

BUSINESS RELATIONSHIP DYNAMICS IN PROJECT AFTERLIFE: IN BETWEEN TEMPORARY AND PERMANENT STRUCTURES

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ABSTRACT

This conceptual study draws on institutional theory to discuss the organizational challenges inherent in project afterlife. Neither a temporary project (no longer) nor a continuous post-project business relationship (not yet), this transitional period after project handover resembles a peculiar social system where change and inertia coexist. In this social system the often-adversarial requirements of human agency, temporary practices and formal structures collide. This research contributes to industrial marketing by developing a conceptual research framework illustrating three development paths. The first path identified as “project-ship” describes a system resembling a temporary project, the second referred as “confusion-ship” explains a social system stuck between permanent and temporary structures, finally the “relationship” is build around permanent structures allowing it to develop beyond human agency.

Track: Business Environment & Business Relationship Dynamics

Keywords: service-intensive projects, project afterlife, business relationships

Work in progress

INTRODUCTION

Over the last twenty years services have become central part of project business (Artto, Wikström, Hellström & Kujala, 2008; Davies, Brady & Hobday, 2007; Skaates & Cova, 2005; Stremersch, Wuyts & Frambach, 2001) and many project-based companies earn even greater revenues from project-related services than from delivery of the project itself (Davies, 2004; Gebauer, Edvardsson, Gustafsson & Witell, 2010; Penttinen & Palmer, 2007). Thus, a concept of a “service-intensive” project has emerged (e.g., Ojansivu et al., 2013) referring to a project in which service exchange accounts for a significant part of delivery.

Service-intensive projects are challenging from the perspective of a business relationship. When the project is handed over, it has ended in terms of the delivery contract, but the service exchange is just in its early stages. The content of the service contract can range from mandatory facilitating services such as maintenance and support, to optional value adding services including customization, development, and consultation (Artto *et al.*, 2008; Kujala et al., 2013; Matthyssens & Vandenbempt, 2010). Service contract may be agreed during project negotiations or after project handover. However, customer requirements tend to change over time and thus the content of the service exchange and the business relationship is likely to evolve (Ojansivu et al., 2015). In service-intensive projects project handover marks a transition from project business to service business. In this research, the terms “post-project” (Engwall, 2003) and “project afterlife” (Söderlund, 2011) refer equally to the point following project handover (Skaates et al., 2002, p. 399), at which the customer begins to operate the supplied system.

Alderman et al. (2005) argue that project and service business logics are genuinely different and that a project supplier that is more experienced with projects than with services could thus face challenges in its customer relationships. To clarify this point let us consider a typical windmill generator project (see Ojansivu & Alajoutsijärvi, 2015). Up to two years may be required to acquire a project contract, and during this *pre-project* stage, interaction occurs typically between commercial professionals. The *project stage* takes approximately two years and it primarily involves engineers with activities such as design, development, and delivery of the generator. In the *post-project* stage lasting up to 25 years service personnel take care of the mandatory facilitating services that keep the supplied generator functional (including replacement parts, onsite metrics, and problem diagnostics). If the business relationship deepens exchange can develop beyond the facilitating services to value adding services and intangible core services (Blomquist & Wilson, 2007; Shostack, 1977). The broadening of exchange is inevitably a joint effort of the various professionals (commercial, engineers, service) as trust and commitment in the business relationship take time to develop and require insights of the project and relationship history.

The service exchange that unfold after project handover propose an organizational challenge because the temporary organizational structures (Defillippi & Arthur, 1998; Lundin & Söderholm, 1995; Packendorff, 1995; Turner & Müller, 2003) that are typical in project businesses (Artto et al., 2011; Whitley, 2006) are not essentially suited for long-term service exchange, which require more permanent structures. Additionally, there is the need to broaden the service exchange over time, which requires cross-functional cooperation (commercial, engineering, and service professionals). As such, project handover marks a transitional period that necessitates intertwined permanent and temporary interorganizational arrangements, a “quasi-organization” (Eccles, 1981) as proposed by Ojansivu (2013) or sensemaking inside the “in-between” (Medlin & Törnroos, 2011). Post-project interaction resembles neither a temporary

project (project delivery related exchanges have ceased and temporary organizational arrangements dissolved) nor a long-term post-project business relationship (requires time and resources to develop service exchange), but a peculiar social system where change and inertia coexist.

