept the software. She doubted the competence of Seller's Project Manager and as she knew people from his previous company, she talked to them and asked what they knew about him. At that time she also found out that the Project Manager was a rather new employee in Seller, which increased her dissatisfaction with the co-operation.

Customer: In the end of September when in the project it was agreed that the last day they deliver the material and applications and everything, so then the Seller's Project Manager just marches up to

me and hands over a blue folder. "Here's the documentation and application is there, so sign here that this has been delivered." It was quite a surprise. It didn't quite go as normal ... We hadn't been shown the functioning application and documents hadn't been looked through or nothing. Just a folder like that. But we had agreed that the documentation would be done according to our standards. Then I tried right there if the application worked and it crashed straight away. I didn't even get to log in when it showed some error notice. --- Well, then, we didn't sign that paper.

Seller considered the continuation of the relationship in internal discussions. Especially Seller's Project Manager perceived the situation in the project as difficult. This prompted the question of whether or not to continue the project and the relationship. However, Seller decided to continue the focal relationship, as Customer was a part of large concern, with which Seller wanted to develop a relationship.

Seller: Within Seller we did have these talks with our Project Manager that our people don't want to visit the customer, talks on how each person had seen difficult projects, but the line must go somewhere, that where it is. We have had some rough talks about it but the other side won.

Within both companies, there was thus dissatisfaction with the relationship and some even wished to end it. However, during the last meeting of the Steering Committee, both parties of the relationship wanted to continue and they made compromises to resolve the disagreements. Thus in the end of the first event, the partner companies reached a conclusion to continue the relationship.

Seller: Before Christmas, I remember that we were in Customer's meeting room having Christmas cookies so it was before Christmas, we had a meeting and we signed the paper that the system delivery was accepted. And we thought that now it's wrapped up, thank God and now the warranty period starts.

Although the release had been accepted, not everyone in Customer was satisfied with the situation. The software was still not free of bugs and it was not functioning properly in production use. Customer's Project Manager still wanted to be sure that if they were to continue the data warehouse development with Seller, the enhancement projects would proceed differently than the current one. However, as she contacted Seller's references, she became more convinced that Seller was not the right choice for Customer.

Customer was not satisfied with the defect removal that Seller had promised to take care of. They talked about the matter with IT-people from the concern's head office (a network actor) and came to the conclusion that it would be best to change the supplier. Seller's Consultant was very busy, yet he was the only one doing the removal. After he left Seller, Customer decided that it was necessary to hire another consulting company, namely Partner, to work with the solution.

Head Office: Of course we discussed it passionately! Everyone was so fed up with Seller's actions that no way. Personally I can't understand such an attitude: that no - how should I put it - customer satisfaction was even sought after. --- It wasn't like they even tried, it left a feeling that they didn't even try their best, they were kings and that's it, we just should accept it. And then everything [that was wrong] was peachy inherent characteristics, so it can't fit to my head or then again as the saying goes; change products, if it has these characteristics. These characteristics are quite enough, thank you very much.

Seller became worried about the state of the relationship. They contacted Customer concern's Head Office IT-Director, who already was familiar with the project's problems and it was agreed that an impartial Resolution Group was to be formed. However, the Group's discussions with Seller did not advance as desired. The Group had to re-evaluate the situation and came to the conclusion that it would have to file an official complaint to show that this was a matter that needed Seller's serious attention.

Resolution Group: Then when the matter didn't seem to progress and the summer holidays were approaching, we had talks about how long we are going to keep the meetings going on. That how much do we want to use money, as preparing for meetings costs money. --- We decided that we were going to try and get the minimal repairs in tack, i.e. the hard codes and defects, and then we are going to call it quits. The project wasn't expensive, I mean the part that we had agreed to buy, or perhaps a bit expensive, but not any gigantic project, so it's useless to spend so much money if we are not going anywhere. Then we decided to file an official complaint, which was done by the Purchasing Director and the lawyers from the Head Office.

The last event that took place during the negotiations concerned the complaint. The Group was aware that the plan to set up a concern-wide data warehouse system no longer hinged on the software tools of Seller. This gave the Group a new opportunity to consider the ongoing relationship with Seller, which at that time basically evolved around the complaint negotiations. When the data warehouse plan it no longer hindered the ending, the Group considered it best to stop the negotiations. The decision also ended the relationship between Customer and Seller.

Resolution Group: Well, the project's, i.e. data warehouse development had been started on the side but not with Seller's consultants, Old Seller was in it, and, in it the success of the product choices that is Seller's success had been questioned a little. This was connected to the question of how long we were going to continue the talks with Seller.

During *the restoration stage*, actions are directed towards saving the relationship. As with any actions, their goal may not be achieved. This is also the case in the focal relationship. As Figure 4 shows, many restoring actions took place, but in spite of them the relationship ended. Moreover, as the quotations reveal, an action or an event meant to restore the relationship can be perceived in quite the opposite way by the partner company or by some individuals involved in the relationship.

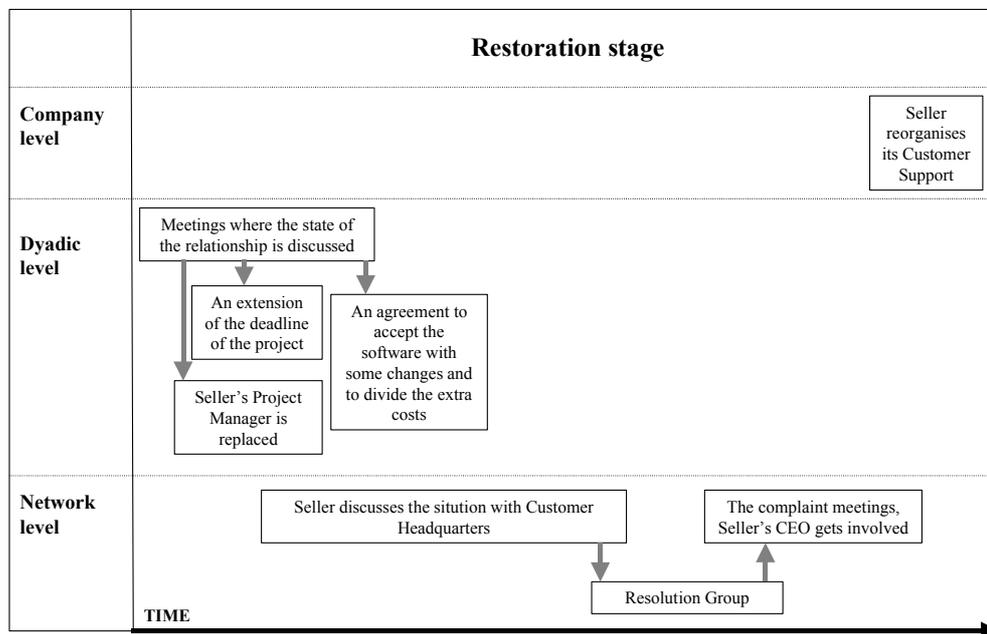


Figure 4. The restoration stage of the long and winding end

Most of the restoring events took place at the dyadic level. This means that there was a certain level of joint attraction and commitment when both actors took part in these restoring actions. The first event consists of the discussions that the members of the Steering Committee had. The discussions took place both within the companies and between the companies. The atmosphere in the Project Group was not co-operative;

thus the Steering Committee discussions were meant to restore the working atmosphere so that the relationship could continue. The relationship continued, but the atmosphere in the Project Group did not change much.

