Competitive Actions and Dynamics in Project Marketing: Identifying Causal Mechanisms

Competitive Paper

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ABSTRACT

In project marketing research, there is limited understanding of the mechanisms of how central project marketing actions lead to success and good business performance of the project-based firm. The purpose of this conceptual paper is to extend our understanding of the (1) content and repertoire of (competitive) actions along the project marketing process, and (2) the (causal) mechanisms leading to desired project and business outcomes in project marketing. We then propose an approach for uncovering causal mechanisms by utilizing historical narratives to transcend the inadequacies related to the regulatory theory of explanation, and thus explore the possibility to open the 'black boxes' of constant conjunctions in open systems in project marketing.

KEYWORDS

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INTRODUCTION

Market-oriented management of projects is highly important for firms in contemporary industries. In many industries, such as in building and construction, shipbuilding, energy and aerospace, projects are the dominant mode of doing business. Accordingly, there has been a growing interest not only in the firm-internal management of projects but also in the broader links of project to a firm's business model and marketing strategy (e.g., Cova & Salle, 2007; Cova, Mazet & Salle, 1994; Holstius, 1989). For instance, Tikkanen, Kujala, and Artto (2007) have recently drawn a picture of a project-based firm's challenge to simultaneously manage its sales and delivery projects on the one hand, and customer and network relationships on the other.

However, despite the obvious importance of project business, there is a relatively limited number of studies that have examined the nature of project marketing as a firm capability or process (Cova & Salle, 2007). Especially, there is limited understanding of the mechanisms of how central project marketing actions lead to success and good business performance of the project-based firm. Similarly to organization research, there is a relative lack of research on the 'micro-mechanisms' of project business and marketing (cf. Felin & Foss, 2006). This presents a challenge as well as a research gap, as project management activities and wider business relationship management activities are, in practice, intricately intertwined along the project marketing process (Deshayes, Lecoeuvre-Soudain & Tikkanen, 2008).

Addressing the apparent research gap, the purpose of this conceptual paper is to extend our understanding of the (1) content and repertoire of (competitive) actions along the project marketing process, and (2) the (causal) mechanisms leading to desired project and business outcomes in project marketing. Our paper advocates an approach based on competitive actions and (inter- and intra) organizational mechanisms in project marketing. We especially argue that competitive actions research (e.g. Ketchen, Snow & Hoover, 2004; Smith, Ferrier & Ndofor, 2001) and processual studies on organizational causal mechanisms (e.g. Pajunen, 2008; Hedström & Swedberg, 1998) provide fruitful theoretical points of departure for the study of project marketing. Consequently, we attempt to link project marketing success to the dynamics of central project marketing actions and underpinning mechanisms. The tentative framework that we present in this paper acts as a starting point for future empirical processual/historical studies of competitive actions and causal mechanisms in the project business context.

The research questions of this conceptual paper can be stated as follows: How can the repertoire of most essential competitive actions related to (primarily) firm-external relationship management actions, on the one hand, and (primarily) firm- internal project management actions, on the other, be conceptualized? Moreover: how can the relevant causal mechanisms that constitute competitive dynamics in project business be identified and described? In dealing with these questions, we address the project marketing process and its phases from selling to transition (e.g. Holstius, 1987; Cova et al., 1994; Cova, Ghauri & Salle, 2002; Lecoeuvre-Soudain, 2005).

In the following sections, the central theoretical arguments related to relevant research on project marketing, competitive actions and dynamics, and organizational mechanisms are briefly outlined. In what follows, we present a tentative illustration of how to study competitive actions and related organizational mechanisms in project marketing. Finally, we present a suggestion of how our approach can be realized in future empirical field studies.

PROJECT MARKETING

The last 20 years have witnessed the emergence of a discourse around the marketing strategy of the project-based firm (Cova & Salle, 2007; Cova & Holstius, 1993; Holstius, 1987; 1989). The project-based firm is a company that derives most if not all of its cash flows from the sales of projects to external customers (Artto & Wikström, 2005). Project marketing, as an area of study, thus focuses on the study of marketing activities in the business network of the company that is selling projects to its external customers (Cova, Salle & Pace, 2005; Skaates & Tikkanen, 2003). Contemporarily, project marketing is defined as "multifunctional process of managing networks and buyer-seller interaction within and between projects in businesses where the value creation process includes the search, preparation, bidding, negotiation, implementation, and transition of a project" (Jalkala et al., 2008).

Most apparently, project marketing has been interested in the inherent complexity and uniqueness of project business exchanges, which lead to an inherent discontinuity risk of project marketing (e.g. Mandjak & Veres, 1998). It is this very discontinuity that been the driver of project marketing discourse. In fact, due to the innate complexity and uniqueness of projects, as well as their character of representing a highly customized solution to the buyer (Skaates & Tikkanen, 2003; Owusu, 2003), sold projects have been deemed something that cannot be readily replicated (as compared to e.g. physical products or discrete services). Therefore, the question how to facilitate the recurrence of business exchanges around similar projects or similar or the same buyers has been a central challenge for the developing project marketing discourse.