The purpose of this conceptual paper is to shed light into this transitional period through institutional theory (e.g., Bresnen & Marshall, 2011; DiMaggio & Powell, 1983; Scott, 2008, Zucker, 1988). Some of the complex socio-structural ties between the parties persist while others dissolve and new structures emerge. It is challenging for managers to “bridge” this transitional period as social structures have tendency to increase resistance to change over time (e.g., DiMaggio & Powell, 1983; Håkansson & Snehota; 1995; Zucker, 1988). By the post-project stage various professionals (commercial, engineering, service) have been associated with the project and the business relationship, but these professionals tend to strongly cling to their narrow specialized perspective. Their views of the project and the business relationship history and future may be very different and influenced by different ‘institutional logics’ (Friedland & Alford, 1991; Lounsbury, 2007) embedded in professional roles, specific tasks during project life cycle and broader cultural beliefs and rules. These logics may be difficult for managers to break through as they seek to navigate the business relationship through this transitional period to the forthcoming service exchange (25 years in the windmill turbine projects).

In industries sensitive to economic fluctuations, such as windmill, paper machine and elevator and escalator business, it is difficult to foresee how the customer requirements will broaden during the post-project stage and what type of value adding services could be offered. The prospects are encouraging, as technology development is fast paced and customers need more powerful solutions in the future. Thus, the already delivered projects require upgrading and development to match new efficiency requirements and new projects are in the horizon if only the relationship develops successfully. There are also risks involved with post-project service exchange. If the supplier fails to provide high quality services and there is no proprietary technology (Teece, 1986; West, 2003) limitations set by the project supplier, customers can switch to competing service suppliers. This has happened both in the windmill business where ABB has gained control over the service market and in the elevator and escalator business where Kone has improved its position as a preferred service provider.

It is during this transitional period that the foundations for forthcoming service exchange are build; some of the projects develop into lasting post-project business relationships with broad exchange of value adding and intangible core services, while others remain stuck in mandatory facilitating services, or are lost to competing service suppliers. This paper will approach the “bridging” problem analytically, and propose possible solutions to this challenge.

LITERATURE REVIEW

Ontological questions in social systems

It is quite erratic in well-established research streams to question the very basic concepts that constitute the fundamental ideas behind the paradigm (Ghoshal, 2005). That is not the purpose in this study. However, as the theme of this study revolves around project afterlife, a “grey area” of social interaction, a bit of reasoning is required. What is a business relationship? When does it start and end? Is it a social structure, an institution, or a social space for the buyer and seller to define? These types of questions are seldom asked in industrial marketing, even though in sociology they are most fundamental (Bourdieu, 1989; Foucault & Mis-

kowiec, 1986). Why? Because these questions are cumbersome as they relate to the classic question on the precedence of structure or agency in shaping human behavior (Battilana et al., 2009; DiMaggio & Powell, 1983; Weik, 2011).

The present research aims to understand organizational challenges in business relationships between a buyer and seller inherent in project afterlife. However, the concept of a buyer and seller is not unambiguous (Easton, 2010). It is typical in industrial marketing to choose company as a unit of analysis, where initiators as well as preventers of change processes are treated as faceless company mechanisms without human agency (see Medlin, 2012; Medlin & Törnroos, 2007). In order to analyze organizational challenges in project afterlife this study will adopt a “micro” perspective (Goffman, 1982; Fine & Hallet, 2014) to business relationships. Buyer-seller interaction is viewed through the perspectives of individuals who instigate, mediate or prevent change at various interorganizational levels. Thus, an individual is not expected to represent a view of the entire company, but rather merely provides one distinct perspective. This is necessary considering the fragmented views of project professionals (commercial, engineering, service) regarding project afterlife. This ‘human’ perspective is necessary in order to understand how different organizational arrangements come to exist, and more importantly, why it is so difficult to translate a successful project into a successful post-project business relationship.

