

THE IDEA OF THE INTERACTING BUSINESS ACTOR

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ABSTRACT

IMP literature has developed the conceptualisation of a business landscape comprised of varying combinations of more or less interdependent activities, resources and actors, the form of which are defined by the interactive processes in which they are involved. The conceptualisation of the interactively-defined business actor presents challenges to our understanding of the nature of business organisation and operation. But few, if any IMP studies have systematically addressed the concept of the business actor directly and we do not have a well-developed framework for analysing actors from the perspectives of interaction and networks. This paper analyses the evolving semantics of the concepts of the business actor and business action within some of the literature associated with the IMP research tradition, using the software Leximancer. This analysis points to the ways that ideas of the business actor and business acting have

developed in the literature. The analysis also highlights some of the ways in which the development of these concepts is incomplete and points to potentially fruitful ways in which conceptual and empirical research could proceed. The paper then integrates this analysis into a preliminary framework for describing the characteristics or identity of the interactive business actor. Finally the paper concludes by using this framework to suggest some of the characteristics of the skilled business actor.

INTRODUCTION: THE IDENTITY OF THE BUSINESS ACTOR

IMP research has conceptualised that the business landscape is made up of countless inter-related activities, resources and the business actors that are associated with them. These activities, resources and actors evolve within heterogeneous, but more or less interdependent combinations within and between business firms. The centrality of interaction and interdependence in this conceptualisation leads to a particular view of the identity of a business firm, as follows:

A firm's identity is defined by the pattern of interactions that take place between the activities, resources and actors within and around the firm and its counterparts.

But this pattern of interactions is not uniform across all of a firm's relationships. In contrast, there will be a unique pattern between a business firm and each of its counterparts. This uniqueness is reinforced by the specific interdependencies that may develop between activities, actors

and resources in each case. Each unique pattern of interaction leads a firm to have a separate and distinct identity in each of its relationships. Each *relationship-specific identity* of a firm is the outcome of the interactions in a particular relationship rather than the fixed resources, strategies or intentions of either relationship counterpart. Each relationship-specific identity of a firm will be expressed within a particular relationship by the respective perceptions held of the relationship by both of the counterparts and by their respective approaches to their interactions. This specific identity is further enhanced by the interdependencies which may develop between associated actors, activities and resources. Thus a business firm in any one interaction context is in a real sense different from that firm in another interaction context.

The view of a business firm with multiple interaction-defined identities contrasts with the more conventional view which emerges from the strategy and marketing literature. This conventional view is of a more-or-less clearly defined business firm with its own particular identity. Such a firm is envisaged to be in control of its own discrete set of resources and to be able to develop and implement its own strategy for those resources which it directs towards a more or less generalised “market” (Pettigrew, 1997).

The conventional view of the independent self-directed firm provides reassurance for the practitioner and simplification for the analyst. But the concept of the multiple-identities of an interactively defined firm leads to a number of complications for both researchers and practitioners:

- The first complication is that those involved in interaction, whether defined at the individual, sub-group or firm level are each likely to have a different perception of the identity of a particular business actor. Thus, not only are perceptions of the identity of an actor relationship-specific, they are also actor-specific. All these different expectations of a specific actor, relationship and of the wider network will contribute through interaction to the evolution of the identity of the business actor (Ford & Redwood, 2005; Kragh & Andersen, 2009; Leek & Mason, 2009).
- The second complication is that the interactive actor and the activities and resources with which it is associated are interdependent with others. There is no clear boundary around any combination of elements which any actor may be said to control and hence no clear boundary to the actor itself. Hence, the evolution of each actor and relationship is the outcome of its own multiple interactions and of the parallel and related interactions between other actors, activities and resources on which it depends.
- Another conceptual problem lies in the nature of interaction itself. The process and outcomes of business interaction can never correspond exactly to the deliberations, aims, intentions or actions of an individual actor and that actor can have no independent identity which is separate from the processes in which it is involved. The lack of transparency of business interactions makes it difficult for the researcher and the actor to identify intent, interpretation and individual “action”. Further, all networking has multiple effects within

and outside the notional boundaries of the firm. The lack of transparency also means that it is impossible to relate specific actions or interventions to specific outcomes.