As opposed to the management of the relationship portfolio of the project-based firm, the traditional project management literature has been concerned about firm-internal aspects of projects (be they R&D projects, construction projects, or something else; see Artto, 1999). In practice, however, internal project management activities are strongly intertwined along the project marketing (and selling) process of any external projects (Deshayes et al., 2008). These external and internal activities essentially explain the success and performance of the project-based company (Skaates, Tikkanen & Lindholm, 2002). Yet, there is relatively little understanding of the mechanisms of how project marketers achieve success in the project business; for instance, how to succeed in selling new projects, centrally based on the past success of project management in the timely and high-quality implementation of the sold projects (e.g. Crespin-Mazet & Ghauri, 2007; Lecouvre-Soudain, 2005).

As a matter of fact, defining or measuring the "success" or performance of the project-based company is challenging. Traditionally, such success indicators as project initiatives (number of sales projects) versus final projects sales (hit rate) have been used. Customer loyalty and satisfaction have also been identified as central performance indicators for project marketing (Tikkanen, Alajoutsijärvi & Lindblom, 2000). As stated in the introductory section, the links between these lower-level success indicators to corporate levels strategic goals of growth and profitability are rather unclear. In principle, relevant goals and success indicators can be identified at the three levels of (1) individual projects, (2) the project portfolio of the company, and (3) the level of the corporation as a whole and its relationships to customers and suppliers. The performance side of project business and project marketing goes so far underresearched and constitutes a central research gap.

A central point in project marketing research is the finding that a project marketer should manage its offerings to escape the tendering process initiated by the buyer by building capabilities to offer "creative offerings" to secure orders before having to succumb to competitive tendering processes (Cova et al. 1994; 2002). We do consider such proactive activities to generate orders from customers – as well as other "key success factor" activities (cf. Cova & Salle, 2007) – as possible types of project marketing actions among others. Yet, we are more interested in the detailed mechanisms of how such activities and other (possibly alternative) actions lead to relevant business outcomes rather than merely presenting normative suggestions.

COMPETITIVE ACTIONS AND DYNAMICS

Competitive dynamics is a stream of management literature which is essentially concerned with action: competition among rivalrous companies is seen and conceptualized as the exchange of (initiative and responsive) actions between companies. Consequently, a major determinant of corporate performance is seen to be the competitive behaviour of a focal company *vis-à-vis* its competitors (Smith, 2001; Ketchen et al., 2004).

What, then, is a competitive action? There is no consensus concerning this question in the competitive dynamics literature. Instead, according to one conceptualization, competitive actions are "externally directed, specific, and observable competitive moves initiated by a firm to enhance its competitive position" (Ferrier, 2001: 859), whereas according to a more recent conceptualization a competitive action is *any* (i.e. internal or external, observable or unobservable) intentional action which a company performs "because it desires to achieve or maintain competitive advantage and believes that the action will contribute to the fulfillment of this desire" (Nokelainen, 2008: 63). In this paper we will adopt the latter conceptualization. Moreover, in competitive dynamics it is virtually agreed upon that the sequence of competitive actions performed over time constitutes (or represents) the strategy of a company (e.g., Ferrier, 2001). Thus, observing the competitive actions performed by a company over time, in sequence, is to witness its strategy to unfold or being acted out.

A central question in competitive dynamics is the link between corporate competitive behaviour and performance (Ketchen et al., 2004). This link has been studied at both action and aggregate (e.g., yearly behaviour) levels. As to the primary findings of the research in this vein, such properties include company's explicit or implicit commitment to the action, the magnitude (or "strategicality") of the action, and the lack of information available of the action for the competitors (e.g., Smith et al., 1991; Chen, 1996; Chen & Miller, 1994).

In competitive dynamics, managerial cognition (see Walsh, 1995 for a review) is in a central theoretical and explanatory role (Ferrier, 2001). Namely, it is essentially the top management team (TMT) of a company which originates the competitive actions by receiving and interpreting information from the environment and translating it to appropriate courses of action for the company (Lamberg et al., 2009).

As to the types of actions available for the TMT to carry out, the competitive dynamics literature is far from being uniform in that there is not, despite a recent attempt (Nokelainen, 2008), an established and commonly used typology (or theoretical "repertoire") of competitive actions which would be applicable across studies. Instead, most studies, especially those investigating a particular industry, have employed typologies encompassing to a substantial degree industry-specific actions (Miller & Chen, 1994; Offstein & Gnyawali, 2005; Kotha, Rindova & Rothaermel, 2001; Ferrier, 2001). Nonetheless, the action types in prior studies, generally speaking, are mostly concerned with product offerings (e.g., changes in the product portfolio, marketing and pricing), resource acquisitions, manufacturing, and changes in cooperative and ownership configurations (e.g., alliances, joint ventures, and mergers and acquisitions).

Moreover, practically all empirical competitive dynamics research has investigated "traditional" consumer market industries, most notably the airline industry (e.g., Smith et al., 1991; Chen, Smith & Grimm, 1992; Hambrick, Cho & Chen, 1996; Shaffer, Quasney & Grimm, 2000; Chen et al., 2002), banking (e.g., Gresov, Haveman & Oliva, 1993; Nicolau-Gonzálbez, Más-Ruiz & Ruiz-Moreno, 2005), pharmaceutical (e.g., Offstein & Gnyawali, 2005), and online retailing and services industries (Kotha et al., 2001). The project business context remains practically unstudied in the competitive dynamics literature.