Customer: At the beginning we tried to get a grip on it and we talked with them [Seller] and talked with our Project Manager, that she shouldn't take such a strict attitude in relation to these [things]. And talked with Seller and all around tried to smooth things over. It only started to aggravate from there.

Seller: The result of the meeting was that both [parties] had the will to continue. And then we went through some open issues and agreed to complete them.

By the time the project deadline was closing, the problems in the project became more clear and concrete. The Steering Committee discussed the matter again and the Committee's agreement was that it was best to aim for functional software, even if the deadline would have to be slightly extended. Thus the buyer was willing to compromise on the dead-line to continue the project and the relationship.

In spite of the attempts of the Steering Committee to restore a good working atmosphere in the Project Group, the atmosphere did not recover. On the contrary, things got worse and some kind of solution was needed in order to continue the co-operation. After a few more discussions, it was decided that Seller would switch their Project Manager so that the conflicts between the Project Managers could be resolved. The switch took place, but that did not improve the situation much.

Seller released the software, but Customer was not happy about it. However, to continue the relationship, the Steering Committee, made a decision to accept the software and to divide the costs of the changes in it and in the documentation that Customer wanted to be done.

The next restoring actions at the network level are connected to each other. Seller had discussed with Customer concern Head Office concerning the difficulties in the focal relationship. Seller considered these discussions attempts to resolve the conflicts in the relationship at a higher level, but Customer did not share this view. The discussions led to the decision to set up a Resolution Group to clarify the situation. First the group interviewed the main persons from Customer and thereafter from Seller as well as Partner. The group's report was never finished and delivered to Seller. The interviews and the discussions did not contribute to restoring the relationship; on the contrary, they led to an official complaint.

The last event of the restoration stage took place at the company level. Seller reorganised its Customer Support unit and hired a new person to manage the unit. One issue in the complaint was the technical support, which Customer had not been satisfied with. Some problems continued until the new Customer Support Manager was able to fix them. As for saving the relationship, this restoring event came too late.

The disengagement is a *stage* where the actor bonds, activity links, and resource ties start to weaken and in the end, break down altogether. The first bonds to be broken in the focal relationship were the actor bonds, as the co-operation in the relationship decreased, and conflict started to appear as the prevailing state of the Project Group's work (see Figure 5). The parties clearly were unable to understand each other, and as the project moved on the communication problems got worse.

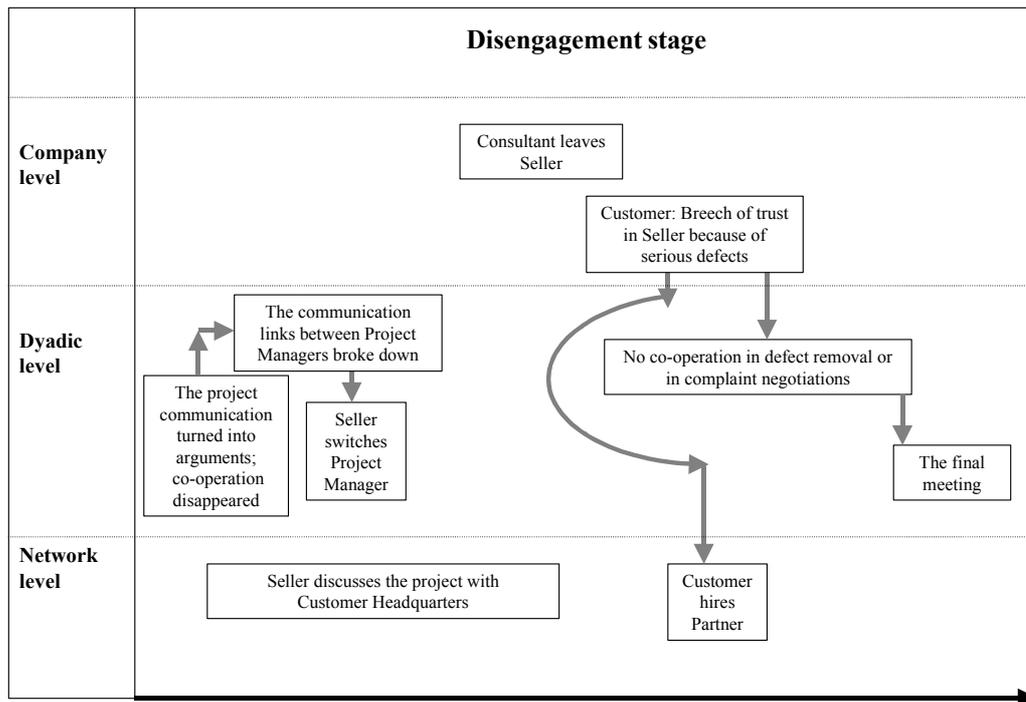


Figure 5. The disengagement stage of the long and winding end

Customer: You could feel it in the meetings that the atmosphere was real tight and that there was like this small poking and jibing going on from both sides. (laughter) Well you could see from it, that there was a feeling that they [Seller] aren't willing to co-operate anymore. You could sense it quite easily.

At the dyadic level, the atmosphere was tense, but at the network level, that is between Head Office and Seller as well as in the Steering Committee, co-operation still prevailed. However, the series of discussions Seller had with Head Office were perceived by many of Customer's persons as violations of the rules of project work. In projects the two main communication links are 1) between the two Project Managers and 2) between the Project Managers and the Steering Committee. The discussions Seller was having with Head Office and the Steering Committee did not involve Customer's Project Manager. Therefore, Seller broke both the main communication links from Customer's point of view.

The next two events escalated the communication problems in the relationship. The personal relationship between the two Project Managers broke down completely. Seller's Consulting Manager and Customer's IT Manager then decided to switch Seller's Project Manager, but the situation did not improve, as also she soon stopped communicating with Customer's Project Manager.

Old Seller: And then the personal relationship between the project managers of Customer and Seller were totally in a gridlock. At that point there should have been the sense to change people earlier from one of the sides.

Customer: And then it went to the personal side then when the supplier announced that they don't want to be involved with our Project Manager and they want someone else doing the testing. --- And then Seller's Project Manager once went through the defects with ours. After that she announced that she doesn't want to be involved with our Project Manager and then just went through the stuff with our IT Manager. It was kind of ugly the rest of the year, going on like that.

The next action took place at the company level, when Consultant Philip left Seller. From Customer's point of view, his leaving broke down an important resource tie in the relationship, as he was the main developer of the software. Moreover, as

Seller was short of consultants who would have time to work with the software, also activity links, as far as the defect removal was concerned, almost broke down. Customer felt that they were left with software that did not work and that the seller was not doing much in debugging it. Moreover, Customer found such serious bugs in the software that made them lose the last remaining trust in Seller.

