LARGE CORPORATION STRATEGIES FOR CONTROLLING A START-UP MILIEU

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ABSTRACT

In the IMP view we are taught that strategy is interactive and that companies should manage within a network, rather than controlling it. Furthermore, we are told that total dominance is not possible and that networks are a way to influence and be influenced. In the present paper we study the mid-Norwegian start-up milieu and find that the large corporation Big is doing the impossible, Big is controlling the start-up milieu. When exploring in what ways Big is controlling the start-up milieu we see that Big exercise power, have many 'heavy' relationships and many roles in the network. Through a supplier development program and very large projects, Big gain control of start-ups. Through their many roles in the network, both directly as well as indirectly through the firms Big controls, Big is able to make strategic moves in very many episodes and start-ups make more and more adjustments in relation to only one actor. Since such dominance in a network is dangerous on a long term perspective implications are directed towards other actors in the network such as policy makers and universities, which are currently pushed to the side by Big.

Keywords: Start-up milieu; large corporation; roles; control

INTRODUCTION

The network studied in the present paper, a start-up milieu, consists of start-up firms that are in the early stage of development. They are loosely connected with each other through bonds from having met at different start-up events, having shared resources, having shared office space, have a similar backgrounds etc. In the geographical proximity is also a large corporation, Big. During the interviews it was revealed that most start-ups have relationships with Big, even the start-ups from different industries than Big. Furthermore, when describing their current situation many of the start-ups mentioned that they were waiting for a decision to be made by Big which would determine the future development of the start-up.

In the IMP view we are taught that strategy is interactive and that companies should manage within a network, rather than controlling it (Baraldi et al., 2007). All actors in the network are dependent on the approval of the actors they are interacting with in order to make changes. "…networks in their broadest sense cannot be managed by a single actor" (Heikkinen et al., 2007, p. 909). "But more typically, there is some degree of mutual interdependence such that each party has some ability to influence the other" (Ritter et al., 2004, p. 177). "No company is the 'hub' of the network or is likely to have complete control over it" (Håkansson and Ford, 2002: 135). According to Ritter et al., (2004) the ability of a firm to form and maintain productive relationships is a key characteristic of firms that enables them to manage *in* a network. "In short, relationship and network management is about managing interactions with others, not about managing others" (Ritter et al., 2004, p. 178).

From the empirical description it seemed like the role of Big in the start-up milieu was rather influential. The question then was how influential. According to Johnsen and Ford (2008) there is little existing research within IMP focusing on how smaller suppliers develop new relationships to large customers. However, due to the resource constraints of start-ups and short windows of opportunity in high-growth industries a relationship with a larger customer may be the only viable alternative (Salonen and Gabrielsson, 2012). In other words, by examining this particular situation we may be able to provide implications that could help other start-ups in a similar situation. The purpose of the paper is to investigate the role of Big in the mid-Norwegian start-up milieu. In order to fulfill the purpose the direct and in-direct relationships between Big and the start-up milieu will be analyzed in order to identify the control that Big has on the relationship level and the network level from the perspective of the start-ups.

It is not enough to only describe the case. "A good story needs to have some kind of underlying theoretical 'plot'" (Bizzi and Langley, 2012, p. 229). First we will therefore present a theoretical frame of reference, within the area of control, power and dependence, which uses the relationship atmosphere as a starting point. Thereafter we will present how the data was collected through interviews with start-ups in mid-Norway before the case is described. In the case description we separate between direct and in-direct relationships as well as between start-ups that are members of Big suppler development program and start-ups that are not. Finally, we present analysis, conclusions, implications and future studies.

THEORETICAL FRAME OF REFERENCE

The perception of unfolding events and the nature of interaction between firms is influenced by the atmosphere, which consists of the mutual expectations of the firms and is also "characterized by the states of closeness/distance, conflict/cooperation and power/dependence" (Medlin, 2004, p. 185). As explained by Håkansson (1982, p. 22-23) the control dimension is an important part of the atmosphere and "The firm must seek to balance the advantages of close relationship, perhaps in terms of cost reduction and ease and speed of interaction, against the opportunity costs of that single relationship and the dependence which it involves". The control dimension can be analyzed on the relationship level, both in each interaction event and in long term adaptations, as well as on the network level.