Another aspect of central interest with regard to this paper is the methodological approach in extant competitive dynamics research. In this regard the literature is highly uniform. As to the data source for competitive actions, nearly all competitive dynamics studies use news – either industry-specific news (e.g., Smith et al., 1991) or general business news (e.g., Ferrier, Smith & Grimm, 1999), employing structured content analysis (Jauch, Osborn & Martin, 1980) to identify actions. The actions thus identified are then equipped with a time stamp and actor information (company name) and assigned to a typological category (action type). Moreover, if the action-response dynamics is of interest, additional information includes information concerning to which previous action, if any, a focal action is interpreted to be a response. The subsequent analyses are essentially of statistical nature examining the association between, for example, an annual action volume and market share development (Ferrier et al., 1999), action irreversibility and the likelihood of response (Chen & MacMillan, 1992), and company size and annual action volume (Chen & Hambrick, 1995).

Nonetheless, the reliance of prior competitive dynamics research on news data, with very few exceptions (e.g., Lamberg et al., 2009), warrants a brief reflection. Namely, identifying competitive actions in publicly available news may bias the data and thus the empirical results in prior research because it is rather likely that such sources contain (report) only certain actions by companies of interest: those actions that have been found newsworthy by the reporting media. Therefore, it is likely that competitive actions that concern company-internal issues, such as new product development initiatives or changes in organization, surface in news data less frequently than, for instance, product introductions or corporate mergers. It is supposedly this issue, though unstated, that has led some competitive dynamics scholars to necessitate competitive actions to be "externally directed, specific, and observable" (Ferrier, 2001: 859).

EXPLANATION BY MECHANISMS

During the recent decade, a significant amount of work in the philosophy of science literature has done related to mechanisms and to mechanistic explanation (e.g. Bechtel & Abrahamsen, 2005; Craver & Bechtel, 2006; Glennan, 1996; Machamer, Darden & Craver, 2000). A basic motivation for these considerations has been the fact that many prominent explanations in science are actually mechanistic explanations, but still our substantial knowledge of the explanatory role of mechanisms and their nature has been deficient. Mechanisms have also received increasing interest in the social scientific literature, for example, due to perceived inadequacies related to the regularity theory of explanation; need to open the "black boxes" of constant conjunctions; and interest in revealing why and through what process specific outcomes of various social processes are actually brought about (e.g. Bunge, 1997; Hedström & Swedberg, 1998; Mahoney, 2001; Mayntz, 2004).

As a result of these considerations, several general definitions for mechanisms have been proposed in the literature of the philosophy of science. For example, Machamer et al. (2000: 3) stated that "mechanisms are entities and activities organized such that they are productive of regular changes from start or set up to finish or termination conditions". Bechtel and Abrahamsen (2005: 423), in turn, defined that "A mechanism is a structure performing a function in virtue of its component parts, component operations, and their organization. The orchestrated functioning of the mechanism is responsible for one or more phenomena." Thus, according to these definitions, mechanisms produce outcomes or phenomena and have a clearly defined structure and way of working.

In a recent study, Pajunen (2008) has elaborated these philosophical considerations of mechanisms in the context of organization research in order to provide a systematic explanatory foundation for process research and processual research strategies. According to his account, organizational mechanisms are considered as responsible for producing organizational phenomena and outcomes, having a hierarchical (part-whole) explanatory structure, and at the lower-level consisting of component parts and their activities and interactions. Mechanistic explanations, in turn, are seen as representations or models of mechanisms that, if accurate, describe relevant characteristics of the mechanisms operating in organizational processes and producing phenomena and outcomes. Thus, in order to provide a mechanistic explanation, it has to be specified what the mechanism is doing and how it is actually doing that.

However, there are proposed to be no shortcuts to identification of mechanisms and mechanistic explanation of outcomes. In fact, explanation by mechanisms is seen to be often a discovery process, which involves identifying the outcome of what the mechanism does and the interactions of the component parts of the mechanism (Craver & Bechtel, 2006; Pajunen, 2008; Wright & Bechtel, 2007). The identification of the components may base on a store of components that earlier research has shown to be somehow associated with the mechanism or the phenomenon/outcome more generally. If there are no such a store, like in the case of project marketing research, the inductive inquiry is becomes emphasized. In general, the discovery process often proceeds from early sketches toward more comprehensive models of mechanisms (Craver & Bechtel, 2006; Glennan, 2005; Pajunen, 2008).

In this article, we suggest that mechanisms approach may also open a systematic basis to better explain and understand the effects and outcomes related to project business in general and project marketing processes in particular. Basically, as is shown above, project marketing is always a process involving various competitive actions. Thus, following the logic of mechanistic explanation, we may propose that those actions are the potential lower-level component parts of the mechanisms responsible of producing various project marketing outcomes (both positive and negative). However, these component parts (competitive actions) and their interactions remain unintelligible without understanding of their orchestrating activity, that is, the higher-level behavior of the mechanism. Thus, identification of competitive actions can be seen as a necessary part in explaining project marketing outcomes, but the explanation remains insufficient without the understanding of the higher-level behavior of the mechanism.

TOWARDS THE STUDY OF CAUSAL MECHANISMS IN PROJECT MARKETING

In this section, our aim is to illustrate competitive actions and causal mechanisms that affect the business performance of the project-based firm.