Customer: I found that the whole software wouldn't have worked in 1997 because they had hard coded the year 1996 to the software.--- There were couple of other hard codes there so it wouldn't have been very flexible anymore. And of course you lose trust, this is 1996 and all that should have been excluded from operations long ago.

Customer: It like stuck to my mind that damn it, do we need to write down every little detail with these people [Seller] that this and this and this is what we demand or want from our co-operation. This hadn't been needed before so we didn't know how to prepare for it.

Customer needed to have the software in production use, and hired Partner to perform the task. Seller saw this as a clear violation of the contract; therefore they perceived that the warranty had been nullified, as Customer had let another software company change the code. It is commonly accepted that the developer company's responsibility of the code ends in such situation. From Customer's point of view, Partner was doing the defect removal that Seller should have done, but had not.

Seller: After the project was handed over, the customer changed suppliers, i.e. according to the customer Partner came to correct errors, our viewpoint is that they [Partner] came to develop the software further.

The final series of actions are all related to the negotiations the Resolution Group had with the representatives of Seller and Customer. As the quotations reveal, at the beginning of the negotiations, all parties felt that the opposite party was not co-operative, to say the least. This was a reflection of the dissolved relational bonds of attraction, trust, and commitment.

Seller: First in the meetings the buyer was aggressive but as the fault report was studied a bit further, the situation calmed down.

Resolution group: Seller didn't seem to prepare for these meetings. The attitude was that: "we'll be there if something like this is organised but you can explain all you want".

After a while, the group started to feel that the negotiations did not lead anywhere, and they decided, together with Customer, to make an official complaint. The negotiations concerning the complaint ended when they had reached an agreement about Seller offering the training that the technical personnel had not yet received and removing what Customer considered to be the major defects in the code.

The sensemaking / aftermath stage includes all the actions through which the individual and/or group actors make sense of what has happened in the relationship. These actions include thinking and explaining previous actions, one's own as well as other's. This self-reflection is not just internal; sensemaking can also take place in conversation with an insider or an outsider. Explaining an event to someone is not just about stating the actions as they took place; at the same time, the speaker creates the event, as she/he perceives it at the moment. Moreover, the speaker may have a need to protect her/himself, and to present the event to the listener in such a way that it does not highlight her/his own mistakes in it, at the very least. In addition, the speaker may receive information from the listener that helps her/him in the sensemaking. The information may convince her of her own story or it can also make her doubt her own explanations and revise the story.

Because the function of the actions in sensemaking and in the aftermath is the same, I am using only one stage to describe both. Sensemaking turns into aftermath

once the actors are aware of the immediate outcome of the event. In the relationship, the sensemaking which took place once the complaint negotiations ended can be labelled the aftermath. In this case, if the outcome of the dissolution process had not been a dissolved relationship, the story of the dissolution phase would be a story of a serious but temporary difficulty in the relationship. Moreover, some of the actions that now are being explained as the faults of the opposite partner or as their lack of trying their best would be explained differently in that situation.

Most of the sensemaking / aftermath stage took place at the network level, as shown in Figure 6. This is partly due to the fact that so many network actors were closely connected to the focal relationship, for example the Customer concern Head Office, Partner, and Seller's other customers. Another explanation is that as the relationship was not free from problems, in Customer there was also an increased need to make sense of the 'mess' and, in doing that, to seek help from other actors that knew Seller. This explanation can also be applied to the continuing internal discussions that took place in both Seller and Customer.

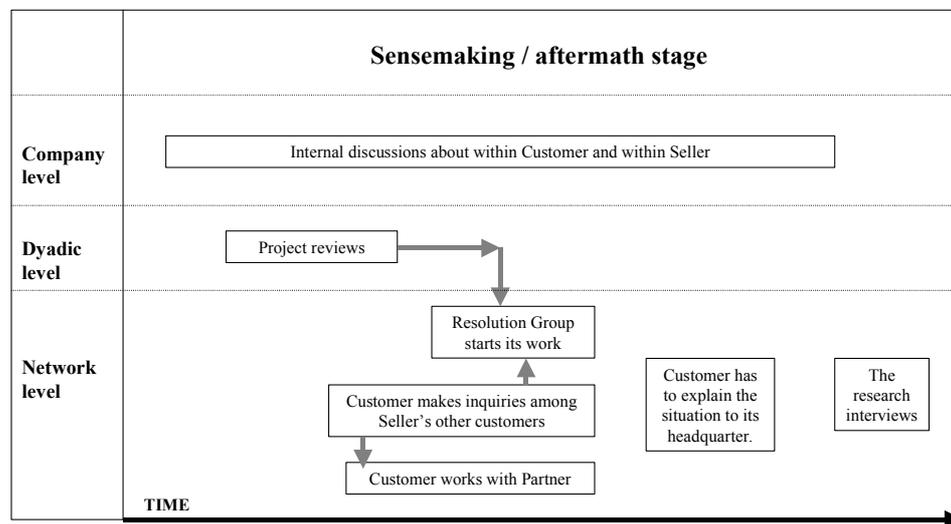


Figure 6. The sensemaking / aftermath stage of the long and winding end

The first time the actors jointly reflected back on the project and the relationship so far at the dyadic level was during the project reviews. Both the Project Group and the Steering Committee filled in standard project review questionnaires. Through the results of the reviews, it also became obvious to Seller and Customer concern Head Office that the situation in the relationship was alarming. This resulted in the formation of the Resolution group, which interviewed the main persons from involved companies (Customer, Seller, Partner). This way the sensemaking moved to the network level.

When Customer asked Partner to work with the solution, it was also forced to explain its reasons for this. It is not a very common task for a consulting company to step in and start changing a solution that some other company has developed. Moreover, Partner and Seller were business partners.

While Conscom was working with the solution, Customer's personnel could compare their way of working with Seller's. The comparisons, the information from other persons and network actors who were familiar with Seller, and learning more

about Seller's software tools made Customer change their previous perceptions about Seller. The change was, however, not for the better.

Head Office: Then later on, I talked with Partner and others so they said that there are [the software tools have] these, these, and these options and of course then you thought, well, didn't they [Seller] swindle us nicely.

Within both the companies, the persons involved in this relationship naturally talked about it with each other. In addition, because the relationship ended, also other persons within the network had to be told about it. Moreover, as the troubles in the relationship affected the everyday work in the companies, some of the individual employees also spoke their minds to their personal network.

This research offered an extra opportunity to the actors to tell the story of the relationship. From these interviews, it was clear that the persons had gone through the relationship in their minds as well as with e.g. their friends and had tried to explain why it went wrong. Their stories had time built into them; each speaker clearly spoke with all the knowledge she or he now had and with that knowledge she/he could offer explanations of the past events she/he could not have made at the time.