Another pivotal question relates to the two overlapping or “nested” dimensions of a project and a business relationship (Alajoutsijärvi, 1996, p. 268; Skaates et al., 2002). The prospect of sequential project delivery (occurring in the future, perhaps 20 years later) is not the focus in this study. Rather than undermine the value of such prospects, the intent here is to focus on service exchange, which constitutes a tangible interaction; by contrast, future prospects may provide some direction for interaction, but it is difficult to generate cash flow from such interactions in the present. Clarifying this point also simplifies the distinction between a project, a business relationship and a post-project business relationship.

The central argument in IMP-related research is that “a project” is a building block of something greater—that is, a business relationship (e.g., Håkansson, 1982, p. 16; Vaaland & Håkansson, 2003). A project’s importance can even be trivialized to “an episode” among other episodes (Skaates & Tikkanen, 2003), such as an important meeting with a client or a quarrel leading to diminishing trust. If the analysis level is raised sufficiently (e.g., studying the interaction between the largest companies in the world, such as General Electric and one of its prime customers in aviation, Boeing), then the dozens of projects between them (e.g., the latest GE90, GE90-115B, and GE90-110B engine projects) do form a continuous business relationship. However, if we consider a medium-sized company supplying software systems or windmills for medium-sized customers, then the project and business relationships are difficult to distinguish from one another. At least from the customer perspective, there is no difference—the customer has ordered a system that will be used for the next 5-25 years, and all interactions with the supplier during the useful life of the system relate to the system. As such, the project can no longer be considered an “event” or an “episode”; rather, the project constitutes the interaction, without which there is no business relationship.

A post-project business relationship is separated conceptually from a business relationship in service-intensive projects because of its specific characteristics (Ojansivu, 2014). Business relationship is initiated in the pre-project contract negotiations or in earlier projects, but major changes occur in the content of the relationship (Håkansson & Johanson, 1992; Håkansson & Ingemansson, 2013; Lenney & Easton, 2009) after project handover in terms of the necessary activities, actors and resources. First, during the pre-project and project stages the *activities*

are predetermined by the static project milestones (e.g., project sales, implementation or handover) that guide buyer-seller interaction, whereas after project handover interaction is bound to the service process, which is more dynamic and dependent of the changing customer needs (Ojansivu, Alajoutsijärvi & Salo, 2015). Second, specific professionals tend to be responsible for the pre-project, project and post-project stages. The *actors* responsible for post-project service exchange (service personnel, a separate unit, or third party contractor) tend to have limited understanding of the business relationship history (Ojansivu & Alajoutsijärvi, 2015), which limits the possibilities for “relationship energy” (Havila & Wilkinson, 2002) or social bonds (Wilson, 1995) to be transferred to the project afterlife. Finally, *resource* ties in the project afterlife tend to be unique. In the beginning of the business relationship during pre-project negotiations project buyer can arrange a competitive bidding with potential suppliers. In the post-project stage, however, there can be structural ties (Holmlund & Törnroos, 1997) caused by the proprietary rights of the supplied system (Teece, 1986; West, 2003) that either prevent or limit such competitive action (Ojansivu, Alajoutsijärvi & Salo, 2013). Therefore, relationship-specific investments (Lohtia & Krapfel, 1994) will play a role in the post-project business relationship development; the project supplier needs to convince the buyer of its intentions not to use power in coercive manner after project handover (Ojansivu, Alajoutsijärvi & Salo, 2013). Whether service exchange develops towards value added and a core service, remains limited to facilitating services, or gradually dissolves, is strongly dependent of the interpersonal relationships and trust building between the buyer and seller representatives. Thus, post-project business relationships are very dynamic by nature, as the interaction orientation, relationship atmosphere, and relationship dimensions tend to vary greatly over time (Ojansivu, Alajoutsijärvi & Salo, 2013; Ojansivu, Alajoutsijärvi & Salo, 2015).