As noted above, according to prior research, in project marketing activities concerning relationship management are in a central role. From a competitive dynamics standpoint, this means that the prominent conceptualization of competitive action and competitive dynamics in prior competitive dynamics research is not straightforwardly applicable in the context of project marketing. Namely, whereas the traditional conceptualization has viewed competitive actions being such actions that challenge the prevailing status quo in the market by mounting competitive pressure on the competitors thus "inviting" (Chen et al., 1992: 440) or "provoking" (Chen & Miller, 1994: 86) competitive responses, in project marketing some of the most essential competitive actions are concerned with nurturing the relationships with customers, prospective customers and other central stakeholders. Therefore, studying competitive dynamics in project marketing setting calls for a change in mindset from dyadic competitor interaction (i.e. the exchange of challenging and responsive actions) towards holistic behavioral interaction of companies and their stakeholders. These are the most central competitive actions in the repertoire of the project marketer.

Moreover, as it is likely that such relationship-nurturing actions do not routinely end up being reported in the news or otherwise systematically become publicly known, from a methodological point of view the empirical "dominant design" of prior competitive dynamics research is not applicable in the project marketing context. Instead, studying the competitive dynamics in project marketing calls for more involved (often historical) research, using various types of data (including essentially company-internal sources), in order to identify all the relevant actions, beyond what can be captured using news data alone. Indeed, it is very likely that relying solely on news data in investigating the competitive dynamics in a project marketing setting would produce significantly biased results.

Therefore the study of competitive dynamics in project marketing context must take the action sequences of companies far more seriously into account than prior competitive dynamics research has done, instead of investigating mere behavioral aggregates such as annual behavioral styles. Indeed, and for this reason, it is very likely that studying the competitive dynamics in project marketing context with a longitudinal/historical case-type approach can yield richer insights than can be obtained with traditional behavioral aggregates and statistical methods. In the concluding section of our paper, we elaborate on this issue.

Our approach in the present conceptual study is to propose a tentative model of the repertoire of (competitive) actions of a project-based firm and the mechanisms that are constituted of those actions and their relevant project and business outcomes. We offer a twofold distinction of the relevant action (and outcome) domains in project marketing. Firstly, we distinguish action domains based on the distinct stages that the seller organization goes through distinct stages when marketing a project offering: 1) search, 2) preparation, 3) bidding, 4) negotiation, 5) implementation, and 6) transition (Cova & Holstius, 1993;

Holstius, 1987). Here, we also note that a firm may simultaneously have multiple "sales projects" in domains/stages 2-4, part of which end up to stage 5, becoming "delivery projects". Actions falling to domains 1 and 6, in turn, occur before and after actual sales projects and delivery projects, on the 'higher' level of project and relationship portfolios.

Secondly, we distinguish between individual project -specific actions and outcomes on the one hand and actions and outcomes that take into account the broader relationship context of the firm on the other. The actions and outcome in the broader relationship context are seen to, further, fall into two subdomains: customer relationship management (CRM) and supply chain management (SCM). These correspond to the main marketing processes identified by Srivastava, Shervani and Fahey (1999) and applied to the project marketing context by Tikkanen, Kujala and Artto (2007).

In Figure 1, we illustrate a tentative model of the repertoire of typical actions of project management actions and their outcomes, as pertaining to the six domains and to firm-level (business relationship context) vs. individual project level. The actions, outcomes, and their links are elaborated on below.

-----TAKE IN FIGURE 1-----

Actions and outcomes in project marketing

1) Search

The action domain of search involves firm-level, relationship-oriented actions that occur largely on an ongoing basis, outside individual projects. Nevertheless, these activities essentially "feed to" and cater for the initiating of individual sales projects. The specific actions include the sensing of market and milieu conditions and scanning for business opportunities in industry networks (Cova & Holstius, 1993; Holstius, 1987; 1989) and, further, the identification of potential individual customer and suppliers. As an intermediate outcome, these actions can be considered to allow the firm to add newly-identified actors to its portfolios of prospective customers and prospective suppliers, respectively (cf. Tikkanen et al., 2007)

2) Preparation

In the preparation domain, the firm-level, relationship-oriented actions include, first of all, the preliminary qualification of prospects and suppliers. At a given point of time, the firm will have a certain number of prospective customers and suppliers (in its portfolio), which it can – based on publicly available information and its own intelligence-gathering – assess as well as compare to each other. The objective is to identify those customers (from the portfolio of prospective customers) that have the most short-term and/or long-term business potential, as well as those suppliers (from the portfolio of prospective suppliers) that are reliable enough and have appropriate supply capabilities and resources. Others will be "disqualified" for the time being.

Part of the qualified customer-prospects may result from proactive contacts from customers' (e.g. responses to advertising or web promotion) or explicit requests for information (RFIs) by customers. Part of the qualified suppliers, in turn, may be identified through the firm's receiving contacts and information from suppliers' salesforce or through the firm's own RFIs towards suppliers. Note that the assessment or qualification of customer-prospects includes often assessment of competitive activity around individual customers, as well.

In the preparation domain, there is also a shift to sales project specific actions, when it comes to the qualified prospects. Specifically, the firm will start sales projects by attempting to contact its qualified prospects. The contacts may lead to a contact being established – or not. Obviously, if the initial contact is taken by the customer, the contact is readily established for the sales project.