Seller: I think that at that point we should have as suppliers stopped everything, get a new approval for this and then just agree and develop the rest of it so that it can be taken into operational use. But, but something radical should have been done at that point, then we would have reached the goal roughly in the target schedule and expense frame. --- The situation looked like this or it looks clear only afterwards, back then it was quite confusing as there were lots of complaints and defect lists and complaints from both parties, from our workers and from Customer that things are totally screwed

In addition to the explanations about the course of the events, the interviewees also had a final opinion about the relationship and about the opposite party. Some had also quite firm opinions about what they would do, if they would now be at the same situation as they had been in the beginning of the project.

Customer: Yeah, there are all kinds of suppliers. (Laughter.) I have to admit that I myself had, like it was a shock that, that I don't know. Well, I haven't been more than eight years on the job but I have yet to meet suppliers like [this]. This was, to be frank, the record low, like they had the nerve to say to a customer all sorts of things and act like they did.

Seller: This was hard on the personal level, as these kinds of 'dramas' aren't played normally. Usually the problem people are changed and the work continues, i.e. it is strictly business.

Customer: If I would do this, if I had this same situation again, I wouldn't do any freaking data warehouse. That's a fact.

The enabling stage consists of all the actions that aim for lowering the exit barriers or minimising the attenuating factors. An internal barrier may be e.g. from the viewpoint of an individual disengager, the strong relational bonds of other powerful individuals within the company, who want to continue the relationship. Another example of an internal barrier would be a contract. On the other hand, from a contract one can find reasons to rely on when ending the relationship – although the real reasons may not be related to any contract violations. Enabling actions include also developing new relationships and securing network positions, these make it possible for the disengager company to end the relationship without large losses or disruptions in the company functions.

In the focal relationship, most of the enabling actions involved the network level as Figure 7 shows. There were two reasons for this, firstly the relationship between Customer and Seller was positively connected to the relationship between concern Head Office and Seller. Secondly, the need for the software solution did not vanish, and because of that the same tasks had to be performed anyway. Therefore Customer

needed a complementary software consulting company to develop a working data warehouse system.

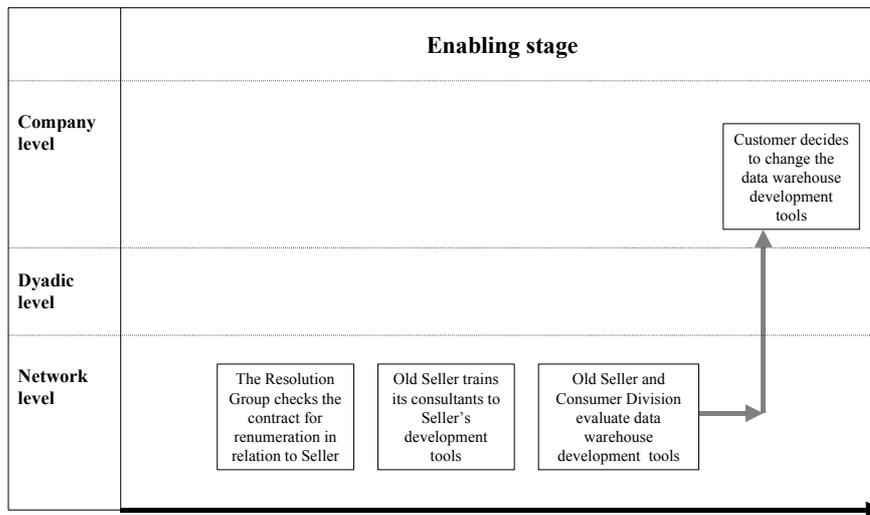


Figure 7. The enabling stage of the long and winding end

The first event took place at the network level, when the Resolution Group, which had members from Head Office in it, started to carefully read the contract Customer and Seller had signed. They were looking for something that would give Customer a right to point a finger at Seller and claim compensation. The Customer had not received all the training that had been agreed upon in the contract, and Seller's Customer Support had not been performing as promised, but otherwise no major contract violations were found.

The second network-level event started when Old Seller, the consulting company, whose consultants already had been involved in the project, started to train their consultants for Seller's software tools. Once Old Seller's consultants knew how to use Seller's tools, they were able to perform also data warehouse consulting services to Customer with Seller's software tools.

At this point Customer was still satisfied with Seller's software tools, but dissatisfied with Seller's consulting work. By using Old Seller's consulting and Seller's tools Customer wanted to prove that the choice of the software tools was not totally wrong, but that the choice of the consultants was. If the Head Office, which had made both the choices, would see that the consulting choice was not the best possible, Customer would be free to switch the consulting company.

The last event that enabled the ending of the focal relationship also involved a network actor. Customer set up a group to evaluate different software tools designed for data warehouse development, and Old Seller took part in the work. Such an evaluation is a normal pre-project task in software development, but in this case, Customer had not been able to take part in the evaluation.

The evaluation group came to the conclusion that Seller's tools were not the optimal solution for Customer's data warehouse solutions. The solution that Customer now had was evaluated to see if it or parts of it could be re-used in the data warehouse solutions to come. When it was concluded that there was little that could be re-used, it was easy to make the decision of changing also the software tools. This decision enabled not only the ending of the relationship between Customer and Seller, but also

the relationship between Head Office and Seller. Later on, Old Seller started to develop the data warehouse solutions for Customer.

Customer: In tool comparison it was brought up that in the future, the tool is not necessarily Seller's. Old Seller was already at that point in it. So it was speculated that if we would expand to a bigger data warehouse as originally planned, how much from the pilot could be re-used there. And it was verified that not much, so we might as well change the tools.

The communication stage and the enabling stage were the last stages to start during the dissolution process. The actions in the communication stage encompassed communication about the ending or the continuation of the focal relationship. In the theoretical model, the stage was labelled as the dyadic communication stage. However in this case the network level was the sender of the messages, as shown in Figure 8. The communication concerning the ending of the relationship was mostly indirect. Only in one communicative event, the conduct of the official complaint, was the buyer also involved.

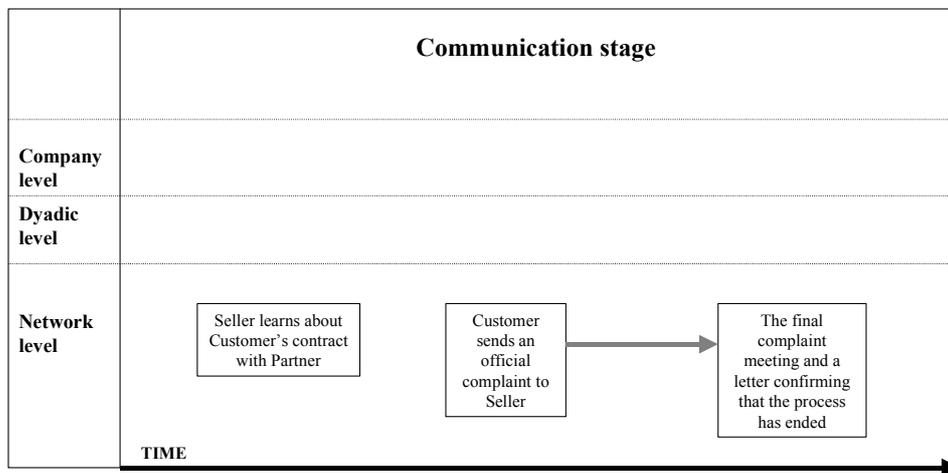


Figure 8. The communication stage of the long and winding end

The first event was a warning signal. Customer had decided to hire Partner to work with the solution as already described. Partner was Seller's partner company, so Customer's switching to another vendor remained no secret to Seller. There are still different views about the matter. At the time Seller felt that it should have been asked permission concerning the switch because of the warranty period; today it still feels that it (or the right persons in Seller) was not consulted about the matter in advance. Customer claims that it did ask Seller its opinion on the matter. Anyway, the contract between Customer and Partner was a direct and self-oriented way of communicating Customer's wish to end the relationship.