In this research “interaction” refers to the behavior of the project buyer and seller directed toward their mutual interest. Continuity is built not through sequential project delivery but through service exchange. Dynamism originates not from the two “nested levels” (Alajoutsijärvi, 1996; Skaates et al., 2002)—that is, the simultaneous management of a project relationship and a business relationship (the project has been already delivered)—but from the transition of a static outcome-centered project to a process-centered service exchange. However, the “nested” nature does exist to some degree because the professionals (commercial, engineers) who have established and designed the project are often required to address complicated social, contractual and technical dilemmas and to guide the more advanced value adding service exchange during the post-project stage (see Ojansivu & Alajoutsijärvi, 2015). As such, the service exchange will never be entirely disconnected from the original project, even if the supplier uses a separate service organization.

In this research the social space between individuals in project afterlife is referred as a *social system* (see Parsons, 2013). Individuals in these social systems have agency to behave to the best of their ability, but they have also restrictions given by their organization. Institutional theory (see e.g., Scott, 2004) is then put to work in order to explain how the various forms of structures (such as schemes, rules, norms and routines) become established as guiding principles for individual’s behavior. Given the tendency towards temporary organizing in project business, transition from project related exchanges into service related exchanges with more permanent structures in the business relationship require consideration.

Temporary organizations

Project-based companies use typically temporary organizational arrangements in their operations with high turnover for specialized, organizationally distributed professionals (Bresnen & Marshall, 2011; Hobday, 2000). Thus, establishing resilient social structures within a project

is challenging (DeFillippi & Arthur 1998; Lundin & Söderholm, 1995; Packendorff, 1995; Turner & Müller, 2003). Project-based organizations tend to suffer from ‘organizational amnesia’ (Grabher, 2004) or minor ‘organizational memory’ (DeFillippi & Arthur, 1998), which refers to the one-off, non-recurring nature of project activities. According to Bresnen & Marshall (2011: 170) it is archetypal for project-based organizations to have “coexistence and co-mingling of institutional logics associated with changing management practices”. Therefore, the preferred ‘institutional logic’ (Friedland & Alford, 1991; Lounsbury, 2007), referring to the broader cultural beliefs and rules influencing decision-making, will affect how a project is managed.

Sydow et al. (2004, p. 1476) argue that one recurring dilemma or tension within project-based organizations is “between the autonomy requirements of project participants and their embeddedness within organizational and interorganizational settings”. The authors explain that actors in a temporary system tend to draw or ‘borrow’ rules and practices from other, more permanent systems. Therefore, project members are more receptive to institutionalized structures external to the organization and may ‘attach’ (Sahlin-Anderson & Söderholm, 2002: 19) or ‘couple’ (Lindkvist, 2004; Orton & Weick, 1990) a project to their background. Thus, the institutionalized rules, norms and values from their profession and/or position are adapted to the project, and the participants become what Scott (2008) refers “professionals as institutional agents”. From the perspective of institutional theory, projects are very exposed to human agency and to the capabilities of few key individuals. These conditions are not necessarily the most suitable for long-term service exchange. How can then fragile temporary organizations be turned into long-term post-project business relationships?

Permanent structures

Companies use typically permanent structures to coordinate their long-term activities, by altering their organizational structure, number of units involved or decision-making authority (Lindkvist, 2004; Thamhain & Wilemon, 1975). After project handover these structures are not necessarily well established as the project teams have recently been dissolved. When the key individuals or institutional agents (Scott, 2008) are moved to other projects the social space between the buyer and seller resembles a *tabula rasa*; it is an unforeseeable social space for the business relationship professionals taking over the “quasi-organization” (Eccles, 1981; Ojansivu, 2013). Some of the professionals (commercial, engineering) will, however, continue their presence in the post-project stage. These individuals may have created informal coordination mechanisms (Heide & John, 1992; Van de Ven & Walker, 1984) only indirectly influenced by the management. At certain point, this informal behavior may have become institutionalized (Håkansson, 1982, 17; Ford, 1980) and separable from the behavior of the project buyer and seller companies. As such, the consideration of the post-project interaction needs to be started from the project history, as the events occurred in the project history will resonate with forthcoming ones (Engwall, 2003).