3) Bidding

In the bidding domain, the project-specific actions include preliminary assessment of prospect-customer's interest in the firm's offering – or, sensing whether agreement of common goals and direction between the firm and the customer might be reached or developed. As an intermediate outcome, the customer may show interest in the project offering or explicitly invite the firm to submit a bid. Alternatively, the customer will not show interest in the firm's offering or common agreement of the direction will not be found.

In case the customer shows interest, the firm's action, within the sales project, is to proceed with the identification of the customer's broad requirements. In order to increase the customer's interest in the offering, the firm may also showcase its past reference projects or customers to the customer. At the same time, the repertoire of relationship-oriented actions includes assessment of the financial solvency and solidity position of the customer of each initiated sales project. Likewise, the firm's own current resources to bid and deliver the offering (at a certain price level) are assessed (Holstius 1987, 1988), as are qualified suppliers' current ability to supply. The assessment of the firm's current resources will often take into account all the current sales and delivery projects of the firm, so that the firm does not end up having too many projects considering its total resources.

Insofar as the firm is assessed to be capable of bidding and delivering and the customer meets certain solvency requirements, the project in case is added to the firm's portfolio of customer project cases worth bidding. This leads to preparation, documentation, and submitting a bid to the customer (Holstius 1987, 1989). Submitting the bid, in turn, leads to the firm's receiving an invitation to negotiations from the customer of the project – or not receiving such.

4) Negotiation

The negotiation domain involves, at the project level, negotiation of the supply and price terms with the customer. Besides negotiating customer's requirements for the project deliverable, the firm's repertoire of actions include e.g. promising of accelerated delivery time to the customer and promising of financing (credit or loan) to fund the project – which may improve the probabilities of the firm's offer to be accepted over competitors. On the other hand, the firm may demand the customer to make varying levels of pre-payments before and during the project delivery.

In any case, the project-level actions will often be accompanied by simultaneous verification of the firm's current and projected resources to deliver what is offered, through assessing the project in the context of all the ongoing projects that the firm has. Moreover, the customer's financial and solidity position are further assessed, especially if financing or credit line are to be promised to the customer.

The negotiation actions will eventually lead to a deal, whereby the firm achieves a sale and contract concerning project delivery – or no deal, which means that the customer chooses a competitor's offer or decides not to proceed with investing in the project at all. A deal in a sales project leads to an addition of a project to the firm's portfolio of ongoing customer delivery projects (Tikkanen et al., 2007). If financing/credit is given to the customer, it is also added to the portfolio of credit customers, from which the firm expects interest payments in the future, in addition to payments after delivery. In some cases, the deal may also mean immediate cash flow for the firm in the form of the agreed pre-payments.

5) Implementation

After a project-specific sales and deal is made, the project implementation domain involves securing of the firm's own, its suppliers', and the customer's readiness and ability to mobilize resources. In case there is lack of readiness, the project may be delayed (sometimes even canceled). Otherwise, the firm proceeds to the delivery phase, which centrally involves the exchange and mobilization of resources to design a customized solution (project deliverable) for the customer. The intermediate outcome is the specification/design documentation of the customized solution.

Consequently, the project-specific action is to exchange and mobilize resources to implement, integrate, and install the final deliverable for the customer's use. There will also be negotiation and resolution of unexpected challenges and problems. At the relationship-level, the simultaneous action is to maintain the readiness of mutual problem solving ("firefighting") with customer(s) – with possible extra resourcing from firm level or as a transfer of resources from the firm's other projects.

Towards the end of the delivery project, the project-specific actions include the creation of post-implementation administrative routines and training of the customer's personnel (Holstius, 1987, 1989). The intermediate outcome, then, is to get the final, installed product or system to the customer's use. This is usually accompanied by the firm's obtaining the majority of the project sales income or cash flow. On the other hand, there may be potential late-delivery penalty fines.

At the relationship-level, the customer's obtaining the project deliverable into implies a closure: addition of the customer to the firm's customer portfolio, or portfolio of customer cases. Moreover, the delivery leads also to increased customer trust in the project/delivery capabilities of the firm as well as satisfaction, for future reference. On the other hand, information of the suppliers used in the project can be added to the firm's supplier portfolio.

The project-specific actions may, after the delivery of the project, still include measurement of the meeting of project goals, with the intermediate outcome of the customer submitting a list of complaints and additional wishes. This usually leads to handling of complaints and fulfilling the additional wishes on the firm's behalf, which may eventually lead to the customer's satisfaction with the project and the firm being enhanced (or potential dissatisfaction eliminated).

6) Transition

The transition domain involves actions that occur beyond the actual (sales and) delivery projects – and which, hence, reside at the relationship-oriented, firm-level ('above' individual projects). The actions often involve improvement of project sales and delivery processes (as well as CRM and SCM coordination processes) based on the experiences that the firm has gained in the finalized and ongoing projects. Also, successfully delivered projects are documented so as to be used as a reference project – which may lead to certain projects being added to the firm's reference customer/project portfolio (Skaates, 2001; Salminen & Möller, 2004; Jalkala & Salminen, 2008).

Furthermore, the repertoire includes the important action of identifying new sales opportunities and opportunities for further system enhancement with the customers. This may lead to some of the customers becoming repeat project buyers or service customers whose system the firm maintains and services on an ongoing basis. If such a relationship is not or cannot be established, the firm may add the customer in question to its portfolio of "sleeping customer relationships" (Hadjikhani, 1996), to which it maintains some contact even if there is no ongoing business or sales. Of course, the firm may also completely "break up" certain customer relationships immediately after delivery projects. These customers can be considered to end up to the firm's portfolio of past customers.