- The final complication in analysis of the interactive business actor is perhaps the most acute. This complication arises from the connections between the interactions that involve actors, activities and resources in network time and space. The perceptions of business actors will be influenced by the immediate issues and problems they face. But these interactions will also be affected by the previous experiences and future expectations of those involved in this and other processes. Interaction is often based on the respective intentions of counterparts. But a large proportion of the interaction between business actors is unintentional. Similarly, business activities and resources will also interact, adapt and evolve, often without intentional or at least observable actor intervention. The combination of the effects of multiple interactions over time and the apparently “Darwinian” evolution of interacting activities, resources *and* actors makes it difficult for the analyst to explain the reasons for a specific interaction approach. More importantly, these complications severely limit the analyst’s ability to explain the reasons for the evolving relationship-specific identity of an actor.

The language of business that is used in both practice and in academia defines business firms as discrete entities with more or less definable assets; material, legal and financial. This language also provides commonly

accepted, although imprecise categorise of companies such as manufacturer, retailer, supplier or customer. These categorise provide a common-sense way of discussing the role, position and intentions of a firm and are combined with well-accepted ways of assessing the performance of companies in terms of shareholder value, profit and sales-volume. We speak easily of powerful or weak companies and those which are growing rapidly or declining. But if the business landscape is populated by interactive actors, then the complications which follow from this conceptualisation cut across this everyday language. For example at a fundamental level, how do we make sense of the role and power of managerial intention in an interacted world? How do we determine the contribution of the intention of specific actors to interacted outcomes? What labels can we use to categorise actors to go alongside such terms as wholesaler or retailer? Can we usefully talk about “well connected companies” or “peripheral companies”. If so how would we make sense of the term “peripheral” in a network that by definition has no centre? Perhaps we could discuss “assertive or reactive companies” or those which exercise stronger or weaker control of the “external” activities and resources on which they depend. None of these questions are new and management researchers have attempted to address them at different times and with different words over many years. However the real question for us is: how can we add to our understanding of the nature of the business firm as an actor within the conceptual and empirical framework of the IMP Group?

This paper does not try to provide a direct answer to this question. Instead, as a starting point we seek to examine how the concepts of the business actor and business acting have evolved within IMP literature and to ask the simple question: how do we take this conceptualisation? In our study of the evolving conceptualisation of the business actor in IMP literature we examined four books: Hakansson et al. (1982); Hakansson & Snehota (1995); Ford et al. (2011) and Ford et al (2009).

ANALYSIS OF THE CONCEPT OF THE BUSINESS ACTOR IN IMP LITERATURE

Our examination of the evolution of the concepts of the business actor and business acting within IMP literature has used the Leximancer software (www.leximancer.com). Leximancer is a text-analytical software designed for analysing the conceptual content of natural language (e.g. interview transcriptions, academic books or research journals). In other words, Leximancer offers an analytical tool for illustrating the conceptual structure of text which can assist researchers in exploring a holistic understanding and interpreting large quantities of text.

The software is founded on corpus linguistics, computational linguistics and psycholinguistics (Leximancer, 2100:4). These argue that word occurrence in natural language is a rich source of information about aspects of human language learning, comprehension and performance. The research behind Leximancer argues that use of words in text and speech correlates with human learning and performance (Smith and Humphreys, 2006). However, whereas Leximancer can assist in extracting textual concepts from natural

language text, the correlation between those textual concepts and the ideas or mental states of those employing them is acknowledged to be abductive. Thus, Leximancer builds on the linguistic assumption that a word can be defined by its context in usage and that the use of words tends to co-relate with other words over a certain range within a natural language text stream. Very simply put, we use Leximancer to look at the meanings which lie behind the associations of terms used in text.

The software offers automatic coding of text and thus performs content analysis examining the semantic patterns of document sets. In this process concepts are derived from the text. Leximancer automatically identifies these concepts based on words that most often appear in the text (for this the software uses statistical algorithms - see www.leximancer.com for further details). A concept is thus a cluster of words that 'travels together' in the text. Essentially, Leximancer does two forms of content analysis (Smith and Humphreys, 2006; Leximancer, 2011): 1) *Conceptual* where concepts are automatically learned from the text by the software. For each concept the software produces a thesaurus containing a ranked list of words from the text that define and describe each concept. 2) *Relational* where relationships between the learned concepts are examined to create information on how some of the learned concepts might occur more often together in the text than others. Whereas the first conceptual phase extracts concepts in forms of words that are often associated in the text, the second phase provides information on how these learned concepts are related.