Control, power and dependence in a relationship

According to Håkansson (1982, p. 22) perceptions of power in a relationship is "related to the resources perceived to be possessed by each party as well as to their relative dependence on this individual relationship". In some situations a firm may be more powerful in relation to the other actors compared to other situations (Ritter et al., 2004). Meehan and Wright (2011, p. 33) emphasize that 'influencing' is one-way directed and that "power is passive – it is the potential to influence – as opposed to the actual exercise of power". Even though power exists in a relationship or network it does not need to be reflected in the relationship atmosphere. In contrast, it is the perceived interdependency that is of importance when it comes to the activity options that the actors see (Munksgaard, 2010). Forkmann et al. (2012) emphasize that previous studies have found that power can also come from interdependence between activities and resources as well as strength of commitment. According to Håkansson and Ford (2002) the least committed actor in a relationship tend to influence negatively by restricting the development while the more committed actor influences positively by driving the development forward. Conversely, if a relationship is important for a firm's fulfillment of its economic goals the relationship performance will be higher (Medlin, 2006).

Hallén et al. (1991, p. 31) view power in the following way, "Power derives from having resources that the other needs and from controlling the alternative sources of the resources." The options that the actors see when interacting are related to the six c:s confront, conform, consolidate, create, coerce and concede explained in e.g. Ford et al. (2011). If an actor chooses to conform or concede to the actions of another actor rather than confronting a situation or creating a change it is likely that the other actor is able to influence the first. Ritter et al. (2004) argue that even when a relationship is a followship relationship where a firm is highly dependent on another firm the less powerful actor still has the means to influence the more powerful actor by managing its interactions. Similarly, Johnsen and Ford (2008) report of examples of small suppliers that were able to use exclusivity in their relationships in order to push for greater contributions from their larger customer and small suppliers that were able to influence their larger customers through technical power. Salonen and Gabrielsson (2012) studied small suppliers that were dependent on Nokia in Finland and found that the suppliers tended to try to reduce their dependence on Nokia by acquiring other customers in the same industry as well as other industries but this did not work out since it they were not able to do it without lowering their service to Nokia.

Håkansson and Ford (2002) argue that firms and their relationships are 'heavy' with previous experiences and investments. "Opportunities and limitations for a company are related both to the resources invested in relationships and to the companies' internal capabilities" (Håkansson and Ford, 2002, p. 135). Furthermore, "several studies using the resource interaction approach have illustrated that an organizational unit gain imprints from the close counterparts it interacts with over time" (Strömsten and Waluszewski, 2012, p. 241). Adaptations are important in business relationships. Adaptations tie the parties together since they imply large investments that are important for the relationship but cannot be easily transferred to other relationships and the adaptations have consequences for the long-term competitiveness of the firms (Hallén et al., 1991). In a long term business relationship trust is also important. "Trust building is a cumulative process of increasing vulnerability to each other's opportunism. Entrepreneurs learn about each other's sense of fairness, capabilities and motivation to deliver." (Bowey and Easton, 2007, p. 275)

Control, power and dependence in a network

Actors in a network can also be viewed as collections of roles (Heikkinen et al., 2007). The concept of role includes a depiction of the static position in the network as well as the abilities and the expectations of behavior. It is both the expectations of others as well as the intentional constructions and changes made by the actors that define the role (Heikkinen et al., 2007). "Thus a network is both a way to influence and to be influenced. Both situations exist simultaneously and both premises are equally valid" (Håkansson and Ford, 2002, p. 136). "The individual firm is so reliant on its relationship partners that the very idea of independent strategy formulation makes little sense" (Baraldi et al., 2007, p. 891). Furthermore, strategy "is about developing an interactive approach in *each* episode, relationship, network, situation and strategic move" (Ford et al., 2011: 192). In other words, by using an interactive approach to strategizing it follows that all actors are viewed as being to some degree interdependent on the other actors in the network. From this view it also follows that total dominance is not possible in relation to all actors and resources in a network (Heikkinen et al. 2007; Håkansson and Ford, 2002).