Seller: This was a very secretive issue. The customer had forbid Partner from telling us and did not itself inform us about Partner coming aboard. Officially we heard about it only when the customer and Partner already had signed a contract and we were asked to transfer knowledge to Partner.

Customer: We then asked from Seller "what if we use Partner?". Then they did some like presentation or not quite an actual training, but anyway told Partner what they had done.

During the time when Partner was working in Customer, Old Seller started to train their consultants in the use of Seller's software tools. This again was a warning signal to Seller, because Old Seller had an ongoing relationship with Customer, which could have been enlarged into data warehousing as well.

The negotiations with Seller and the Resolution Group did not advance smoothly and the group decided to express the disappointment of Customer in a more official way. With the help of Head Office lawyers, they drew up an official complaint and sent it to Seller. This was the first direct message from the Customer and also from Head Office that they were seriously considering ending their relationship with Seller. As Customer also announced that the next projects depended on this first project ending successfully, the complaint left Seller with no doubts about what would happen. Thus there was a movement from an indirect strategy to a direct communication strategy, from signalling to attributional conflict (see Alajoutsijärvi et al. 2000), which was evident already when Conscom was hired and which continued during the formal complaint period.

The meetings and the work that Seller did with the solution continued after the formal complaint. However, Customer still felt that, the changes did not take place at the desired pace during the few meetings they had had. So, in the end, Customer decided that it is best to end the process and leave the matters with the software as they were.

Researcher: About the time with Seller, about finishing after all the complaint meetings, did you get all that you wanted or were things left a bit open? **Customer:** Yeah, it was the last option that something was left but then we found that there was no sense in continuing so we would settle for this now.

Although the communication and the enabling stages were the last ones to start during the dissolution process, the stage that ended the dissolution process of the continuous relationship was the sensemaking / aftermath stage, as the theoretical model suggested.

The short and direct end

Case description

The second case is about the relationship between Customer and Partner, Seller's partner company. The purpose of the relationship was to finish the development of the data warehouse solution started by Seller. As already mentioned, the relationship started because Customer was not satisfied with Seller's software development. The relationship between Partner and Customer started smoothly. Partner reworked the software's customer interfaces and reports as well as tried to speed up the system's response time. However, this task revealed some problems related to the quality of the data that was imported from the Customer's legacy systems.

At the same time Old Seller's consultants were developing the Customer's legacy systems and thus Partner communicate directly with Old Seller. Old Seller was also training its consultants in data warehouse development tools and Partner's consultant even ended up giving advises to Old Seller's consultants. The relationship between Customer and Old Seller developed successfully and the number of Old Seller's consultants working with Customer increased.

As a whole, the relationship between Partner and Customer continued without any problems. Partner finished the application and Customer accepted it without major corrections. However, no project closing or post mortem meeting took place. A while later, Customer made a joint request for proposal to both Partner and Old Seller concerning the future development of the data warehouse system. Partner invested time in making the offer and Partner and Customer scheduled a meeting to discuss the offer further during an international software conference. The negotiations never took

place because Customer's representatives never showed up. Partner's CEO was annoyed, because the conference was a busy time for him.

After that, Partner was no longer willing to continue the relationship with Customer and thus ceased communication with Customer. Meanwhile, Customer filed an official complaint against Seller. The complaint also hindered Customer to spend more money on the enhancement of the data warehouse Partner had been finishing. Consequently, Customer did not accept Partner's offer and decided to develop a new data warehouse system with Old Seller. Along with this, Customer stopped using the software that Partner had finished.

Case analysis

In the focal relationship, the stages started in the order pictured in Figure 9, but at some point of time, they were all going on simultaneously, as in the first case.

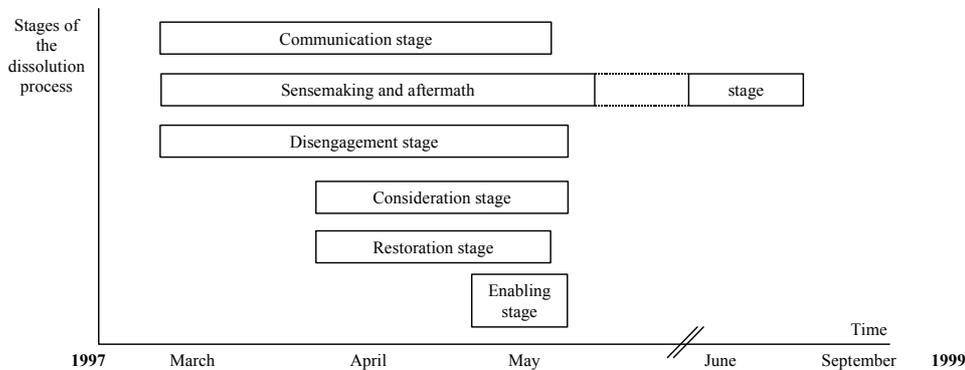


Figure 9. The stages in short and direct ending process

The first communicative actions took place at the dyadic level and all the rest involved the network level, as shown in Figure 10.

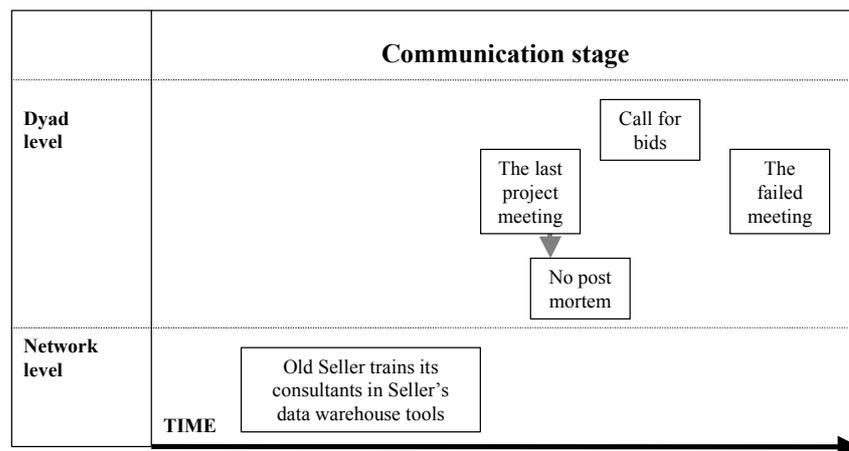


Figure 10. The communication stage in short and direct ending process

The first events were that the consultants of Old Seller trained themselves in Seller's data warehouse development tools and got more involved in the project work. Partner's consultant perceived the events as a sign of Old Seller's success in

deepening its relationship with the Customer. Thus it was as indirect communication about the future of the relationship between Customer and Partner, although the sender of the message was not the buyer, but a network actor Old Seller. The communication strategy can be labelled as signalling (Ping & Dwyer 1992). Alajoutsijärvi et al. (2000) present signalling as an indirect and a self-oriented strategy, in which the disengaging partner behaves in a self-oriented manner. In this case, also the network actor was self-oriented as it did not show any concern for the consequences of its actions to Partner, its competitor.