For the present purpose we have used Leximancer as a starting point to discuss and compare differences in how the selected literature refers to the notion of ‘actors’ and especially how the understanding of actors has evolved. For this we have used two rather simple tools in Leximancer. First we have explored which concepts appear most often across the four books. When automatically coding the text Leximancer extracts ‘concepts’ from the text in form of words that frequently occur together and thus characterises the text. Secondly, we have examined the thesaurus behind the notion of ‘actor’ in each of the four books. Examination of a thesaurus for a given concept gives a sense of words that have various kinds of relevance for each other in this particular text.

ACTORS AS A CONCEPT AMONGST OTHERS

A Leximancer count across the four selected books finds, not surprisingly, that the notion of ‘relationships’ is the most used concept. But interestingly for the purposes of this discussion, the notion of ‘actors’ is less often counted in the literature than traditional concepts such as ‘company’, ‘suppliers’ and ‘customers’. These figures suggest that IMP researchers still rely on these traditional labels even as our research and conceptualised understanding of the interacted actor has developed.

Concept	Count	Relative count
Relationships	3841	100%
Company	3175	83%
Resources	1904	50%
Business	1889	49%

Concept	Count	Relative count
Suppliers	1870	49%
Activities	1744	45%
Customers	1724	45%
Actors	1399	36%
Network	1304	34%
Interaction	1165	30%

Table 1: Frequency of concepts in the four selected books

A second and related insight from the analysis of these books is that the notion of actors does not seem to be strongly related to that of customers and suppliers. Leximancer provides a tool for estimating the likelihood that concepts will appear together in the text and looking across the four selected books we find that the likelihood that ‘actors’ occurs together with or are discussed in relation to ‘customers’ or ‘suppliers’ in the text is only 3 %. This could indicate that the term ‘actor’ is either a rather abstract concept which does not well relate to others or that the term has actually been used to emphasise the universality of the concept of the interacting actor. Thus IMP literature has frequently argued that buying and selling are essentially identical activities in the business context, so that the role of the actor is the same irrespective of the conventional label applied. All business actors are involved to some extent and at some time in accessing, combining, adapting and developing themselves and their counterparts and the adjacent and remote activities and resources on which they depend.

Thirdly, we see that the notions of ‘resources’ and ‘activities’ occurs more often as concepts in the IMP literature (table 1) and this may indicate that these concepts are more developed than that of the actor. We will now

explore the development of the concepts of activities and resources in order to see if this development suggests parallels that can be drawn for development of the actor concept.

Development of the Concepts of Activities and Resources

Hakansson and Snehota (1995) explore and discuss how activities are linked and organised in chains within and across companies: *“Different activity chains coexist in the context of each company and the company becomes a nexus of various activity chains through relationships with different counterparts. Several activity chains cut through each company and become combined and connected to other chains thus forming an activity pattern.”* (Hakansson & Snehota 1995:58). In this book the authors concentrate on the implications for business relationships of activity specialization vs. generalization as well as their parallel or sequential ordering. The 1995 book also touches upon how actors need to react according to the organizing of activities: *“...linking activities entails adaptations and reallocation of activities between units”* (Hakansson & Snehota 1995:50). Accordingly, Hakansson and Snehota discuss how activities can be reallocated, linked and connecting through the effort of actors.

The 1995 book defines resources in terms of their heterogeneity and ties in constellations: *“Within such a constellation each resource unit (a company) can gain stability through the ties to some other units over a longer period of time so that ties and the own resources can be developed. Each of the resource units tied to a certain company can also be tied to others”* (Hakansson & Snehota 1995:141). Additionally, the book discusses the

implications for business interaction of the ways that actors seek to access and utilize resources through others. At this time there appeared to be less parallel development of the concept of actor bonds. However, in 2003 and later in 2011 Ford et al elaborate on how actors may coordinate, link or activate activities for reaching a certain business outcome. The 2011 book focuses on the role of intermediaries and third-parties in linking activities i.e. how: *“the globalisation of operations now requires large-scale manufacturers to use local intermediaries to reach out to a wide variety of end-users on different continents. In physical distribution, specialised third-party logistics providers intermediate between supplier and customer because they are able to undertake these activities more efficiently than the customers or suppliers themselves.”* (Ford et al., 2011:128).