Related to control in networks network governance is often mentioned. "Any governance structure is grounded in a contractual framework but is also characterized by control and incentive mechanisms that enable it to govern transactions." (Demil and Lecocq, 2006, p. 1452). Ritter (2007) argues that the three governance modes market, hierarchy and relationship can be used as reference points in a triangle when analyzing relationship governance. Jones et al. (1997) argue that structural embeddedness, meaning that the firms in a relationship also have relationships with the same third parties, is a foundation for social mechanisms. It is further argued that social mechanisms in turn constraints behavior and coordinate exchanges in the network, which is an important part of network governance. Within network governance there tends to be a status maximization strategy, where all parties try to avoid actors of a lower status, which leads to many exchanges taking place between actors of a similar status (Jones et al. 1997).

In addition to the interdependence which limits the firms' freedom to act independently, each actor in the network has a very restricted view of the surrounding network (Baraldi et al., 2007). This is a particularly important issue for smaller actors. Small suppliers tend to view the network as a concern of the larger customer and therefore do not view themselves as part of the network. Consequently the small suppliers fail to anticipate the impacts from changes taking place in the network and do not have the needed strategic skills to respond (Salonen and Gabrielsson, 2012; Johnsen and Ford, 2008). When it comes to third level management of connected relationships firms need to manage the effects of interaction in connected relationships and respond to opportunities arising in the connected relationships (Ritter et al., 2004). Another problem of dependence is the motivation of the influential actor. Strömsten and Waluszewski (2012) studied venture capitalist governance of start-ups and found that the venture capitalists tended to use their network position to add value to its portfolio as a whole and these activities did not always coincide with the interests of the individual start-ups in the portfolio.

It is important to make a distinction between the strategy in the meaning of the attempt to affect and steer and the strategy in the meaning of the emerging pattern of activities that may or may not be affected by the attempts (Baraldi et al., 2007). A few authors have also discussed the more deliberate attempts to strategize. Harrison and Prenkert (2009) categorize three ways of network strategizing where cognitive includes planning and network pictures while positioning is where the actor influences and takes actions in order to change, or prevent change of, a situation, and finally, adaptations. Harrison et al. (2010) suggest four ways of deliberate strategizing in networks: strategizing in the absence of direct interaction, strategizing in the presence of a network audience, strategizing among deliberate equals and strategizing among imaginative equals. These four ways of deliberate strategizing are part of a matrix where the actors either plan alone or adjust to the other actors and where the other actors in the network are either present or not present during the strategizing. Forkmann et al. (2012) found in their quantitative investigation that even though exploiting strategies tended to be favored by managers the relationship was more likely to continue when strategies based on adapting and shaping were used. Some authors even go as far as discussing management in a network. “We define managing in a net as the capability to influence the net” (Heikkinen et al., 2007, p. 910). Management in a network includes the ability to mobilize and coordinate the value activities of the other actors in the network, determining and organizing situations, as well as coping with situations (Heikkinen et al., 2007). Möller and Svahn (2009) argue that firms that are particularly strong on networking abilities may even be able to influence the development of a new business field. The extent that a network can be managed may also be seen as varying between different networks (Järvensivu and Möller, 2009). The extent that a network can be managed may also vary between different situations of networking within the same network. If a network has become a hierarchy, management is direct and authority based instead of the constant negotiations and re-negotiations that characterize networks (Järvensivu and Möller, 2009).

RESEARCH METHOD

Networks may be defined as a relatively loosely tied group of organizations (Rampersad et al., 2010). Since the network itself has no boundaries (Håkansson and Ford, 2002), an important part of a study of networks is to define the boundaries of the phenomenon or part of the network that is to be studied (Halinen and Törnroos, 2005). Rampersad et al. (2010) argue that many previous empirical studies have tended to define the network to be studied in an ego-centric manner, in other words, defining the network from the viewpoint of one actor. Following the boundary setting of the network to be studied, Bizzi and Langley (2012) argue that it is important to consider the sampling of incidents to consider and people to talk to since this may provide challenges of trade-offs between depth and breadth.

The present paper reports on a study conducted in the end of 2012 and beginning of 2013 of the start-up milieu in the middle of Norway. The interviewees were recruited for the study using lists of alumni firms from the School of Entrepreneurship, several incubators, the Connect foundation and Innovation Norway. The firms on the lists were looked up on the internet and if they were still alive, had found their first customers and were willing to participate in an interview they were interviewed. The founders of the firms were often previous students and researchers at the university, the university college or the research institute in Trondheim. The products that they were trying to commercialize are technology based but found in different industries such as materials, software, biotech and surveillance.