Partner: “Well, the thing that Old Seller’s consultants, who were of course swarming there [at the Customer] ... I guess that was such a signal. --- It really was a sign that there was an agreement that they’ll take care of the job. I remember thinking about that a little bit.”

During the last project meeting, the Customer applied a more direct communication strategy when it stated that the future development of the data warehouse would be put on hold until there was enough user experience available to evaluate the solution. This still left a door open for the continuation of the relationship.

The third event - a fact that a certain event did not take place - was noticed in Partner as something unusual and therefore it was perceived a message. It is a custom in software projects to end the project with a post mortem, in other words a project-closing ceremony. In the focal relationship, no project closing-ceremony was arranged. To Partner, the missing project closure meant that Partner remained unsure about the satisfaction of the customer.

However, the call for bids that Customer sent to Partner and Old Seller asking them to submit an offer jointly communicated the opposite message to Partner, i.e. that Customer was satisfied and that there still was a chance to continue the relationship via new projects. However, the fact that the Customer did not meet Partner to discuss the offer as agreed was an indirect communication about the missing will of Customer to continue the relationship. The agreed meeting that never took place can be labelled as an indirect and rather self-oriented cost-escalation exit strategy. It annoyed Partner, and, as a result, Partner withdrew itself from the relationship by not contacting the Customer after that. Moreover, there was no direct communication between the companies about Partner’s offer or about the reasons why Partner’s offer was not accepted.

During the sensemaking / aftermath stage individuals involved in a relationship make sense of the events and create their own story of the relationship as well as disseminate it. This stage began already before the project had been finished, actually at the same time as the communication stage. Figure 11 shows the actor levels involved in the sensemaking / aftermath stage.

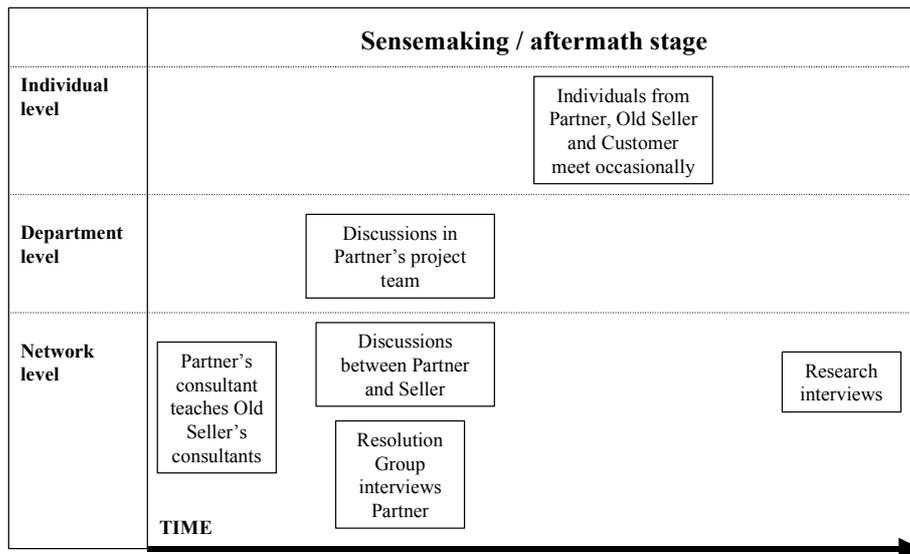


Figure 11. The sensemaking / aftermath stage in short and direct ending process

This stage began at the network level, as Partner's consultant gave pieces of advice to consultants from Old Seller, as they were training themselves in Seller's tools. While working, Cyril did think about what the consequences for Partner would be when he was sharing his own knowledge with Old Seller's consultants. Anyhow, his decision was to not to refuse to give advice, rather to concentrate to the task that had to be solved and let the Project Manager take care of the rest.

Partner: "As a matter of fact, when I was teaching features of Seller's product to few of Old Seller's consultants, it sometimes came to my mind that perhaps I should not be doing this. But well, we just went through such matters that had to be cleared, so that was it. I didn't play any games, because the division of labour in our team was so clear."

At the department level, once the project had been finished, Partner's Project team moved on as a team to work with another customer, which gave them a chance to have a few discussions about the focal relationship. However, special assessment or evaluation meetings concerning this project did not take place at the company level, neither in Partner nor in the Customer. Because the project had been only a small and a unique one, for Partner, this was an exception to a rule

After the relationship had ended, during next summer, Partner's Consultant met his colleagues from Old Seller and from Customer on a few occasions in his free time. The unplanned meetings took place in the local 'nightlife'. These occasions are treated here as taking place at the individual level, as each person was representing more her/himself than her/his company. Still, the conversations referred to their jobs as their acquaintance originated from the focal business relationship.

In addition, the dissolution was also discussed at the network level in the regular meetings between Partner and Seller. This was because of their partnership and the fact that both Partner and Seller had had a relationship with the Customer. However, no plans to win back the customer were made.

It has to be noted that the relationship between the Customer and Seller was connected to the aftermath stage of the dissolution process of the focal episodic relationship. As described earlier in the case description, the Resolution Group was set up to resolve the conflict between the Customer and Seller. This group also interviewed Partner's project team. This was an event that forced the team to think back in time and recall the relationship.

A further network-related event that involved individuals both from the Customer and Partner was the interviews for this study. The interviews once again forced the actors to create a story and to tell it to a network actor, this time to the researcher. The following citation reveals that even years later the relationship can be looked at in a new light.

Partner: “But yes, as a matter of fact, I remember that I couldn’t think it at the time, because after these two years I have run into this in other cases, so now it is more clear to me.”

The disengagement stage consists of four events, each happening at different actor levels, as seen in Figure 12. The first event took place at the network level: Old Seller, started to acquire competence to perform the same task the focal seller was specialised in. This was reflected in the focal relationship because it decreased the buyer's dependency on the focal seller and at the same time increased the amount of available alternative suppliers, thus decreasing exit costs.

