

STRATEGISING IN RELATIONSHIPS?
A PRACTICAL FRAMEWORK FOR SITUATION ANALYSIS

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Extended abstract

Companies are interacting within complex worlds of interconnected relationships and experience a growing need for coordinating mutual activities and mobilising resource across company boundaries. Accordingly, relationship and network perspectives are increasingly winning the attention of marketing students, consultants and practitioners interested in the interdependencies between cooperating business partners. The literature is abundant with frameworks, models and concept that may inspire the practitioner in her search for a fuller understanding of the situation of her business and company. Among the most celebrated in the strategic marketing literature we find the SWOT-analysis developed by K.R. Andrews and others (de Wit & Meyer 2004, Kotler & Keller 2009) and Porters Five Forces (Porter 1980). In the strategy literature these tools are considered elements of a Design School approach to strategy making (Mintzberg et al. 1998). These tools are literally standard equipment in the tool kit of any marketing student or consultant and with good reason: They are intuitively appealing and they draw the user by their elegance and simplicity. However, the literature is in lack of more practically oriented tools and frameworks that could assist the practitioner in conducting situation analyses and forming a strategy for her company in relation to others.

Decision makers will seek to build an overview and an understanding of the current situation of their company in order to make strategic decisions and take strategic actions. Based on such situation analysis the management will appoint the way of changing and adjusting action or manoeuvring towards a desired position. As companies find themselves increasingly relying on cooperation in various relationships and the network in which they are embedded, the premises for conducting a situation analysis is changing. The increasing technological complexity, global competition, the importance of mutual knowledge sharing as well as the developments within digital information and communication technologies is driving this change (Dicken 2007, Drucker 1986). In other words, situation analysis needs to incorporate the relational and network perspective. The situational analysis should provide the decision maker with an overview of the current situation and relationships of the company. Based on this overview the decision maker should be able to make decisions on future goals, resource allocation and action plans of the company.

It has elsewhere been claimed, that decision makers interact "on the basis of their perceptions" (Håkansson & Snehota 1995:34). Further it has been argued that there is a close interrelation between actors' view of their surroundings and network and these actors' activities in the network (Ramos & Ford 2009). Accordingly the focus of this paper is discussions of the content of a potential managerial framework, a situation analysis, that may allow managers to understand how

they themselves and others in their network perceive their various relationships and related business opportunities. Based on the work of e.g. Ford et al. 2003 and Ford & Hakansson 2006, we suggest that when doing a situation analysis as a basis for developing strategic marketing management in a relational perspective issues to consider is related to the challenges of *Completeness, Action, Interdependency* and *Time*.

The situation analysis presented in the paper is used to pinpoint the importance of companies as members of networks. Relevant environment is a context where partners interact with others - customers, suppliers, knowledge institutions etc. When strategic questions for the operational entities are handled, it should be in the light of "the virtual factory". An effective and development oriented company cannot be evaluated alone, only in the specific context of the "virtual factory" of which it is a part. For a company this can be a range of "virtual factories" depending on the business areas in question, but it is important to identify the company's role and position in these "virtual factories" now and in the wanted future. The situation analysis presented in the paper may provide decision makers with appropriate inputs to make strategic decisions related to their "virtual factories".

Summing up, the aim of this paper is to contribute to the development of a managerial framework for situation analysis in a relationship and network perspective, i.e. a framework for making strategic situation analysis, i.e. the kind of analysis that provides the decision maker with an overview of the company's current situation and relationships and that makes it possible to make informed decisions on the company's goals, resource allocations and action plans.

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