The start-ups were based in and around Trondheim in the middle of Norway. Trondheim is also the geographical location of the only technical university in Norway, NTNU, and a large research institute, SINTEF. Many of the start-ups that are commercializing innovation based on technical research are therefore located there. All interviews were focused on the early development of relationships in the start-ups. The interviews were conducted in the offices of the start-ups except for two start-ups were the person that knew most about the start-ups relationships initiations had an office in other towns. Those two interviews were conducted using Skype and Go-to-meeting. All interviews lasted for about an hour and all interviews were conducted and transcribed by one of the authors.

The initial analysis of the transcripts from the interviews showed that among the twelve interviewed start-ups, ten start-up firms had at least one direct or indirect relationship with Big, regardless of the industry that the firm tried to contribute to. Consequently, it was decided that the interview data from the ten start-ups should be analyzed with a focus on the relationships between the start-ups and Big. In other words, the analysis discusses the roles of Big in the start-up milieu from the view point of the start-ups. Since Big is a very important relationship for the ten start-ups, and the point is to analyze Big rather than the start-ups, we have treated them as a group in the empirical description thus making it harder to connect each quote to a particular start-up. Henneberg et al. (2010) discuss in relation to network pictures that it is possible to integrate several views into one as a research device but that there is a risk of creating a supra-individual construct. In the present paper we therefore remain close to the views of the interviewees in the description by using several direct quotations.

Since the interviews were made at one point in time we will not be able to discuss the process aspect of the situation. In other words, we do not know if Bigs control of the start-up milieu is increasing or decreasing. In contrast, we have only explored in what ways Big has the potential to influence at that point in time.

EMPIRICAL DESCRIPTION OF THE START-UP MILIEU

Among the interviewed firms there were two groups of firms; the start-ups that participated in Bigs supplier development program and the start-ups that did not. The interviewed start-ups that participate in the program include start-ups both from the same industry as Big, remotely related industries as well as competing industries. As participants in the program the start-ups have several formal relationships with Big. However, the start-ups that do not participate in the program have several direct and in-direct relationships with Big anyway. In this empirical description we first describe the direct and in-direct relationships between the start-ups included in the supplier development program and Big and then we move on the direct and in-direct relationships between Big and the start-ups that are not included in the supplier development program. During our analysis we investigate the variations within the two groups of firms as well as between the two groups of firms in terms of direct and indirect relationships with Big.

Direct relationships with Big as part of the supplier development program

The start-ups that are members of the supplier development program reported that they had several contact points within the Big organization. “As we were asking questions different people were contacted and after a while we had talked to several different people within Big”. “Mostly technical, but it is the commercial department that has taken all decisions related to the program and the financial support". "When the program was started the contact was strengthened between our firm and Big since there were many contact points… Within the program there were many departments involved". However, it was also reported that the interaction within each relationship with the different contact points were not necessarily very intense or long term. "They change positions, it has been a bit frustrating, you lose a lot of what you have established, especially if you have an established relationship with someone and then you have to initiate a relationship with someone new." "Because Big, they are very many employees, there are many people who have time to meet you, have a cup of coffee and give you some good advice. But they do not have any, they do not really become affected if you do not succeed." During the course of the program Big had several different roles within and in relation to the start-ups. "They contributed in a way, both in the advisory board and in the project team… But they were not operative. They did not sit next to us doing the calculations, they did not do that, we did all the calculations". "…at the moment it is not possible to get an overview of who is customer and who is supplier, even though we have a speculation about it. Big play many of these roles right now, but they are not supposed to do that, later."

Financing is also an important part of the supplier development program. Big provide financing to the start-ups. Often this financing is matched by an equal amount by public funding actors. "…we got financing from the program, which generated funding from Innovation Norway, which again gave us a good relationship with Innovation Norway who has provided us with a lot of additional financing later." It is common that the financing of the development project is shared. "There were 3 000 000 from Big, three from Innovation Norway and three from us." "…a project application is sent to the research council, and they usually provide 25%, and if it is accepted by the research council, usually it is accepted, Big has the intension to provide financing if we are able to get additional funding from other actors, and that is what has happened." During the project the financing is often used to conduct tests and verifications of the product. These verifications can be useful in the relation to other customers "[Another large company] says, if Big has approved it, it is ok for us."