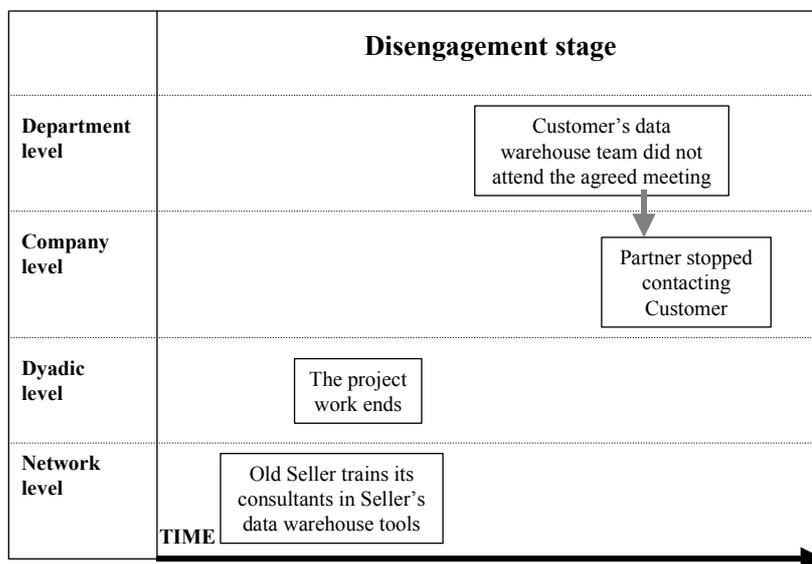


Figure 12. The disengagement stage in the short and direct ending process

The second main event, the last project meeting, where Customer accepted the project and it was closed, disengaged most of the resource ties and activity links. No specific guarantee period was agreed on, and Partner was not asked to do any changes to the software after the last project meeting. The Customer told Partner that they would evaluate the solution in production before deciding on further enhancements. In both companies the individuals disconnected themselves from the project group they had jointly formed. Moreover, in the summer Partner’s project team started to develop a new relationship with another customer company, which quickly received their undivided attention. Thus most of the activity links and resource ties were disjointed.

Customer: “Partner asked whether we had any needs for further enhancements, so that in a way it would be settled to them. But, at that stage we didn’t want to commit ourselves, when we had to have it [the data warehouse system] in production use first.”

However, the links, ties, and bonds were not totally disjointed, because at the same time actions to continue the relationship were taken. These are discussed later on in the restoring of the relationship stage.

As a part of the actions to continue the relationship, Partner’s CEO arranged a meeting with Customer’s data warehousing team to discuss the proposal at an

international conference they all were attending. However, no one from Customer showed up for the meeting. As a result, the seller considered it best not to take any further contact to the buyer. The seller thus gave up the efforts to continue the relationship and let the disjointed communication and joint planning links rest in peace. As no communication links survived after this, the actor bonds were cut off along with them.

Partner: Well, I did not exactly strike them out from my address book, but I did not actively contact them after that. --- So we did not keep in touch, although usually we do provide good after-service [for our customers].

The next two stages, namely the consideration stage and the restoration stage, took place to a large extent at the same time. The first actions of the first event of the consideration stage took place in the Customer as shown in Figure 13. These actions were more related to assessing and deciding about the continuation of the relationship than about the dissolution of it, as the Customer was considering which company it would hire to develop the data warehouse solution in the future. It decided to send Partner and Old Seller a joint call for tender, based on the assumption that the solution would be developed by using Seller's software development tools. Partner had already from the beginning of the relationship wanted to continue it after the first project. Thus Partner negotiated with Old Seller and decided to do the necessary preparations to be able to place the bid.

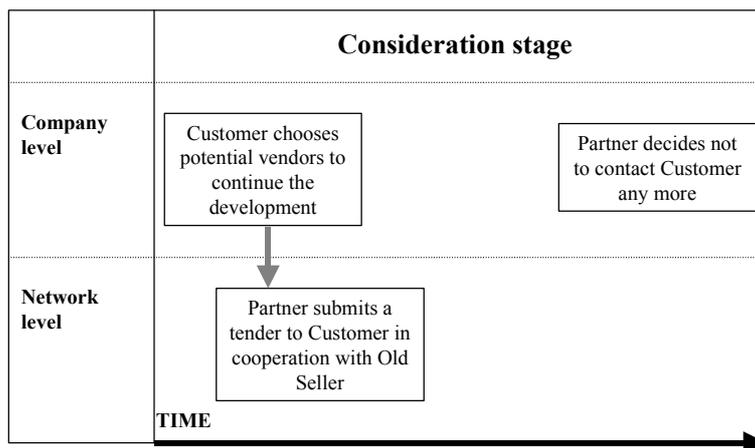


Figure 13. The consideration stage in the short and direct ending process

Partner's considerations and decisions concerning the end of the focal relationship took place later on, after the meeting at which buyer representatives did not show up. Partner's decision not to contact the Customer after the failed meeting was the CEO's decision, but it applied to the whole company.

The restoration stage started while the project work was being finished. Figure 14 shows that one main event can be considered to form the restoration stage. However, it concerned not so much restoring the relationship, but rather attempts to continue it after the predetermined ending point, i.e. the end of the project. If successful, the relationship would have continued, which had been the goal of Partner. The first actions took place at the network level, involving all three actors, and the second took place at the dyadic level.

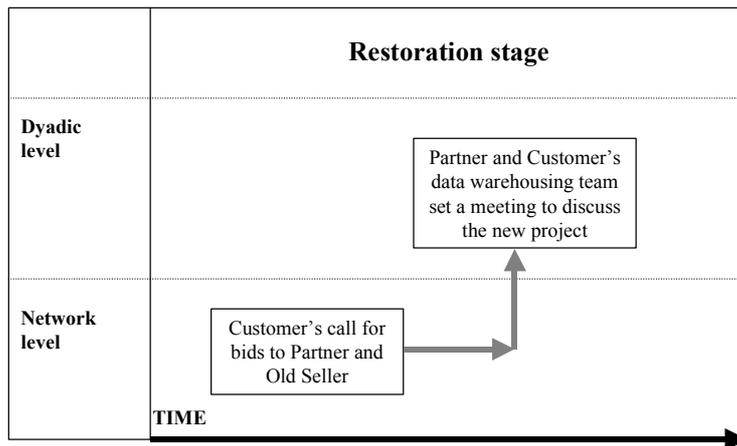


Figure 14. The restoration stage in the short and direct ending process

Partner was still attracted and committed to work with the Customer and did lot of work, which included discussions with Old Seller, to enable it to send in its tender. In addition, Partner tried to discuss the tender more closely with the Customer. As already described, none of these restoring actions ended the dissolution process.

The enabling stage is the last stage to start in the dissolution process. It consists of only event, which took place at the company level as Figure 15 shows.

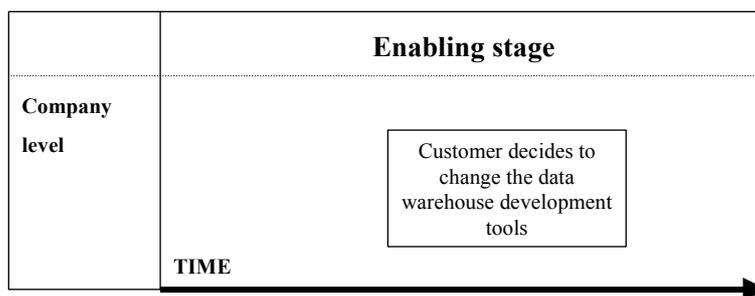


Figure 15. The enabling stage in the short and direct ending process

In the event the Customer set up a committee to evaluate different data warehouse development tools; some of Old Seller's consultants were among its members. However, it was the Customer's data warehouse team's decision to change the software tools, and that decision enabled the dissolution of the focal relationship. Moreover, the data warehouse application the Customer currently had was also evaluated. The committee found its expandability low and therefore the buyer decided to start the data warehouse development again, but using other development tools than Seller's. The decision to change the development tools also meant that Partner's consulting services and expertise in Seller's software tools were no longer needed.

