Managing in and out of networks - forms of co-strategising

Debbie Harrison
Norwegian School of Management, BI
Department of Strategy and Logistics
Nydalsveien 37, N-0484 Oslo, Norway
E-mail: debbie.harrison@bi.no

Elsebeth Holmen
Norwegian University of Science and Technology
Department of Industrial Economics and Technology Management
Alfred Getz vei 1, N-7491 Trondheim, Norway
E-mail: holmen@iot.ntnu.no

Ann-Charlott Pedersen
Norwegian University of Science and Technology
Department of Industrial Economics and Technology Management
Alfred Getz vei 1, N-7491 Trondheim, Norway
E-mail: pedersen@iot.ntnu.no

Abstract

In this paper we contend that there is little idiographic empirical research that considers the issue of deliberate networking action in network contexts. The ability of an organisation to manage *in* a network context involves the three myths of; action, limits to discretion and completeness (Ford et al., 2003). The corresponding dualities of inter-dependence, interaction and incompleteness are said to reflect the reality of being embedded in and managing in relationships and networks. In other words there is a two-sidedness for the organisational unit embedded in a network; the pull of the network and the action of the individual organisation (Håkansson and Ford, 2002; Möller and Halinen, 1999; Möller and Svahn, 2003; Ritter, Wilkinson and Johnston, 2004; Zolkiewski, 2007). Yet the paradox logic reminds us that an individual, embedded firm still needs to act, to try and control and influence, to suggest ideas and initiatives, set limits and seek opportunities.

We address the issue of deliberate networking action in network contexts through the use of two complementary case studies. Both cases are examples of firms attempting deliberate networking action or experimentation in strategy project settings. Both projects are triggered by problems within the organisation concerned with capacity and competitiveness, and a relational solution is perceived as necessary and desirable. The case companies reflect different forms of strategising, at different levels of the organisation, with different external counterparts, and in different periods of development/time. The use of the two complementary cases suggests four forms of deliberate networking action 'in and out of' network contexts. That is; muddling out, muddling in, managing out and managing in respectively. We end the paper with a discussion of these four forms of strategising and suggestions for further research into the topic of deliberate networking action and strategising in network contexts.

Keywords: Managing in, networks, management, strategising, case study

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1.0   Introduction

It is fair to say that IMP research typically considers that the actions of the organisation in a network are incremental and emergent over time (Håkansson and Ford 2002), and in this vein is similar to the emergent strategy school of thought (Mintzberg and Waters 1985). As a result, there are relatively few studies focused on the issue of deliberate networking action in network contexts.

In this paper we address this issue of deliberate networking action in network contexts. This implies that the purpose of the paper is to describe, conceptualise and discuss how firms develop strategies in a network setting, and thus both consider which counterparts to involve and in what way, and the degree of deliberate intentions versus emergent thoughts that characterise the strategising efforts. The paper is based on two complementary case studies, one in the construction industry and one in the food processing industry.

In the next section, we review literature on managing in relationships and networks, with a specific focus on how deliberate strategic action in a network context has been addressed. Furthermore, we describe the research design and give a brief presentation of the two cases. Based on the case studies, we then analyse and discuss the different forms of strategising in relation to different external counterpart and the degree of deliberate intentions. We end with presenting a matrix showing different forms of strategising in a network context.

2.0   Theoretical basis

2.1   Management in relationships and networks

In an IMP perspective the network is as important as a team of managers in an organisation in terms of being able to act. Interactions within the network of relationships both restrict and enable action and the network sets the freedom of action just as much as the manager does (e.g. Ford et al., 2003; Håkansson and Ford, 2002). A firm is embedded in a network context that is relatively stable, long term and has emergent properties (Axelsson and Easton, 1992; Easton, 1992). This has implications for the extent of control possible by a single organisation (Håkansson and Snehota 2002; Ritter et al., 2004; Wilkinson and Young 2002) and it highlights that networking actions are concerned with management *in* relationships and networks, not managing *of*. That is*, "all firms are simultaneously involved in the ongoing management of the network, and the resulting structure and performance is coproduced by their actions"* (Ritter et al., 2004:177).