The positive side of the financing from Big is that there is little risk included. "If we would fail, we do not owe them anything". "There is no exclusivity at all." However, the money comes with a price. "…if we will do an emission this year, Bigs financial support will be converted into stocks in the firm or a royalty. It was x % of each future sale. Those were the two options…so it is not like we have been given the money. It is not a generous support, it is an investment." One of the start-ups chose to convert the support into making Big shareholders in the start-up. "…and Big owns about 20%. But then, Big wanted to exit, and started talking about selling to a larger actor… they like to be part of start-up phase, but they have no interest in being a permanent owner. So they want to exit the market." Big then mediated contacts to a firm that got the task of identifying potential buyers.

In-direct relationships with Big as part of the supplier development program

It was described above that the relationship with Big may facilitate additional relationships to public financing actors and other customers. In addition to the relationships with different contact points within Big the start-ups within the supplier development program also have contacts with the suppliers of Big. Big used different methods in mediating contacts. One of the start-ups hopes to become a supplier to one of Bigs suppliers. The start-up had to contact the suppliers themselves but Big facilitated the process through their procurement. "It says in the tender documents that they have to offer both our solution and the traditional solution. It is Big that has dictated that there should be two. But the suppliers are allowed to come up with a solution [like ours] of their own." Another start-up needed to receive a letter of intent from the suppliers of Big, where they said that the product of the start-up could be included in their product portfolio, in order to become admitted to the supplier development program. It was reported that this relationship with the suppliers was very useful since the suppliers dedicated a lot of resources to interact with the start-up in order to learn about their product. During the workshops employees from the technical departments as well as the commercial departments and management were present and gave feedback to the start-up about their product. In order to facilitate the meetings Big provided contact information about the suppliers to the start-up. "It was like that; you can call them and say hello from me. It was very useful… when I called and said I have spoken to this person in Big, can I come and meet you. Then they just said, yes! We have a contract worth 60 000 000 NOK, of course, if Big says jump, we jump. "

Direct relationships between Big and start-ups that are not part of the supplier development program

The start-ups that were not part of the supplier development program initiated their relationships with a department that became part of Big through a merger a few years back. "When they bought the department we tagged along". "It was project at the division that continued after the merger. Then we already had a foot in the door. And we had a lot of knowhow. So we continued." Not being part of the supplier development program does not mean that the relationship with Big is less important. "If you look at who is our most important customer… it is Big." "The first important project we got was at the department…And we delivered a very good result and then we got additional projects there". "That is why we say that Big, that is the most important customer we have got." "The first year it was this single contact that provided all projects activities [for my start-up]…well, not all, but maybe, 80-90%."

Similar to the start-ups in the supplier development program these start-ups also had several contact points within Big. "We have several contact points. Big functions like completely different customers actually". There can also be several parts of the organization involved in the same project. "We deliver to first, second and third level of the organization." These levels included production, administration and management. "Big is currently in the roll out phase, 48 second level organizations globally plus third level including the CEO." Since Big is such a large customer they can get adjustments and adaptations of the product. "We have several on-going projects and several new areas that they want to get adjusted to the Big way of working, thing that they want to get done in their way." "…we have developed a lot of software. That we have financed ourselves. But that we use to carry out the work." There may also be an exclusivity connected to adjustments. "They have a wish of keeping it exclusive because they want to be better than others, but if nobody knows what you are doing it does not help to be better than others."

In addition to the financial resources that Big provide by being a customer Big is also a member of research projects. "We have a research project during 2011-2015, it is a four year research project. It is the research council that are the funding partner." There is also a research partner and several customer partners included in the project. "We explore the future of this area. They [the customer partners] do not participate with money. The participate with how they use, in other words what they do…". Big also participate in smaller development projects together with the start-ups. "And then they joined a development project…It was one of those SkatteFUNN projects [financed by the research council]…We had project meetings and so on. After a while they started to use the technology and trial use the technology…Big has received a number of product licenses for free since they have participated in the development."