Mechanisms of project marketing

In accordance what has been stated about mechanisms above, it is necessary to identify central mechanisms, leading to relevant outcomes along the project marketing process. In Figure 2, we present a tentative illustration of some of key mechanisms and outcomes related to project marketing.

-------- TAKE IN FIGURE 2----------

Naturally, the exact content and scope of any mechanism vis-à-vis, for instance, the action domains (project marketing process phases and the related actions) is an empirical question and falls beyond he scope of this paper. In Figure 2, we identify the mechanisms of project co-development, project resourcing, project selling, project delivery, project handover, and project referencing and leveraging (naturally, on the basis of a future empirical inquiry, there could be more). The exact 'workings' of each of the mechanisms also constitutes an empirical riddle.

CONCLUSION: FUTURE RESEARCH

The tentative frameworks that we present in this paper are meant to act as a starting point for future empirical processual/historical studies of competitive actions and causal mechanisms in the project business context. Historical narratives can be defined as analytic constructs of sequential accounts that organize events and actions into chronological order. They have a beginning, a series of intervening actions and events and an end that is a result of the numerous interconnections between the intervening actions and events. Accordingly, historical narratives describe in chronological order what happened, why it happened, and how it happened. Most importantly, as we would like to emphasize, historical narratives are an essential part of the examination of causal mechanisms, which also allow generalization.

There is consensus that historical narrative can be an especially helpful tool for assessing causation in situations where temporal sequencing, particular events, and path dependence must be taken into account. It has to be emphasized, however, that a historical narrative or mere process tracking is not the same as a causal explanation, nor adequate for the postulation of causal mechanisms. Therefore, in order to move beyond sheer description to causal explanations, it is necessary to develop systematic methods and explicit concepts for analyzing historical narratives. This is especially true in the context of project marketing research, which has been characterized by thick descriptive case studies.

On the one hand, causal narrative relies on interpretation and description as main elements to produce explanations and, on the other hand, rests on some type of logical principles that enable the researcher to produce explanations that include explicit causal reasoning and allow for both replication and theory generalizability. Causal narrative, thus, connects events and actions to other events, determines what events affect other events, and by formal rules generates consistent inferences (Stevenson & Greenberg, 1998).

After the construction of a causal event structure, the next phase occupies a central position in the postulation of causal mechanisms and comparative analysis in general, that is, the explicit generalization of the concrete configuration of actions. This abstraction consists of two parts. First, the researcher, as a result of profound knowledge of the case, can extract from the chronology those actions that are incidental or without any meaning in the causal path. Second, those actions that are retained for further analysis are conceptualized as instances of theoretically general sequential actions, usually by exploiting the theoretical framework. In this phase the notion of levels of mechanisms becomes important.

While a single event-structure analysis together with considerations of levels of mechanisms is able to provide a relevant description for hypothesizing about causal mechanisms in a particular project marketing case, the comparative method is required in order to consider possible differences and similarities as well as to suggest tendencies regarding causal mechanisms in the wider group of cases that represents the same phenomenon at a more aggregate level. Thus, it makes possible the postulation of a general scheme that compactly explains how things work in general.

All in all, we propose a procedure for causal explanation by mechanisms for the study of project marketing cases. The procedure incorporates the elements described above and also forms a systematic structure for the analysis of project marketing processes. Moreover, it provides a solution to the dilemma in processual analysis how to intelligibly include complexity and comparability in the same study. Briefly, the structure of the procedure is as follows. First, the historical narratives, event chronologies, and causal event structures of particular organizational processes are elucidated. Thereafter the event structures are abstracted using event structure analysis (ESA), a theoretically derived analytical framework (which can be informed by the framework presented in this paper), and the idea of two levels of mechanisms, and thereby the causal mechanisms driving the processes are postulated. Finally, using the comparative approach, the suggested mechanisms are compared and the possible general tendencies are identified.