Ford et al (2011) take a similar approach to discussions of the connections between actors and resources: *“The main issue facing managers is no longer about ‘buying the right products at the right time and the right price’ but of managing relationships with key suppliers over long periods. Consequently, traditional purchasing strategies need reconsideration and previous recommendations of the importance of keeping suppliers at arm’s-length need to be replaced by approaches that make it possible to utilise the resources of competent and knowledgeable suppliers.”* (Ford et al., 2011:74).

The book further elaborates on the interconnections between activities and resources: *“...a single company builds its activities and resources in relation to the specific activities and capabilities of combination of others. In many of these cases, the company has developed an effective networking strategy on*

the supply side of its operations so that it acts as a representative of the supplying companies in its relationships with its own customers.” (Ford et al., 2011:217).

The 2009 book by Hakansson et al. is distinguished from the other two by its explicit focus on business in networks. Here the conceptualization of activities and resources is elaborated, but not by focusing either on how the concepts are defined and explained or what managers do to do business. Instead the 2009 book combines discussions on activity configuration and organising with implications for actor’s effort to link and balance these: *“The individual activities must thus be coordinated in a way that shapes a configuration that can lead to a valuable solution. Therefore, new types of actors have evolved in many activity patterns in manufacturing and services, each with a particular competence in these coordinating activities.”* (Håkansson et al. 2009:107).

Likewise, elaborations on resource heterogeneity, ties and interfaces are combined with discussions on how actors handle tensions in interfaces and recombine resources to achieve business goals.

Overall, analysis of the books shows substantive conceptual development of the concepts of activities and resources. Firstly, terminologies for understanding activity organising and resource utilization were started in the 1995 book (e.g. issues on parallel and sequential activities and exploration on the implications from the heterogeneity of resources). These terminologies are further elaborated, especially the 2009 book (naturally by drawing on the research of the wider IMP community). Concurrently, issues

on how actors make use of and connect activities and resources are addressed mainly in the 2011 and 2009 books.

Examination of these books shows a developed terminology for studying activities (organising - sequential, parallel etc.) and resources (e.g. 4r, elaborations on heterogeneity, recombining etc.) There has also been development of ideas on how actors seek to manage resources and activities. But thus far, we do not have a related terminology for actors.

THE DEVELOPMENT OF THE CONCEPT OF THE BUSINESS ACTOR

We will now use another tool within the Leximancer portfolio, the thesaurus to examine the development of the concept of the business actor within the four books. The thesaurus is Leximancers dictionary for the concepts in the text. Manual coding for content analysis of text includes using a pre-specified thesaurus or coding scheme for associating collections of text to a specific concept. However, in Leximancer the thesaurus is automatically generated and well-grounded in the text. Thus, the thesaurus provides an opportunity for the analyst to make sense and gain an understanding of the meaning of each concept. This analysis recognizes the multi-component nature of the concepts that summarize the text and explores the concepts' content via examination of words in their thesauruses. Insights from this tool allow us to interpret on the differences and similarities of the concept of the interacted actor in the four books. An additional query tool further assists us providing with illustrative quotes in the text on which the concepts and thesaurus are drawn in Leximancer (Leximancer, 2011:39).

Hakansson et al (1982) introduce and discuss the so-called interaction approach as both a methodological tool and an analytical concept to demonstrate the characteristics of the processes through which companies and individuals develop complex, but largely dyadic relationships within the business landscape. This book does not discuss the notion of actors per se and its language is that of suppliers and customers, marketing and purchasing. In Hakansson and Snehota (1995) thorough discussion is provided of the elements of the actor, activity, resources (ARA) model. The actor in this model is introduced as a generic element that forms part of the process of interaction alongside and in a similar way to that of business activities and resources. Table 2 below summaries the thesaurus word associated with the concept 'actor' along with illustrative quotes. These are drawn from the 1995 book and show the multiple identities of an actor as those which are attributed to it by others. The similarity between the elements of actor, activity and resource are implicit in the book. The book is concerned with the ways in which actors, activities and resources are related to each other and how those relations develop interactively. The book also alludes to, but does not fully develop the role of the actor in changing other elements through interaction. The book also begins to develop discussion of the extent or limits of specific actor involvement in the evolution of other elements or the ways in which constellations of resources or patterns of activities may evolve without specific or intentional involvement.