In-direct relationships between Big and start-ups that are not part of the supplier development program

The indirect relationships with Big are of varying types. For one of the start-ups, Big is the common denominator of their customers. "…my history is that I started my career in Big in the 80s and I know a lot of people from that time. And then they have remained in Big while I have not been there. And then they have quit and started to work in other smaller companies. And then they know me and I have a certain reputation within the field and then they have initiated contacts with me. This is people that I have met before either through projects with Big or people that I know from before". Another start-up participates in a joint research program together with Big. There are several different actors involved in the project and the project is divided in 5-6 work packages that in turn are divided in several projects. The start-up work rather independently when they carry out their tasks within the project. "[The program] does not provide any financing so for us it is a cost, but we get some knowledge in return. And we make our technology and our services more known."

Three of the start-ups have Big as an indirect customer. One of the start-ups has the members of Bigs distribution network as customers while another sell to the suppliers of Big and a third to an organization partly owned by Big. The organization partly owned by Big had previously tried using a similar product as the one developed by the start-up from another supplier. However, that project had failed since the remote controlled devices had disappeared. "…I think they lost two of them that just took off in the direction of Russia. And then they never saw them again and cancelled the project". In the development project together with the start-up the organization is very active. The organization made sure that the start-up could participate in a large work shop that is unique within the industry, where the technology could be tested. The organization then became a pilot customer and bought two of the products. The start-up that sells to the suppliers of Big are in a completely different industry than Big but in 2009 one of the suppliers of Big phoned them "We have a description of a product here, does it exist? No, then we have to make it" and then the start-up made a metal version of their product just for Big. After a while another one of the suppliers phoned. "We hope that we will be able to deliver but there can always be some kind of extreme demand. We have received questions like: can you satisfy B15? And then I have to find out what B15 is. It is an extreme fire test…" In parallel with these relationships the start-up is also participating in biddings for large projects that involve Big. "These projects are also Big related, several millions. If we would get one of those, then we start hiring people, or rather we re-hire my friends that had to leave."

There are also a couple of start-ups that have investors/business angels that have made their fortune in the industry of Big. They now invest in different industries. They are investors of the type that "has his money in his back pocket" and invest because they are personally interested in the product or "because he thought it [the industry of the start-up] sounded exciting". Some of the start-ups find challenging that "there is no particular knowledge in the money communities in Norway regarding [the industry of the start- up]…there have been very few contributions from the investors when it comes to such things [networks, markets, business plans etc.]. We have had to build up all this knowledge internally in the firm. And that is a pity; I think that if we would have had investors from other parts of the world they could have contributed more."

ANALYSIS

In the following analysis we will first analyze the relationships between Big and the start-ups that are part of the supplier development program as well as between Big and the start-ups that are not. The combination of the different relationships will provide a view of Big in the start-up milieu.

When it comes to resources, perceived power in a relationship is related to the resources that are perceived to be possessed by each party, if these are resources that the other party needs and if the party is also controlling the alternative sources of the resources (Hallén et al., 1991; Håkansson, 1982). Given that the start-up is by definition starting-up and Big is large and well-established corporation it may seem rather evident that Big is perceived to control more resources than the start-up. More specifically we can see in the case description that Big is able to mobilize several resources for the start-ups. As part of the supplier development program Big provides financing to the start-up and for the start-ups that are not part of the program a very large portion of the customer revenues come from Big. Furthermore, Big provides technical expertise through being discussion partners and participation in advisory boards as well as technical equipment that enable start-up to carry out tests of their product. Furthermore, Big mediates and facilitates contacts between the start-ups and the other suppliers of Big. Big can also be seen as controlling alternative sources of some resources. For start-ups an alternative source of funding is the public funding actors. However, according to the start-ups the participation of Big tended to give a positive result on the application to the public funding actors. Moreover, if Big approves the technology of the start-up so does several other potential customers. Previous studies have reported that technical power or acquiring other customers can sometimes be a way to increase the perceived power in a relationship (Salonen and Gabrielsson, 2012; Johnsen and Ford, 2008). In the case description we can see examples of start-ups that have been involved in long term projects with Big as a customer that has provided the start-up with a lot of knowhow that have enabled them to get additional contracts with Big. The start-ups were also willing to finance their own in-house development of software in order to sustain their technological power. Additional customers were for instance acquired through former employees of Big who had started to work at smaller competitors.