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FIGURES

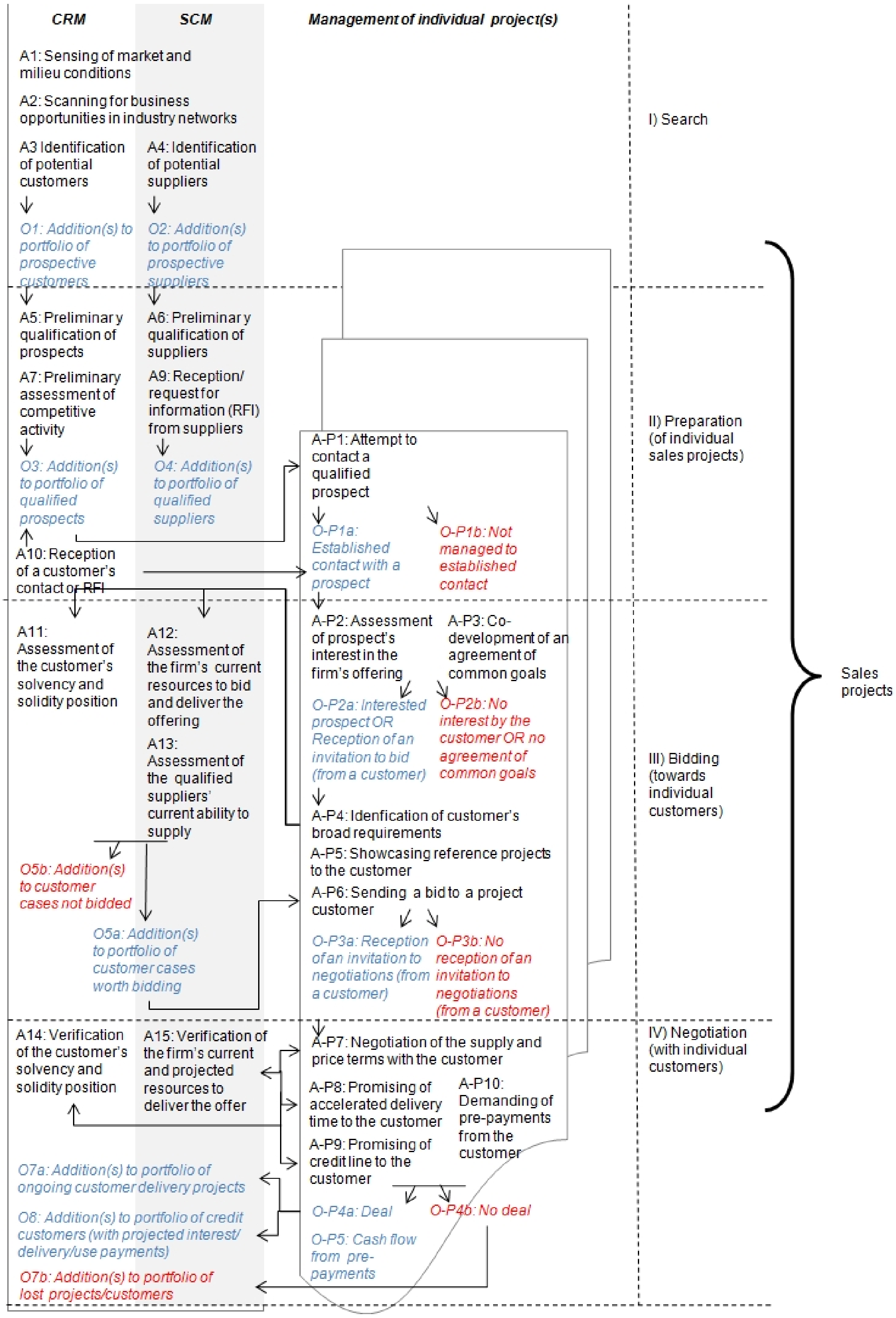

Figure 1. Tentative model of the repertoire of typical actions of project management actions and their outcomes