Thesaurus	Illustrative quotes
Web	<i>Actor bonds in a certain relationship between two companies become thus an element in a broader web of bonds among actors. Bonds between actors have an organizing effect on the web of actors and thus on the business network as a whole. They are, therefore, an important factor in the development of the actual `character' of a company. A company's position in the overall web of bonds, whom it is committed with, its existing bonds, affects its identity as well as its character.</i>
Bonds	<i>Bonds are a prerequisite for creating and exploiting the opportunities of linking and tying and they will consequently be more valuable in situations when the potential for these is large. If the counterpart has few alternatives the bonds are less valuable than when it has many.</i>
Identities	<i>What an actor can and will do depends on the reactions of the counterpart, and vice versa. What they can do for each other is reflected in their mutual identities and what they will do for each other is reflected in their mutual commitments.</i>
Attributed	<i>Companies are actors because they are attributed the identity of an actor by those who interact with the company. As an actor is perceived to act and react it is attributed intentions and attributes – it is given an identity. This process works, of course, both ways and such an identity attribution is mutual.</i>
Perceptions	<i>While the perceptions and interpretations of the individuals differ, they are developed on some kind of common ground of shared understanding, or else the coordination of activities and mobilization of resources would not be possible. Hence there is some kind of collective network logic that makes interaction possible and thereby is also the ground for changes.</i>

Table 2: Thesaurus words and illustrative quotes associated with ‘actors’ in Hakansson & Snehota (1995:199+391+199+195+273) identified through the Leximancer query tool

Hence, the Leximancer thesaurus tool highlights that the conceptualisation of the actor in this book is closely related to the bonds between actors which are a prerequisite for exploiting opportunities in resource and activity development. Further, the web of connected actor bonds has an organising effect as well as giving character to each individual actor: *‘(Actor bonds) are, therefore, an important factor in the development of the actual ‘character’ of a company. A company's position in the overall web of bonds, whom it is*

committed with, its existing bonds, affects its identity as well as its character.' (Hakansson & Snehota 1995:199). In other words, here the actor is on one hand understood as determined by its position within the network structure. On the other hand, actors are also considered attributed with an identity build up and developed through processes of interaction: *'As an actor is perceived to act and react it is attributed intentions and attributes – it is given an identity. This process works, of course, both ways and such an identity attribution is mutual.'* (Hakansson and Snehota 1995:197). From Hakansson and Snehota (1995) we learn how actors relate to the interacted structure of the network and thus how we might assess the position and identity of the interacted actor. We also learn that the position and identity of the actor evolves through interaction processes and that it is actors' perception of positions in the network that makes activity coordination and resource mobilization possible. The 1995 book provides explanation of the implications for actors of doing business in networks. But the book provides less about how the intentions and strategies of actors form part of these processes, how the roles of actors co-evolve and how different types of actors could be characterised.

Ford et al (2011) discuss the management of relationships and here also the book accentuates the importance of actor bonds in determining the network position of actors. Here the understanding of actors builds on the ARA model developed in Hakansson and Snehota (1995) so that actors are defined as part of the substance of a business relationship along with resources and activities. The business actor is mostly related to the

individual personnel interacting on behalf of companies in relationships (Ford et al. 2011:18). The thesaurus words associated with the concept ‘actor’ along with illustrative quotes from the 2011 book is show in table 3.

Thesaurus	Illustrative quotes
Substance	<i>Our exploration of intermediation departs from the discussion in Chapter 2 about the substance of a single business relationship. This substance is formed through processes of interaction within three layers that serve to link activities, tie resources and develop actor bonds. So far we have considered the high-involvement supplier relationships of a company as a more or less homogeneous group. In reality, however, there is likely to be great variation in the substance of these close relationships in terms of activity links, resource ties and actor bonds.</i>
Bonds	<i>Actor bonds: These bonds are a major determinant of a company’s network position. The number of a company’s suppliers and its involvement with them are good indications of that company’s position.</i>
Effective	<i>Effective resource development is dependent on combining and tying together the resources of several companies. Finally, success in these two network layers is contingent on the coordination and bonding between actors.</i>

Table 3: Thesaurus words and illustrative quotes associated with ‘actors’ in Ford et al. (2011:128/84+85+92) identified through the Leximancer query tool

Further, this book discusses how effective management of relationships is closely linked to actors’ organization of links, ties and bonds: *‘Effective customer relationship management requires a range of activities that are needed to build the bonds, links and ties between the individuals, activities and resources of the two companies that underlie its value and potential: A successful customer relationship requires organizing’* (Ford et al. 2011:18).