An actor tends to influence a relationship positively if the actor is committed and if the relationship is important for the fulfillment of economical goals (Medlin, 2006; Håkansson and Ford, 2002). Since Big is a large customer Big is important for the fulfillment of the economical goals of the start-ups. However, the start-ups experienced that the contact points at Big were often not committed. Often the contact was short-term due to re-organizations at Big and the contact point at Big may be willing to discuss but was not dependent on the survival of the start-up. According to Håkansson and Ford (2002) the opportunities and limitations of a company is related to the resources invested in relationships and Strömsten and Waluszewski (2012) emphasize that organizational unit gain imprints from close counterparts. This is important for these start-ups since the start-ups often have several contact points within the Big organization related to technology, business, financing, development projects, current projects, potential projects etc. Sometimes Big was even perceived as different customers. Most of the opportunities that the start-ups see will thereby be related to Big and most of the imprints that the start-ups get will be from Big. As mentioned by Hallén et al. (1991) adaptations are an important part of long term business relationships and the start-ups will make several adaptations to Big in interaction with the many contact points.

So far in the analysis it may seem that Big has a lot of perceived power in the relationships with the start-ups. Big is able to mobilize resources, control alternative resources, is less committed and imprints the start-ups through several contact points while the start-ups try to gain power through technical power and acquiring other customers. However, even though power is perceived in a relationship that is not the same thing as the actual exercise of power (Meehan and Wright, 2001). In the case description there are a couple of examples where Big is exercising power. The condition for providing financing to the start-up is that if the start-up succeeds it is to be considered as an investment that will provide Big with a % on future sales or ownership in the start-up. When Big had gained ownership Big pushed for market exit at an early stage. Big also exercised power in relation to its suppliers that had to collaborate with the start-ups and often wanted exclusivity as well as products developed only to satisfy the specific conditions and needs of Big.

Moving over to the network, Heikkinen et al. (2007) argued that actors in a network can also be viewed as collections of roles Ford et al. (2011) mentioned the importance of each episode and each situation in relation to strategizing. As seen above Big is a collection of very many different roles in the network since Big has contact points with the start-ups dealing with many areas of the start-ups operations and has relationships with start-ups within several different industries and in many different direct and in-direct ways. Big therefore has very many episodes and situations to strategize in relation to the start-up milieu. According to Jones et al. (1997) structural embeddedness is a condition for social mechanisms that may constraint behavior in a network. In this milieu the common third party is often Big, even though it may be different parts of Big.

The role of Big could also be analyzed in terms of governance. Governance structures consist of contractual frameworks, control and incentives (Demil and Lecocq, 2006). As seen above Big has a lot of control in the start-up milieu. When it comes to the contractual frameworks the start-ups that have Big as a customer have a contract, while the members of the supplier development program have contracts covering the program and the start-ups with only indirect relationships with Big do not have contracts with Big. The incentives seem to a large degree originate from the prospect of potential future contracts with Big.

As argued by Strömsten and Waluszewski (2012) actors like Big may be motivated by creating value from the portfolio of start-ups they are governing rather than making sure that each individual start-up fulfill its goals. This is something that some of the start-ups in the supplier development program are experiencing when they have to wait for decisions to be made by Big while they are running out of money. At the same time these start-ups seem to be experiencing the limited view of the surrounding network (Salonen and Gabrielsson, 2012; Jones and Ford, 2008) since they find it difficult to see other options than to wait. Since Big has not been interviewed we do not know how much of what Big does is deliberate strategizing but the routines that Big has for procurement and the setting up of the supplier development program seems likely to be examples of deliberate strategizing (Harrison et al., 2010; Harrison and Prenkert, 2009). Given the amount of power identified in the relationships between Big and the start-ups and between Big and the start-up milieu it seems likely that Big could control the start-up milieu even more if it would want to and even manage parts of the milieu. In contrast, it seems as if Big let the start-ups develop independently among the many contact points of Big. This way the innovativeness of the start-up remain while Big is sure to be first in line to buy the product (or the start-up) if it would develop into something good.

A summary of the ways in which Big controls the start-ups are presented below.