The ability of an embedded organisation to manage *in* a network context involves the three myths of; action, limits to discretion and completeness (Ford et al., 2003; Gadde et al., 2003). This leads to a number of network paradoxes, all of which centre around the tension between individual action and collective interaction (Awaleh, 2008; Håkansson and Ford 2002). The three key aspects of networking (Ford et al. 2003) are in terms of (i) how existing relationships enable and constrain development, (ii) influencing counterparts and being influenced in order to maintain and develop existing network positions and (iii) the extent of control and co-operation within a network. 'Business-as-island' type isolated networking action is therefore essentially denied by IMP (Håkansson and Snehota 1989, 2006) when network structures are assumed to be ongoing, long term entities with emergent properties.

As a result networking actions in exploring the 'scope for action' by managers in an organisation are typically considered to be incremental and emergent over time (Håkansson and Ford 2002), and in this vein IMP is similar to the emergent strategy school of thought (see Baraldi et al., 2007). Hence, managing and strategising in a network context is considered to be incremental in nature and embedded in activity and resource links within key relationships. Nevertheless, as the second and third network paradoxes suggest, organisations *do* attempt deliberate action in attempting to mobilise from their existing network position.

However, there is a paucity of empirical, longitudinal research centred upon the issue of deliberate networking action when organisations are embedded in network structures. This is in spite of the paradox logic (Håkansson and Ford 2002) reminding us that there are two sides of the ability to manage in a network, which can be proactive and reactive elements (Ritter et al., 2004). In other words, the individual firm still needs to act, to try and control and influence, to suggest ideas and initiatives, set limits and seek opportunities.

2.2   Deliberate strategic networking action in project settings

Strategising, rather than strategy, is central in IMP research (Baraldi et al., 2007; Gadde et al., 2003). That is, *"the 'strategising' task is about identifying the scope for action, within existing and potential relationships and about operating effectively with others within the internal and external constraints that limit that scope"* (Håkansson and Ford, 2002: 137). This can be through cognitive, positioning or adaptive strategising respectively (Harrison and Prenkert, 2009). Baraldi et al., (2007) argue that there is little work focused on deliberate strategising in network contexts (see Harrison and Prenkert (2009) for an exception). In other words, what is the process of formal strategising in network contexts; i.e. intended strategy making whilst still retaining the 'myth of independence'[1]?

One way in which managers in an organisation could engage in deliberate strategising/ networking action is via strategy projects as experimentation sites in order to find relational solutions to problems. Strategic change projects are a vehicle for strategising. More specifically, they are a "common practice" for control and co-ordination when implementing strategic re-organisations (Whittington et al., 2006:616). Morris and Jamieson (2005) provide evidence of the need for systematic linkages between corporate strategy and project strategy for successful implementation. Hence strategy projects are typically considered as ways in which the implementation of a specific strategic goal occurs. By contrast, strategy workshops are one form of intentional, formal strategising that has the formulation of strategy as a central purpose (e.g. Hodgkinson et al., 2006).

There is a paucity of empirical research that investigates strategy projects (Johnson, Scholes and Whittington, 2008). This is in particular when the definition of 'who is the strategist' is expanded to incorporate individuals from across organisational boundaries, typically referred to as 'external actors' (Clark, 2004; Jarzabkowski and Fenton, 2006; Jarzabkowski et al., 2007; Whittington, 2002). For example, strategy practitioners may decide to include academic facilitators or outside consultants within a workshop event (Mezias, Grinyer and Guth, 2001; Pettigrew 1985).

In this paper the relevant external actor is that of customers and/or suppliers. Of course within IMP exchange occurs in interactive, connected relationships. One implication is that the term 'external actors' is therefore somewhat misleading. It certainly refers to those actors outside of the boundary of the firm. However, in order to take seriously the division of labour in strategising requires an assumption that external actors are active. Strategising across firm boundaries is not a one-way street: "*at the core of company strategy is the ability to develop and maintain relationships*" (Løwendahl and Revang, 1998:757). Current research into the organisation, use and practice of strategic workshops in formal strategy making would suggest that customers and suppliers are often not included in strategising (Hodgkinson et al., 2006). In a strategy project setting, one dimension of projects conducted within network contexts can be the *extent of external counterpart inclusion/exclusion*, a term inspired by what Hodgkinson et al., (2006) refer to as "stakeholder inclusion". Counterpart inclusion could occur at different time periods within a strategy project and could be both direct and indirect in nature.