The 2011 book brings new understanding of the interacted business actor by relating it to a discussion that departs from the substance of relationships in terms of links, ties and bonds. Here we see some initial steps for exploring the implications for how actors need to understand

business in order to effectively manage in business relationships. For a relationship to become successful, interacting actors need to combine and tie resources together and organize activities accordingly. The ability to do so is argued to be related to the bonds developed between actors which determine actors' network position. The 2011 book explores relationships with suppliers and customers as actor archetypes as well as intermediation as a role for actors to engage in to bring together supply and demands in business. However, the way in which actors can have access to or control resources or how they have intent or strategize for interaction is less studied.

In 2009 Hakansson and colleagues develop and elaborate on our understanding of the network. Also in this book, actors' interactions are seen as determining its characteristics and as related to each other in a web of actors.

Thesaurus	Illustrative quotes
Web	<i>All of these interactions between actors form a web that stretches across the business landscape... each actor is free to relate to any other actor in the way and the time it chooses. But, in practice, the ways the actors are related to each other is rather selective.</i>
Interacts	<i>The actual set of counterparts with which a company develops relationships depends on factors other than their respective resources and activities.</i>
Jointness	<i>Jointness is the outcome of the intentions and interpretations of both actors and of the interaction that takes place between them. Jointness is simultaneously a measure of the limitations of an individual business actor and its potential with another.</i>
Commitment	<i>...some trust is essential for the creation of commitment, relationship development and uncertainty reduction... Interaction is at the heart of trust. Interaction has tangible consequences for organizing the web of actors.</i>

Thesaurus	Illustrative quotes
Selectively	<i>The bonds that develop between actors have a key role in this process because they organize the web existing relationships, selectively connecting the actors and facilitating their development and the way that they combine resources and design activities. By this means, actors confer to the network structure of the business landscape.</i>

Table 4: Thesaurus words and illustrative quotes associated with ‘actors’ in Hakansson et al. (2009:133+142+188+145+150) identified through the Leximancer query tool

This book departs from the others by also discussing actors’ intentions and interpretations of interactions as related to jointness, commitment and selectivity. Commitment is essentially seen as a way to cope with uncertainties in interaction and the way in which the actors see and interpret each other’s behaviours has important and tangible implications for organizing the web of actors. Whereas commitment is thus seen as influencing the actors’ roles, jointness is explained as an outcome of actors’ intentions and interaction: *‘Jointness is the outcome of the intentions and interpretations of both actors and of the interaction that takes place between them. Jointness is simultaneously a measure of the limitations of an individual business actor and its potential with another.’*(Hakansson et al. 2009:188). Selectivity relates to organizing in relationships and thus how actors connect selectively – i.e. they have a choice for engaging in interaction. Together selectivity and commitment provide tangible consequences for organizing in the network or web of actors. Here focus is thus on visible outcomes of interaction – building on the understanding gained from the first two books. Whereas the tangible effects and organizing effects are in focus here, less is discussed on actors’ intent or strategizing for these to appear.

THE BUSINESS ACTOR IN CONTEXT AND PROCESS

So far this paper has analysed how IMP literature has developed the concept of the interactive business actor. In this section we try to integrate the themes in this literature to provide a framework for examining a particular business actor. Our analysis shows that IMP literature provides a contextual and processual view of the business actor. Indeed, the analysis in this paper has shown the extent to which context has formed the most developed aspect of the idea of the actor in this work. An IMP analysis of a particular business firm would follow this contextual and process approach as follows:

Context

Firstly and most fundamentally, IMP defines the actor by its position within a complex combination of relationships and interdependencies. This contextual position is a function of the actor's connections to those activities, resources and other actors which surround it and form the platform for its interactions. Thus IMP seeks to capture the essence of a particular business actor from an external standpoint, at a point in time in terms of what and who it relates to, rather than any supposedly intrinsic, internal or self-developed characteristics.