When the project is delivered, it has ended in terms of the delivery contract, but the continuous post-project business relationship is just in its early stages. Business relationships take time to develop, as trust and commitment are typically associated with the latter stages of development (Dwyer et al., 1987; Ford, 1980). This creates a challenging situation in the project afterlife; the social space or “quasi-organization” between the buyer and seller is inhabited by two types of professionals; the ones that are accustomed to the informal coordination learned over the project’s history (mainly commercial and engineering professionals) and the ones new to the emerging service exchange (service professionals). The individuals belonging to the first category, referred here as the “stagnants”, have typically formed social bonds and

reciprocal trust with the interacting organization, but their counterparts are most likely removed to other projects after project handover. Furthermore, their institutionalized logics resembling temporary systems may not be beneficial for the relationship future. The latter professionals signified as the “stabilizers” are most likely the ones implementing the permanent structures and organizing the service exchange. They are, however, dependent on the customer specific information derived from the “stagnants”.

Project and service business logics

The social space where the “stagnants” and “stabilizers” interact is volatile. These professionals reflect opposite organizational arrangements (temporary, permanent), but also different business logics (Alderman et al., 2005). These disparities stem from the different characteristic of products and services (e.g., Brax, 2013; Mathieu, 2001; Wise & Baumgartner, 1999). Project business has concrete project milestones (e.g., project sales, implementation or handover) that can be evaluated at a certain point in time using factors such as the time, budget, and performance (e.g., Atkinson, 1999). Service business has no such static project milestones. Rather, exchange is an ongoing process that is dependent on the customer needs that vary greatly over time (Ojansivu et al., 2013). Project afterlife can include mandatory facilitating services, and optional value adding services, which tend to increase the value of the supplied system (Kujala et al., 2013). Additionally, exchange can develop beyond the augmented service complementing the supplied system, to an intangible core service (Blomquist & Wilson, 2007; Shostack, 1977) that might not be directly linked to the supplied system. Thus, it is difficult to predict the exchange beyond a minimum service level that is required to keep the system functional.

Different trust types

The “stagnants” are accustomed to interaction structured by the project milestones with clear roles, responsibilities and stages. The commitment of these professionals may be restricted, because they are typically involved in the project temporarily (Goodman & Goodman, 1976; Engwall, 2003; Packendorff, 1995). Consequently, the form of trust that they are accustomed has some unusual properties characterized as *swift trust* (Meyerson, Weick & Kramer, 1996, pp. 166-195). The “stagnants” typically work together for a limited period of time without prior experience of colleagues; yet they need to be able to trust each other to accomplish the task. Actors in this situation tend to rely more on professional roles and the concepts they embody than on personal characteristics (Grabher, 2002). As Dawes (1994, p. 24) explains: “We trust engineers because we trust engineering and believe that engineers are trained to apply valid principles of engineering, moreover, we have evidence every day that these principles are valid when we observe airplanes flying.” Swift trust is related to the concept of non-disclosive intimacy (Eisenberg, 1990), which refers to interaction without close social ties or alignment of cognition, where the most suitable expert for the task at hand determines group behavior. It has been shown, however, that swift trust or non-disclosive intimacy may be insufficient to prevent intergroup tensions causing fissures within the team (Weick, 1993).

When building long-term service exchange in the project afterlife the swift trust type of behavior is no longer appropriate. The “stabilizers” are expected to broaden the service exchange over time and to convince the buyer to purchase optional value adding services (Kujala et al., 2013) and eventually intangible core services (Blomquist & Wilson, 2007; Shostack, 1977). These arrangements have implications over several years or even decades for the customer and they require strategic consideration and trust building. There are three basic types of trust identified in the literature: *calculus-based*, *relational*, and *institution-based* (Rousseau, 1998). Calculus-based trust emerges as an outcome of rational economic

self-interest; the trusting party believes that the behavior of the opposing side will benefit them and is worthy of trust. This type of trust can be furthered with incentive systems that direct project professionals' attention to certain success criteria related to the project or the business relationship (see Bresnen et al., 2000). However, if the "stagnants" and "stabilizers" have very different criteria for incentives, this may lead to internal tensions and suspicion from the buyer side.