Customer: We did some comparisons to other products and analyses of different databases such as Seller versus Company B and Seller versus Company C, testing performance and so on. We found that Seller's tool, I mean as an interface tool, was not necessarily the best possible choice from the very beginning, considering a changing environment such as ours.

The dissolution thus started with the communication, sensemaking / aftermath, and disengagement stages and ended with the sensemaking / aftermath stage. The new things that appeared in this dissolution process concerned the communication stage. A

network actor as a sender of exit communication and perceptions of a non-existing event as a message were such notions that were incorporated into the modified model of relationship dissolution on the basis of this case.

The empirically grounded model of relationship ending process

The theoretical model was empirically grounded through the case analysis. The proposition for relationship ending process description is presented in Figure 16.

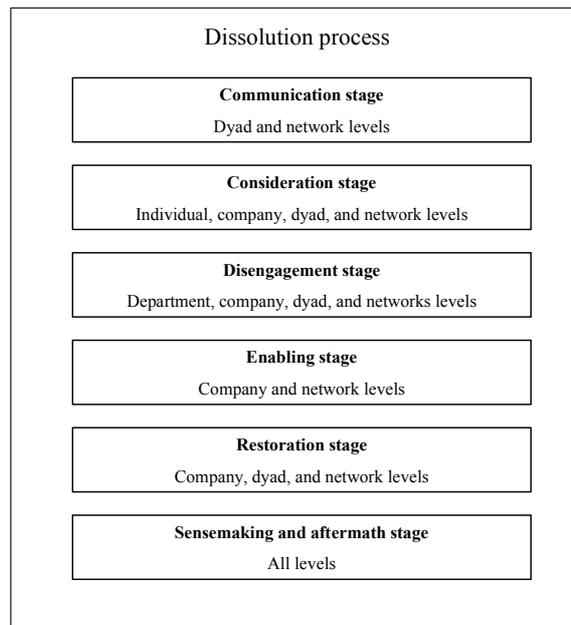


Figure 16. The stages and actor levels of business relationship dissolution process

The stages with which both cases have been analysed have been adjusted from the conceptual dissolution process model. The adjustments included combining the assessment and decision-making stages into a consideration stage, combining the dyadic and network communication stages into a communication stage, adding an enabling stage, and adjusting the aftermath stage to a sensemaking / aftermath stage. The consideration stage is composed of the actors' decision-making behaviour (including information seeking and uncertainty reduction) concerning the question of continuing or ending the relationship. The communication stage refers to all communication (be it within one collective actor, the dyad or the network) that concerns the ending or the continuation of the focal relationship. The new enabling stage involves all actions aimed at making the ending of the relationship possible. Finally, the sensemaking / aftermath stage refers to all actions that are performed in order to explain the process and safeguard the actors during it (sensemaking) or after it (aftermath). The disengagement and restoration stages were the only stages suggested in the theoretical process model that remained unmodified. Thus the stages that are now used to describe the dissolution process of the focal relationship are: the consideration, restoration, disengagement, sensemaking and aftermath, enabling, and communication stages.

Although the process is modelled in stages, this does not imply that the dissolution process always proceeds through all of the stages or that the stages have any order, rather the contrary. The stages are used to divide the complex process into smaller and

more comprehensible time periods and to emphasise that in each stage, managers' actions differ. Many stages may take place simultaneously because different actor levels are performing the actions. For example, individuals in the buyer company may be considering to end the relationship while the seller company is restoring it.

The theoretical model suggested that different actor levels (the individual, the company, the dyadic, and the network level) would help understanding the dissolution process in more detail. A business relationship exists between two company actors, but one is capable of ending it through its own actions (Simmel 1950). Therefore, at least two actor levels are needed in order to study the dissolution process, namely the relationship and the company level. Moreover, large companies consist of smaller units and within these units, single managers can be powerful actors (see e.g. Alajoutsijärvi et al. 2000). In addition, other network actors can influence the focal relationship and its actors, either towards or away from the dissolution. Therefore, a network level is needed to shed light to the actions of third actors.

Discussion

The stages of business relationship ending process provide a detailed view of the dynamics of relationship ending. No longer do we need to talk about the ending phase as a single entity but we can refer to the stages, i.e. to different action periods within the phase. Moreover, the model gives support to the notion that the end of a relationship is not similar to the beginning of the relationship but needs its own conceptual language, if it is to be understood.

The process model of relationship ending is one of the few models that have applied a processual perspective. The compiling of stages includes individual, department, company, dyadic, and network levels, thus reflecting the view of structural embeddedness (see Halinen and Törnroos 1998) that underlies the process. The model also acknowledges temporal embeddedness, i.e. the different time periods that can be used as a tool to analyse the process or any process. By analysing both the different periods (actions, events, stages and phases) and the different actor levels, the model had sought high specificity.

The ending process model highlights actors' actions and the fact that these actions drive the process, but also may stop or stall it. Restoring actions are as important in the process as the terminating ones. It is also emphasised that not every ending travels through each of the stages and certainly not in a prescribed order or even any order. The cases strongly suggest that in fact, the order of the stages may not be an important issue at all, as many of the stages may take place simultaneously. Thus the model is flexible enough to let the complexity of these processes be discovered.

This study creates an understanding of how relationships end and how they can be ended, and also how they could be restored. Knowledge about the process, and its stages helps management to look for early and vague signals of ending process. If these are detected early enough, decisions can be made whether to try to restore the relationship or to prepare the company for its ending. Moreover, a company may wish to terminate certain unwanted relationships. In any of these situations, proper management is needed in order to avoid negative consequences to any of the involved actors (see also Alajoutsijärvi et al. 2000).

Even if the relationship ending was unwanted, something good may come out of it. The aftermath stage, if used consciously, forms an ideal occasion to turn even the most unpleasant ending into a useful learning experience for the whole company. There is often as much to learn from failures as from success stories. At best, the

lesson learned will help the company manage other relationships and potential ending processes.

As this research presents an empirically grounded framework of business relationship dissolution in software business, the obvious avenue for future research is theory testing. The process model needs to be tested, and the first context to do it is tailored software business. Obviously, the model would benefit from an examination in other industries, too. I assume however that modifications would be needed to the model if it were applied in a different context, as context and action are interwoven.

The different stages of the dissolution process: i.e. the communication, consideration, disengagement, enabling, restoration, and the sensemaking/aftermath stages, all deserve dedicated research in their own right. For example, the communication stage is one turning point in the dissolution process and therefore merits extra attention.

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