Using this approach, our starting point in the analysis of a business firm would describe the position of the firm in terms of the range of activities and resources on which it depends, the location of these elements, the broad characteristics of the relationships through which they were accessed and

the interdependencies which surrounded them. For example, an internet-based company may have developed through a close relationship with a particular software-house rather than on the basis of its own in-house development. The company's relationship with this software-house may be heavily interdependent because the internet company may rely on recouping development spending in this relationship which it then exploits elsewhere in other significant and connected relationships which in turn affect the initial one. In contrast, the position of some companies has been characterised by only limited inter-dependent relationships with suppliers or by an unwillingness to commit to long-term customer relationship development.

The contextual analysis of a business actor will be static, but it should not be "neutral" in approach. Instead it would need to relate to the observed effects of relationship development and interdependence. For example, dependence on an initial customer relationship has been shown to be critical in the development of new ventures by companies which lack either existing relationships or in-house marketing skills (La Rocca et al, 2013). Similarly, the development of interdependence in relationships has been shown to be important in optimising resource investment between counterparts and in developing adaptation and innovation (Ford and Hakansson 2013).

A major problem in the contextual analysis of the business actor arises if that analysis is actor-centric. In other words, the context for a business actor may not be accurately defined simply by the view of relationships and

network from the actor's own perspective but must also assess position from the perspectives of relationship counterparts. Further, the view of a network surrounding an actor cannot realistically be analysed by relying on only local or "small-world" pictures of its stability or turbulence. Business networks are never uniform.

Process

Interaction provides the central processual aspect of the concept of the business actor and interaction reinforces the idea of the externally-defined business actor. The starting point for a processual analysis (Pettigrew, 1997) of the business actor emphasises the limits to managerial control or even to the level of its involvement in the interactive business landscape. Management of all business firms are vulnerable to the "decision fallacy": the idea that a firm evolves solely in a direction of its own volition. Indeed, the network of interdependencies which enmesh a firm suggests that external elements: activities, resources and other actors are likely to have more influence on the direction of a company than its own internal activities, resources or intentions. These universally related elements of activities, actors and resources that interact and evolve through multiple influences form "an ever shifting sea" in which all companies "swim". An acceptance of the complexity of this situation has to form the starting point from which must trace the process in which an actor is engaged and which contribute to its identity. All elements in and around a particular relationship interact and all evolve. Neither of the counterparts in even the simplest dyadic relationship control their interaction, neither can have full

knowledge of the precursors of their interaction or its outcomes. The framework in Figure 1 provides a basis for describing the interactive process in which a company is engaged (Hakansson et al 2009, Ford and Mouzas, 2013).

	At a point in network space and time	Over time
Activities	Interdependency	Specialisation
Resources	Heterogeneity	Path
Actors	Jointness	Co-evolution

Figure 1: Analysis of interaction process

The interdependency between activities, the heterogeneity of resources and the jointness of actors provides a description of the state of interaction in which a business firm is engaged at a point in time. Processional analysis would then proceed to examine how the actor was co-evolving in relationships with significant counterparts, the ways in which major resources inside and outside of the firm were following a path of greater or lesser heterogeneity and the ways in which significant activities were becoming more or less specialised. A more developed processional analysis is illustrated in Figure 2. This analysis would seek to show the ways in which a firm was involved in processes that were affecting significant resources at the level of a single relationship, across the firms that made up the "small world" of familiar counterparts and across the wider network.





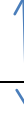










	Resource layer	Activity layer	Actor layer
The level of the relationship	1 	2  	3  
The level of the small world	4 	5  	6  
The level of the wider world	7 	8  	9  

Figure 2: Processional analysis across the network

A realistic processional analysis of a business actor has to accommodate the difficulty of examining a process as opaque as interaction. It also has to cope with interaction's linear characteristics and the difficulty of understanding both interaction's precursors and the differing future perspectives of the participants as well as the complex interconnections between processes.

From a preceding analysis of the context of a business actor, the analyst may seek to identify a range of typical interaction processes of varying intensity and significance. From this, the analyst can move to identification of the types of interaction in which the company is involved (Ford and Hakansson 2014). These types range from those associated with a zero-sum game to those characterised by close cooperation.