Relational trust emerges through repeated interpersonal interaction and is characterized by direct personal experience with the other party. This creates the foundation for long-term trust, as there are psychological and social risks involved beyond mere economic risks. This type of trust is challenging to establish among "stagnants" who are signed to a project for a limited time period. When their interactions continue for a longer period, however, the initial swift trust can be replaced gradually by relational trust (see Meyerson et al., 1996). The last type of trust, institution-based trust, refers to the role of institutions and legal systems in shaping the way trust originates. Institution-based trust is dependent on cultural norms, education, and professional practices and can thus be expected to vary between societies (Fukuyama, 1995). It is the primary task of the "stabilizers" to achieve relational and institution-based trust. This can prove challenging in multinational projects where professional practices differ greatly. It is then the role of the "stabilizers" to work through the cultural barriers and great precondition for the partnership.

Construction of the research framework

It is apparent from the literature on trust (see Kadefors, 2001; Maurer, 2010; Meyerson et al., 1996; Rousseau, 1998; Smyth et al., 2010) that the presuppositions of the forthcoming collaboration as well as the actual duration of the interaction influence commitment and trust formation. Thus, to understand the interactions between the "stagnants" and "stabilizers" the time-related aspect of trust must be addressed. The project history will never be extracted from the business relationship entirely. The past events will resonate with forthcoming ones because the technical details of the original project may influence the service relationship several years afterwards. At this point the knowledge of the "stagnants" becomes highly appreciated. People accustomed to static project milestones and those immersed in the continuous service process will almost inevitably have a fundamentally different perception of the supplier's core business and its value for the customer. However, the "stagnants" and "stabilizers" need to find common ground and work together to make the social system in project afterlife successful, and to broaden the service exchange beyond mandatory facilitating services. Figure 1 presents the research framework for the study.

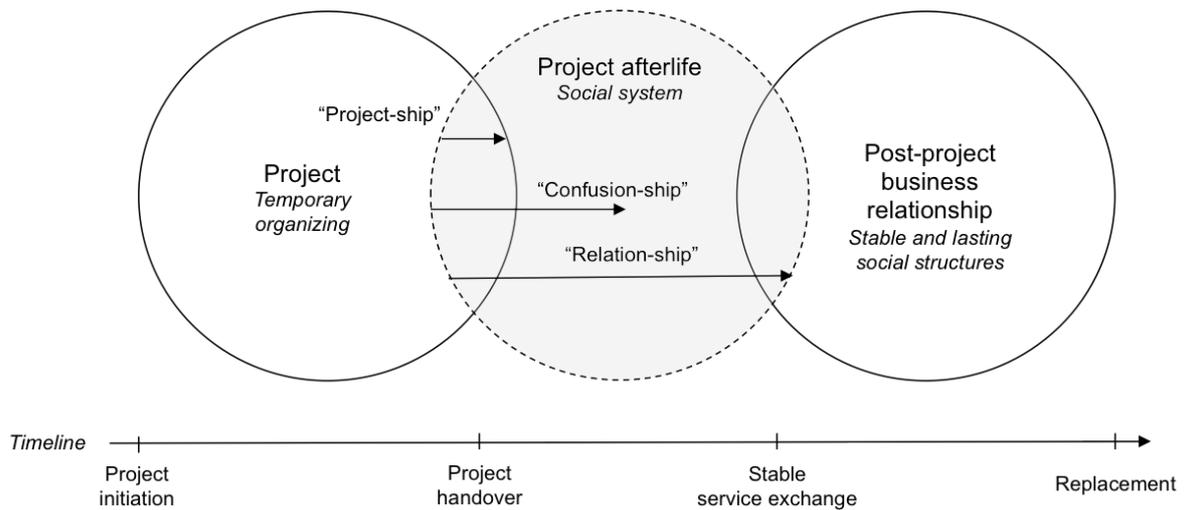


Figure 1. The research framework: three conceptual relationship development paths.

In the first path called the *“project-ship”* project handover marks a period of project ending but also a dying spell for the business exchange. The project team has been dissolved and the responsibility for the customer is within few project oriented “stagnants”. There is no attempt to build a permanent service organization in charge of the post-project business relationship and service development. The “stagnants” may be project managers, product managers or technical managers who are expected to look for the customer relationships even though they are busy with other ongoing projects. They resist change towards more permanent structures because this would conflict with their ad hoc behavior and decrease their agency. The project may be turned into mandatory facilitating services that do not require constant management attention such as in basic software systems. The relationship towards the customer remains passive as the “stagnants” mainly react to the customer requirements and problems. Swift trust is the principal mechanism facilitating interaction. The strong agency of the “stagnants” makes them irreplaceable. Their displacement may disconnect the seller from customer specific knowledge and jeopardize the service exchange.