3.0   Complementary Cases

3.1   Research Design

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[1] Ford et al (2003:6) argue that it is a myth to suppose that a company is able to take strategic action independently: "companies...have limited freedom to act independently and the outcomes of their actions will be strongly influenced by the attitudes and actions of those with whom they have relationships".

The research methodology used in the paper is that of two complementary case studies. Case studies embed an object in context, allow depth, detail, and richness of data, are longitudinal by default (Easton 1998) and are process-oriented. Halinen and Törnroos (2005) and Dubois and Araujo (2007) encourage case researchers to explicitly consider and justify the choices made in the selection of cases, the data collected and how analysis takes place.

The first case is part of a longitudinal study of how a main contractor within the construction industry, Scancon, manages its purchasing and supply, and how it initiates different strategising project to develop the interaction with key subcontractors. The empirical material for the case study was gathered in real-time, over a period of approx. ten years, and multiple sources of evidence were used. For example, we have:
  - taken part in the main contractor's two supply network initiative,
  - carried out approx 60 semi-structured, personal interviews with people from the contractor as well as from the subcontractors,
  - taken part in various internal seminars, workshops and field trips to construction sites,
  - read various company documents, and
  - supervised a number of (master) students writing their theses with the contractor as the core firm.

The second case is also part of a larger, ongoing research project concerned with planned strategy processes in network contexts. Full access was granted, in order that one of the authors could attend strategy meetings and view the associated secondary materials. Time boundaries were put in place to focus the case around a single strategy project which was part of a longer-term strategy process. The project was conducted by the organisation between June and December 2007, the seven month period of the strategy project. In total, 22 meetings occurred, most of which were observed by one of the authors. A number of interviews with the strategy team also took place, and secondary data (e.g. planning documents) was referenced in order to support and complement the interviews and observations of meetings. The multiple data sources were utilised to put in place a chronology of the strategy process, based on the principles of longitudinal process research (Huber & Van de Ven, 1995; Langley, 2007).

Both cases are being used to build theory about how deliberate networking action occurs in network contexts. The basis of generalisation beyond the boundaries of the case is to theory (Bonoma, 1985; Mitchell, 1983).

3.2   Case One: The main contractor, Scancon

The first strategy project
This process started in 1997 when Scancon organised a strategic sourcing project (and a project group) with the aim to design a supply network within the Building Division of the firm. The project was called; 'Network with technical subcontractors', and the supply network consisted of subcontractors of three types of technical services: Electrical services, Ventilation services and Plumbing services. One of the aims of the project was to utilise advantages stemming from co-operative relationships.

The firm started with classifying all the suppliers into a catalogue called 'the Supplier Library'. In the library, all the business unit's current preferred suppliers were classified according to the materials they produced and/or the services they delivered, for example timber frames, steel, plumbing services etc. The reason for developing this library was a desire to reduce the number of suppliers used by the firm. To select among the preferred suppliers, the purchasing department discussed each supplier with foremen, site managers, and project managers within the firm. The selection was based on the following criteria: (i) that the supplier was financially 'viable', (ii) that the firm had good experiences from working with the supplier in all phases of building projects, and (iii) that the supplier was willing to co-operate with the firm on several organisational levels.

Since the sourcing project mainly focused on designing a supply network of technical subcontractors, the subcontractor subset was singled out, i.e. suppliers delivering Electrical services, Ventilation services and Plumbing services. In total, nine suppliers were selected, three for each type of technical subcontract. The selection process was carried out by a team including; the purchasing manager, project managers, site managers and foremen. After the selection process, the suppliers were interviewed regarding:

- internal matters (i.e. organisation structure, routines, market strategies, focus in technological development)
- the supplier's co-operation partners, mainly other customers and suppliers
- competitors (firms which the suppliers would recommend as co-operation partners)
- ability and willingness to co-operate with the main contractor
- further plans in relation to the main contractor

After the selection process Scancon organised a number of seminars and discussions between people from the selected subcontractors and the contractor. Top management, project managers and foremen from the subcontractors as well as top management, the purchasing manager, project managers, site managers, and foremen from the contractor attended the meetings. During these seminars there were mostly unstructured discussions about advantages of closer relationships both for Scancon and for the different subcontractors.