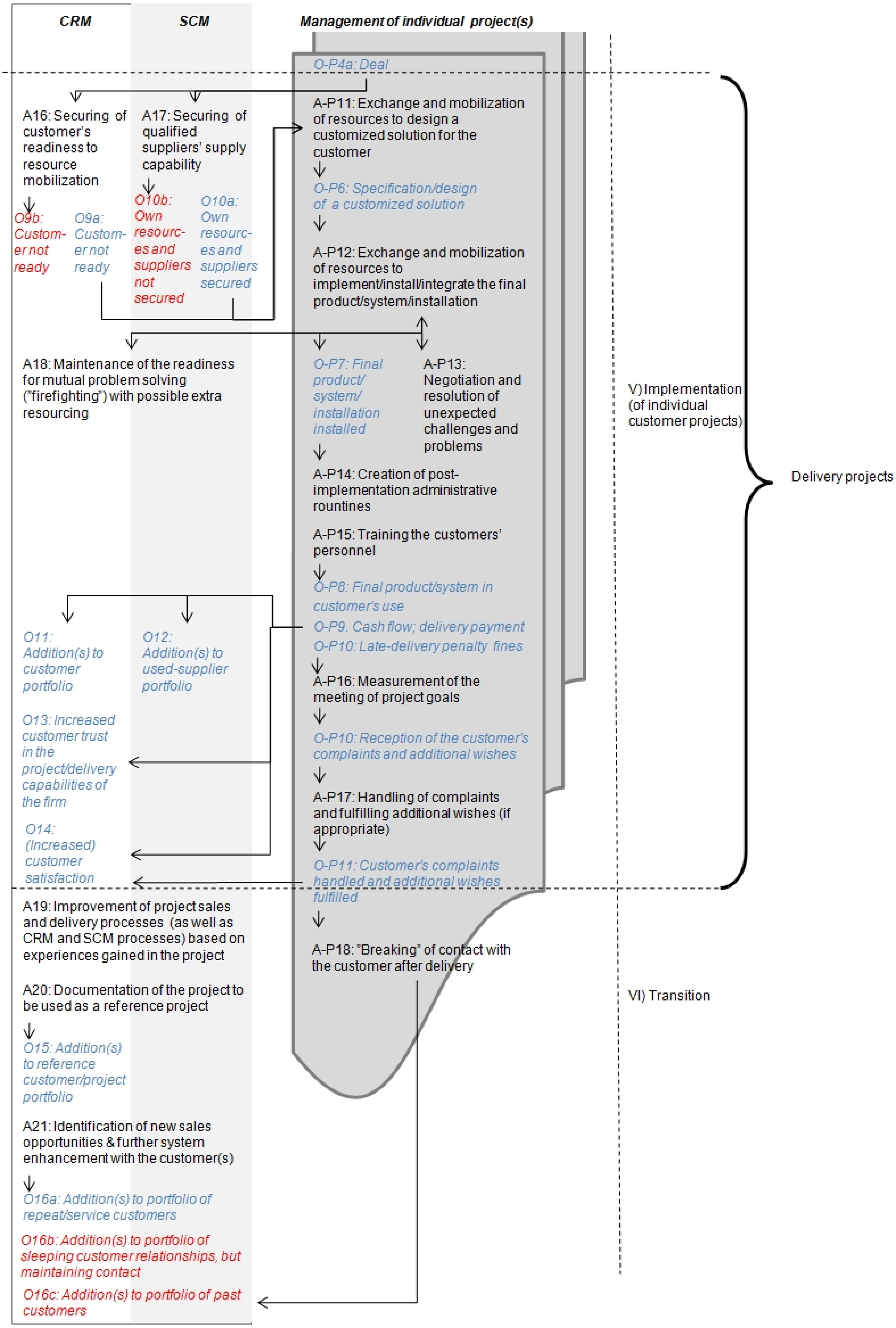

Figure 1. (continued)

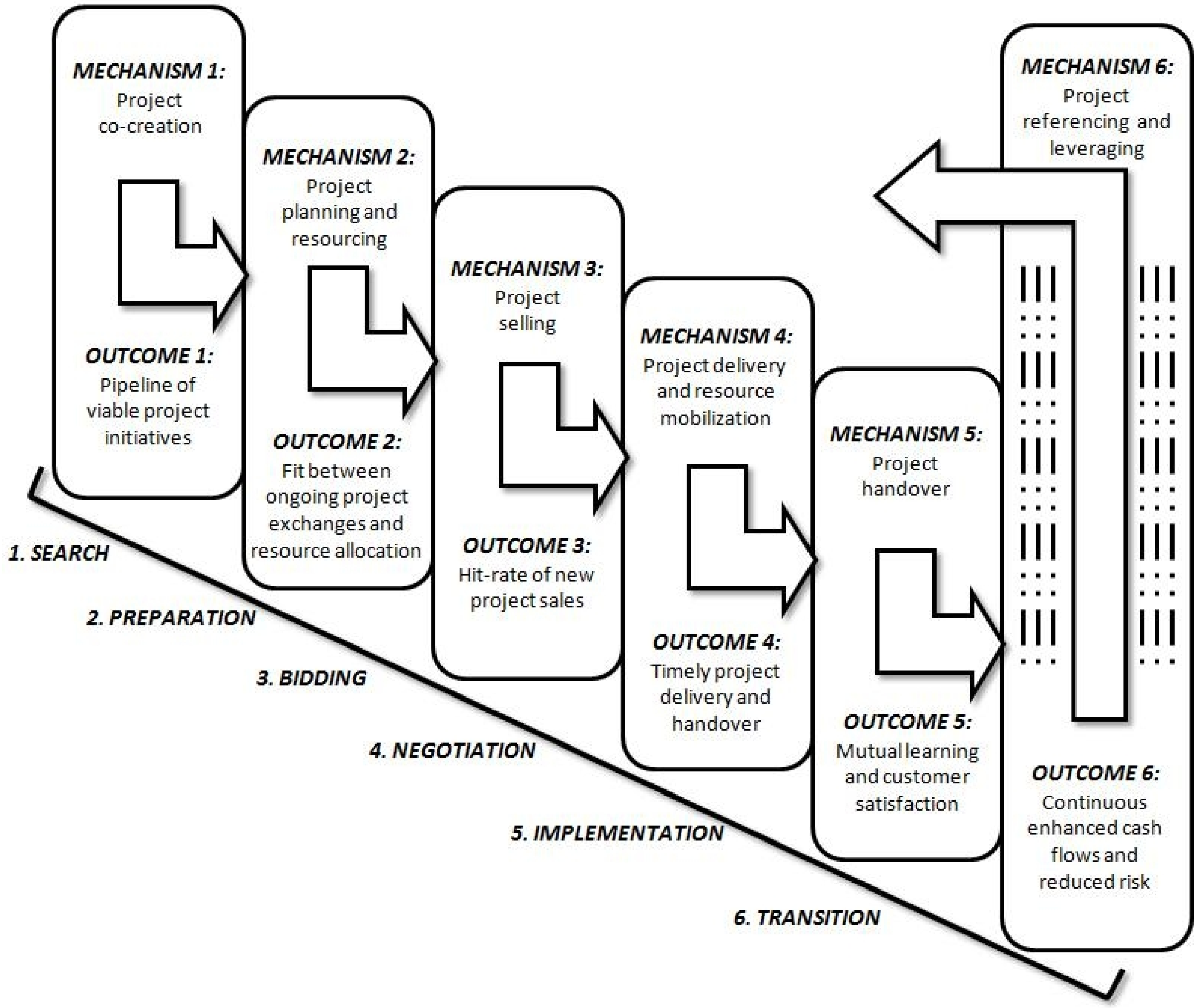

Figure 2. Project marketing mechanisms across the action domains