CONCLUSIONS: THE SKILLED ACTOR

Thus far in this paper we have emphasised the difficulty of the analyst when approaching the interactive business actor. We have also stressed the limits to the knowledge and understanding of the actor, its inability to predict or manage outcomes, its dependence on others and its vulnerability to forces beyond its control. But business firms do manage. They do select counterparts, follow through initial contacts and build relationships. More importantly some of them are extremely successful at these things and they grow rich while others fail. Sometimes success comes to just one of the counterparts in a business relationship, sometimes to both. So any worthwhile attempt to analyse the interactive business actor must be able to evaluate the position of the actor and assess its skills.

Recent IMP literature has sought to examine managerial interventions in interaction using the concept of “networking”. Skilled networking encompasses many aspects of analysis planning implementation and evaluation. Skilled networking operates on many levels, episodic and relationship, single relationship, small world and network in all its forms. A detailed description and the development of a structure for analysing network skills is beyond the limits of this paper and must await future research. However, in this concluding section we can briefly highlight five aspects of skill that relate to the ideas on the business actor presented in this paper;

Consistency of purpose: Business interaction is made up of multiple episodes that are connected both simultaneously and sequentially.

Business interaction involves investment in adaptation of resources, actors and activities. Successful interaction requires both time and range and the successful business actor is likely to be one that is able to relate purpose across multiple episodes, elements and time periods.

Consistency of implementation: Business interaction takes place within a physical, economic and also a behavioural network. The skilled actor has to operate effectively in each of these. The behavioural network subjects the business actor to an often unwritten constitution of rules and norms (Mouzas and Ford, 2014). This constitution can serve to protect the business actor but also may limit and impose the pressures of the herd (Mouzas and Ford, 2014). Business interaction is a process of consent giving and receiving. Business consent is sequential and cumulative and forms the basis for long term and structural development (Mouzas and Ford, 2014). But consent is not universal, unidirectional nor uniform. The skilled business actor must have well developed abilities in appropriately confronting and conforming in specific episodes in a consistent direction.

Coherency of resources, activities and actors: No business actor has control over the activities, resources and abilities which it requires to operate or to grow. The skilled business actor avoids excessive ownership and control over these critical elements and works for optimum dependence on those of counterparts. In the same way, the skilled business actor seeks the dependence of particular counterparts through investment in relationship specific elements.

Appropriate versatility: Business relationships and business interaction can take many forms. The skilled business actor is one that is able to manage in range of different relationships in terms of intensity and interdependence. Business interaction takes many forms from short-term or single-episode advantage seeking to long-term, multi-actor cooperation. All business actors need to be able to operate throughout this range. But it is unlikely that the experience and skills of a business actor will be uniform across this range. Developing the skills required for a range of different types of relationships and interaction is costly and the skilled business actor must be able to optimise the number and variety of these – and be realistic about what it is good at.

Converging interests: The character of business interaction is determined by the different interests and preoccupations that actors bring to it. The skilled actor has to navigate between these interests and this involves trade-offs between actors in both the short and long term. The actors who engage actively in their interactions are more likely to be driven by collective interest, where they seek to develop mutual benefits as well as seeking to align the interaction with their own interests (Munksgaard and Medlin, 2014). Thus, it is not just network position that brings success to the skilled actor. The skilled actor is likely to be one that is able to *converge* collective interests to of network effects into self-interest gains (Munksgaard & Medlin, 2014). The skill of converging is based on an ability to ‘read’ the collective interests in interaction. This ability adds to actors’ cross-relational

skills (Ritter et al., 2002) as well as to the organising role of the single firm (Abrahamsen et al., 2013).

This paper has tried to advance our understanding of the business actor by reviewing the way that the concept has been developed in IMP literature. We have then tried to make a first attempt to synthesise these ideas into an approach to analysing the actor. Finally we have made an attempt, also very initial to encapsulate some of these into a way of thinking about the characteristics of a successful business actor.

IMP research has been criticised for failing to provide a normative view of business. It can be argued that IMP literature does provide managerial insight by presenting an analysis of the reality of the business and its operations. Irrespective of the validity of the charge, there is clearly much more than can be done both conceptually and empirically to investigate not only the nature of the business actor but also the factors for its success.

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