The designed supply network was to be tried out in a number of actual construction projects through which it was assumed that the supply network would develop substance within single relationships as well as connections between relationships (creating a network). In these projects the subcontractors were divided into different constellations which were to work together as 'sub-networks' with electricians, plumbers and ventilation installers. In each pilot project the following activities were carried out: (i) a 'kick-off' meeting (setting aims and expectations), (ii) a midterm evaluation (filling out evaluation forms and discussing negative and positive experiences), and (iii) a final evaluation (same as for midterm evaluation, but carried out after each of the pilot projects had ended).

One positive outcome of the project was that the purchase of technical services in 1999 (when the first part ended), approximately 95 % were from the designed supply network. After the chosen construction projects had been carried out, a summary report was made of the supply network project. The intention was that the report and the actual experience gained would enable maintenance and further development of the supply network over time.

The second strategy project
The intentions from the firm's first strategic sourcing project was, however, not followed up properly, and after some years Scancon was displeased by the way in which they collaborated with technical subcontractors. In particular, Scancon was dissatisfied with the fact that in many projects 'many new experience curves were climbed' – experience curves related to the collaboration between the firm and individual technical subcontractors as well as the experience curves related to collaboration between the technical subcontractors. Therefore, Scancon wanted to establish mechanisms which could facilitate joint learning and mutual adaptations among Scancon and their technical subcontractors, and among the technical subcontractors. In particular, the firm wanted to establish a small network of technical subcontractors which could 'train as a team' across a number of construction projects which would function as pilot arenas for the strategic collaborative efforts.

Therefore, Scancon started a second strategic sourcing project in 2005. The first part of the new project was a process of mapping their present technical subcontractors in order to identify suitable candidates for the initiative. Among the important features of the relationships, Scancon stressed that the technical subcontractors should have worked with Scancon for several years, that the collaboration had been satisfactory, and that there were good personal chemistry among the individuals from the different firms which were most heavily involved in the relationships to Scancon.

Having singled-out 5-6 technical subcontractors, Scancon invited themselves to visit the respective subcontractors, on the premises of the subcontractors. In beforehand of the meetings, the firm had

asked each of the subcontractors to make a presentation of their firm which would enable Scancon to assess whether the subcontractor had the intention as well as the ability to partake in efforts aimed at joint, continuous improvement and learning. Based on these meetings, Scancon chose three subcontractors – covering the respective specialisms of plumbing, ventilation, and electrical services.

After the subcontractors were selected they established a steering committee for the strategy project consisting of the top manager of Scancon and the top managers from the three subcontractors. Furthermore, an external consultant was brought into the project. The consultant developed a type of coordinating management tool between different types of employees (project managers, site managers, foremen etc) in a construction project. This tool was first implemented internally by Scancon and during the strategy process Scancon would like to transfer this tool to the subcontractors, so that it could be used in mutual construction projects. Furthermore, the steering committee (supplemented by other relevant employees from the four firms) developed clear objectives that were to be achieved during the strategy project. These were goals related to (i) the number of accidences at the construction site, (ii) safety, heath and environment issues, (iii) tidiness at the site, (iv) absence rate, (v) the amount of unproductive hours at the site, (vi) the number of quality defects etc. These goals were to be followed up closely in the joint construction projects.

3.3   Case Two: Nordic Food

Background
Nordic Food processes both red and white meat. They have 43 facilities throughout the Nordic region. The central actors on the supply side are the farmers which supply raw materials. Four large food retailers are Nordic Food's most important customers. In June 2007 a strategy project was initiated by Nordic Food's corporate strategists in order to expand beyond the current market boundaries and to be proactive regarding the then-ongoing World Trade Organisation negotiations. A firm of external consultants, MJF, was invited to be a part of the project and to outline a plan for organising the project over a period of seven months. MJF is a specialist in the food sector and has a particular competence in model-based analysis. The plan outlined that the project would have five main steps and would utilise existing tools for financial analysis.