	Controlling factors on the relationship level	**Controlling factors on the network level**
Start-ups in the supplier development program	-Low commitment in the interactions. -Need to get the product verified by Big. -If the start-up succeeds Big will have part ownership. -Several contact points within Big.	-Generate interactions with Bigs suppliers. -Generate financial support from policy actors. -Several interactions.
Start-ups not included in the supplier development program	-Large customer. -Demands of exclusivity.	-The participation of Big in development projects generates funding from public sources. -Big common denominator of several relationships. -Suppliers of Big 'representing' Big in the interaction.

Table 1: Summary of controlling factors

CONCLUSION

The present paper has explored in what ways the mid-Norwegian start-ups are controlled by Big. It was found that Big are very powerful among the mid-Norwegian start-ups. Big does not become powerful in isolation. There are several factors that makes Big attractive to initiate a relationship with and several factors that increase the possibilities for Big to become powerful. Resources are an important part of the explanation. Due to its size Big is able to provide a lot of resources, and projects of the size that alone would save a start-up, which in return provide Big with control. A relationship with Big also generates additional resources from other actors that also have relationships with Big. In a relationship with Big, the difference in size is huge. While the start-up is one of many for Big, Big is the only customer or the most important customer for the start-up. The start-up is therefore willing to do several adjustments to their product and business plan in relation to Big. The start-ups become very dependent on Big after the adjustments have been made. Moreover, when the start-ups in the milieu are interacting with investors, potential customers and technical support they are actually interacting with the same actor: Big. Furthermore, there are several actors in the network such as the start-ups in the supplier development program and suppliers of Big that are controlled by Big to the degree that interacting with them is in essence also an interaction with Big. This has implications for the firms since they are making many adjustments to their products and business plan in relation to this one actor instead of several actors. By making their strategic moves in several situations, several relationships and several episodes with each start-up Big has gained a lot of control in the network. However, it was also found that given the amount of perceived power that Big has in the different relationships Big could have managed the start-up milieu even more if Big would have wanted to.

IMPLICATIONS AND FUTURE STUDIES

The present paper contributes with several implications. The present paper shows that from the perspective of a start-up in a relationship with an actor such as Big the in-equality in resources, in dependency and in commitment to the relationship, power tend to be present in the relationship atmosphere. Whether or not Big intends to be powerful, it is seen as powerful from the perspective of the start-up. The number of roles of Big and the following number of interactions in each relationship make it difficult to not become a manager of the network in the part of the network where the start-ups that are the most reliant on Big. Practical implications can be found for start-ups and policy makers. Start-ups need to be aware that many adjustments in relation to the same actor may weaken their possibilities to find additional customers. This also includes adjustments in relation to several actors who are all in turn related to the same actor. Policy makers, universities and governmental start-up support functions have an important task in providing/suggesting alternative solutions for financing, technological development and customer relationships that are not relying on the participation of Big. Furthermore, the paper shows how the policy makers, universities and start-up support functions are pushed more and more to the side-line in the start-up milieu since Big is playing several of the roles that they otherwise could have played. Even though it may seem efficient that the start-ups do not need to search for different actors it may also be a sleeping pillow that has consequences for the milieu as a whole in the long run since there is less room for other actors to develop towards filling the roles that they could fill and it may appear less tempting develop start-ups aiming for other industries than the industry of Big. It is already reported that it is difficult for the start-ups to find investors with knowledge about other industries than the industry of Big.

The present study was originally not designed to study Big but to study the start-up milieu. However, since Big was an important part of the network according to almost all of the start-ups it was necessary to make Big the star of the paper. Of course, this provides limitations to the study since the interview guide was not designed to focus specifically on the relationship with Big. Future studies, designed to investigate the influence of Big should be expanded geographically to see if Big influence in the same way throughout the country or if this is a local phenomenon. Given that Big has the major part of their organization in another part of the country it is likely that Big is influential in other parts of the country as well. Similarly, it would be interesting to find out if this is a phenomenon that is specific for Big or if companies that are similar to Big in other countries act in the same way. Finally, it would be interesting to study the activities of Big and the policy makers in the start-up milieu longitudinally. Future studies need to focus on how the policy makers handle and/or confront the situation and become more influential actors in the network they are assigned to improve.

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