Initial meetings
The first project meeting was held on the 17th August. There was a concrete deadline already in place: recommendations must be in place for the final board meeting on 10th December. In practice, it was necessary to report to corporate management and board of directors meetings by mid-November. The purpose of this meeting and others held in August was to obtain a shared perspective on what needed to be done, the sources of information required and the level of detail necessary for the simulation model[i]. The existing company financial model was discussed. Four strategic options were outlined: Internationalisation, acquisition/merger, strengthen/reinforcement and wait-and-see.   The project group recognised it may be difficult to incorporate an internationalisation strategy.

Work began to identify how to supplement the existing company financial model in order that it could become the basis for a simulations model. There was a general view that the credibility of the recommendations of the strategy project group would be improved by quantifying both current operations and the effects of possible strategic options.   Unsurprisingly there were varied interpretations of the most interesting simulations to be conducted. Discussions centred upon identifying parameters for market conditions and shares, volumes for each product category in terms of customers and suppliers, and price tariffs.

Gap Analysis
By September 2007 the strategy project group was focused on conducting a gap analysis. First, the simulation model was utilised to operationalise Nordic Food's current position. This was then compared to an 'ideal preferred position' 5-8 years into the future. An additional type of gap analysis was also conducted, which was later referred to as the 'base line scenario/wait-and-see strategy'. The strategists simulated the effects of maintaining the current strategy, with no changes,

from 2007-2014. This gave a clear indication as to where a wait-and-see strategy would take the company; it would not be a profitable future.

Discussing and modelling three scenarios
By September, the project group was considering possible new markets, products and brands. This led to discussions regarding the data required by the consultants in order to build several scenarios. That is, data about investments, productivity, price for raw materials, etc. Furthermore, the time horizon in the simulations model was extended from 2014 to 2020. This was the groundwork for the development of three strategic scenarios: 'Reinforcement', 'Wait-and-see/basis' and 'Move operations abroad' during October.

The wait-and-see scenario would require a 70 million euro investment, and the reinforcement scenario an investment of 100 million euro. The reinforcement scenario included the consolidation of operations (from 43 to 24 facilities), investments between 2009 and 2015 (for extending market shares and re-organising facilities, systems and transportation). The discussions held within the project group were explicit and line-by-line. For example, what were the specific facilities that could be restructured or closed? This caused a number of clashes between individuals that wished to discuss the broad strategic questions based on the simulations model, and others that concentrated on finalising the inputs to each of the scenarios within the model itself. Afterwards, the strategists began to consider the 'move operations abroad' scenario. The consultants warned that considerably more data would be required in order to qualify this within the model. The others in the project group agreed.

During the end of October the project group presented their work in progress to the Board of Directors. The MJF consultants outlined the simulations model that had been developed, the scenarios and the consequences of each scenario. The overall message was that there was no urgent need for a new strategy, but there were challenges ahead. The three strategic scenarios outlined above were presented along with the main assumptions built into the model. A general discussion of the three strategic options, the actual and planned investments in place and the assumptions built into the model occurred. Several board members comments that the discussions were overly focused on raw materials and facilities, rather than brands. That is, a too-technical discussion that was insufficiently market oriented. The participants then discussed the possibility of an international acquisition as a fourth possible strategic option. This would require a huge financial input that was not considered to be feasible.

Choice of strategic option
The Board members had a formal vote regarding the most appropriate strategy in the final board meeting of the year in December. The MJF consultants again presented the scenarios and the model, and recommended the 'reinforcement scenario'. Several board members cautioned that the raw material suppliers were the main contributors to value in the first five years. Overall, the board members were positive towards this scenario, and this option received the majority vote. This decision solidified the work of the strategy project group into what is now referred to as "Nordic Food's strategy plan"[ii].

4.0   Analysis

In this section we analyse the two complementary cases by addressing the issue of how the firms went about in their strategising effort in two very different strategy projects in very different network contexts.

4.1   The main contractor, Scancon

The first strategy project

In the first strategy project, the main contractor, Scancon, tried to develop and organise a supply network for the three areas of technical subcontracts, i.e. plumbing, ventilation and electricity. Nine different subcontractors participated in the strategy process for a period of almost two years. During that period a number of seminars, discussions, visits at different construction sites etc. were organised. The subcontractors were engaged in all this activity with representatives from different parts of the firm, e.g. top manager, project manager etc. Thus, it was a high degree of involvement of external counterparts partaking in Scancon's strategy process

Scancon had internally made a decision to select some technical subcontractors and to work closer with these to develop mutual and profitable relationships. This was part of a new purchasing and supply strategy for the business unit. However, this first part of the process was quite fuzzy and emergent when it came to involving the subcontractors. It was driven by the belief that bringing together a number of subcontractors would be sufficient to drive the process forward and generate the relational changes aimed for. Scancon had not developed any coordinating tools or methods that they would like the subcontractors to use. Furthermore, there was no conscious thinking about which type of objectives the subcontractors should achieve, and as a consequence, nor how to achieve them. Thus, in the first part of the strategy process there were few deliberate intentions towards the subcontractors. In retrospect, Scancon viewed it as problematic that they had not had explicit ideas and tools to suggest to the subcontractors during the first sourcing project.

The second strategy project

The second part of the strategy process for Scancon started a few years after the first supply network initiative ended. Then the firm organised a new strategy project with the same overall aim, i.e. to intensify the relationships with and among subcontractors and thereby to develop a strong supply network. As described in the case, this time Scancon only selected three technical subcontractors, one for each discipline. Similar to the first part of the strategy process a number of seminars, discussions, visits at different construction sites etc. were organised. A steering committee was established for the strategy project containing the top manager for Scancon and the top managers for the three subcontractors. Thus, there was a high degree of involvement of external counterparts also in the second project.

Something that was very different in the second attempt to create a supply network was that the process was much more structured, and the focal firm had some explicit suggestions as to how the change should be brought about. Scancon had hired an external consultant who had developed a coordinating management tool between different types of employees in a construction project. As described in the case, Scancon would like to transfer this tool to the subcontractors during the strategy project, so that it could be used in mutual construction projects. Furthermore, unlike the first strategy project, the four parties developed clear objectives that were to be achieved during the strategy project. These were goals related to safety, heath and environment issues, the number of accidents at the construction site, the amount of unproductive hours at the site etc. Hence, part two of the strategy project was characterised by a more deliberate orchestration of the external counterparts who were involved in the project, and the themes to interact on were much clearer.

4.2 Nordic Food

In the second case of Nordic Foods there is no direct involvement of counterparts in the strategising, or indeed no representatives of purchasing or marketing functions within the company are included within the strategy project format. However, there is a clear deliberate intent to formulate a new strategy and to attempt to find a relational solution (at least at the start of the process). At the start of the process several of the corporate strategists within the project have several relatively precise ideas regarding potential horizon network partners with whom a merger/acquisition could be achieved, as part of an ambitious internationalisation strategy. This remains an idea; the project group does not undertake any discussions, however preliminary, with any of the potential actors. Moreover, part of the motivation for an internationalisation strategy is to

expand the current network of customers (supermarket retailers), though these are considered as an aggregate grouping of actors, rather than as separate, individual potential relationships.

As the project progresses, it is the role and impact of a different sort of external actor than customers or suppliers that has the largest impact. The skills of MJF's representatives are in modelling analysis, along with generic industry knowledge. The involvement and central role for this external actor shapes what can and cannot be considered, as the simulation model becomes a tool within which all options have to be modelled. That is, it is the effects of network connections that are modelled, and not relationships in themselves. This serves to encourage thinking of other actors as aggregations, i.e. 'our suppliers' or 'our customers'. Nevertheless, the traces of network connections are contained within the model and both provide opportunities and constrain what actions are possible.

5.0   Discussion and Conclusions

The two cases show that the firms are formulating and implementing strategy (at both corporate level and functional level) in a somewhat deliberate way and at the same time more or less explicitly take the surrounding counterparts into account. Relating back to the IMP discussion of 'management of' or 'managing in' (Håkansson and Ford, 2002; Möller and Svahn, 2003; Ritter, Wilkinson and Johnston, 2004; Zolkiewski, 2007) and strategy discussion of 'deliberate versus emergent' (Mintzberg and Waters 1985), we illustrate our research focus in the following matrix:

	Deliberate	Emergent
Managing in networks	**O**	**X**
Management of networks	**X**	

Figure 1: Management of or managing in networks

In our view a lot of the contributions within the IMP have either focused on deliberate strategising processes and the management of networks (or nets) (see e.g. Möller and Svahn, 2003), or more emergent strategising processes when trying to manage in a network (see e.g. Ritter, Wilkinson and Johnston, 2004). Contrary to these contributions, we have in this paper discussed the quadrant marked with O, i.e. a deliberate strategic action when managing in a network context.

Furthermore, the cases reflect different forms of strategising, at different levels of the organisation, with different external counterparts, and in different periods of development/time. The use of the two complementary cases suggests that degree of deliberate intentions for the strategic effort may vary over time and between different strategy projects. Furthermore the firm may or may not involve different external counterparts in the strategy project; they can involve the counterparts directly or more indirectly and/or include them as individual actors or consider them as aggregates ('our customers'). Based on these distinctions we suggest the following matrix (with the case companies fitted in):

Figure Forms	Forms of strategising		Deliberate intentions guiding the strategising efforts		2: of
			No	Yes	
	Involvement of counterparts	No	**Muddling out**	**Managing out** Nordic Food	
		Yes	**Muddling in** Scancon part 1	**Managing in** Scancon part 2	

strategising

In the following the four quadrants; muddling out, muddling in, managing out and managing in are described, respectively.

Muddling out
This type of strategising refers to situations where a firm does not involve its direct suppliers and customers in the strategy project. Furthermore, the firm itself has no explicit idea as to how it should bring about the strategic change it considers necessary for improving its competitiveness. The hope is that the employees from the firm though internal interaction (possibly combined with interaction with external consultants) will come up with an approach which can result in beneficial strategic changes.

Muddling in
This type of strategising refers to situations where a firm chooses to involve a subset of its suppliers and/or customers directly in the strategy project. However, the firm does not present explicit ideas as to how it should bring about the strategic change which is considered necessary for improving its competitiveness. The hope is that the employees from the firm through interaction with the external counterparts will come up with an approach which will result in beneficial strategic changes.

Managing out
This type of strategising refers to situations where a firm does not involve its direct suppliers and customers in the strategy project. However, the firm has one or more explicit ideas as to how it may proceed to bring about the strategic change which is considered necessary for improving its competitiveness. However, the firm does not feel any need for, or see any possibility of, sounding out the ideas with external counterparts. These will, at some point, be informed about the plans, but they are not supposed to influence them *ex ante* to the end of the strategy project.

Managing in
This type of strategising refers to situations where a firm chooses to involve some of its direct suppliers and/or customers in the strategy project. However, prior to inviting the counterparts to take part in the project, the firm has conceived one or more explicit ideas as to how it may proceed to bring about the strategic change which is considered necessary for improving its competitiveness. However, the firm feels a need for testing out the ideas with some external counterparts early on, a process through which the ideas may become modified.

These four types of strategising may be used at different points in time, or even combined within the same period of time. In addition, periods of muddling may be followed by more structured periods of management, in case the muddling was successful and resulted in something to be pursued. Alternatively, the muddling project may be given up on altogether (in case the muddling did not result in anything which was seen as useful to pursue further), or a new period of muddling may be started up with other counterparts or with an internal focus.

Further research is needed to develop a more extended matrix and to, for example, outline strategising profiles which show how the four different types may be used over time by a focal company. This may lead to implications for how firms can organise deliberate strategy projects in a network context.

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[i] Interview with Strategy Director, October 2007
[ii] Internal company records, Nordic Foods Strategic Plan 2008-2011– So what?, December 2007