In the *“confusion-ship”* project handover marks end of the project, but beginning of long-term service relationship. The seller company has a permanent organization dedicated to service business and it has “stabilizers” in charge of post-project business relationships. They work hard to convince the customers to acquire value-adding services complementing the supplied system. Unfortunately, their role with the “stagnants” is overlapping and they contest for the same incentives. This makes the behavior very calculus-based (Rousseau, 1998) as they both try to maximize their economic self-interest. From the customer perspective this is very confusing and suspicious. The “stabilizers” are introduced to the relationship after project handover and they lack customer specific knowledge that the “stagnants” have. For customers this is painful, as they need to educate the “stabilizers”, who in the worst case end up being third parties between the already acquainted customer and supplier representatives (such as supplier’s sales manager and buyer’s purchasing manager). In the long-term this social system combining permanent structures and temporary arrangements will not last and the post-project business relationship will face turmoil.

In the last development path referred as the *“relation-ship”* the project buyer and seller are able to transform the project into lasting social structures that enable long-term service exchange. Here the roles of the “stagnants” and “stabilizers” are clear from the beginning of the project. The “stabilizers” are involved from the project initiation and the project handover

does not lead into fuzzy and indeterminate social system, because there is a well-developed relational and institution-based trust between the buyer and seller. The relationship is not dependent on few individuals, because information is shared among the members of the permanent service organization and customer management process is consistent. The relationship has not much to do with original project anymore since the exchange has developed into value adding and intangible core services (Blomquist & Wilson, 2007; Shostack, 1977). These services can include for example R&D activities, training, education and consultation (see Blomquist & Wilson, 2007; Kujala et al., 2013) and other mutually beneficial joint activities. The challenge with the “relation-ship” is resourcing. The “stabilizers” are expected to participate in the customer projects from the beginning and build relational trust until the customer replaces the system (that might last decades). Where the “stagnants” are able to move to new projects and have clear-cut periods of presence, for the “stabilizers” the work is never completed. The “stabilizers” may therefore become overemployed and burn out if their active presence is divided to too many customer relationships.

CONCLUSIONS

This research has studied the business relationship dynamics in project afterlife. The starting point for the research was the challenge of coexisting temporary organizing and permanent structures in project afterlife. A “micro” perspective (Goffman, 1982; Fine & Hallet, 2014) was chosen to view the social space between “stagnants” and “stabilizers” and to understand their interaction dynamics. This “human” view on change and inertia in social systems represents a rather unexplored but insightful approach to studying business relationships (Medlin, 2012; Medlin & Törnroos, 2007; Ritter & Gemünden, 2003). Consequently, an individual level of analysis was taken to view the “stagnants” and “stabilizers” through institutional theory perspective (e.g., Bresnen & Marshall, 2011; DiMaggio & Powell, 1983; Scott, 2008, Zucker, 1988).

Organizing post-project service exchange was considered challenging, as individuals knowing the project history and customer specific knowledge best, were the ones resisting transition to stable social structures the most. These individuals referred as the “stagnants” were acquainted with temporary organizational arrangements, used swift trust as the principal interaction mechanism and possessed strong agency in their organization. It was then the responsibility of the “stabilizers” to step in and create established social structures and relational trust, which were considered the requirements of long-term post-project business relationships.

By studying the behavior of these two contrasting professional groups it is possible to understand the interaction dynamics in project afterlife. Change and inertia coexist in between the social space of “stagnants” and “stabilizers”, yet both professional groups are required to make the project afterlife successful. The three relationship development paths illustrated in the research framework (Figure 1) contribute to industrial marketing by illustrating three possible outcomes of the interaction between “stagnants” and “stabilizers”. These paths also urge academics not to take the concept of a business relationship for granted without deeper consideration. The way the content and substance of a business relationship develops requires “micro” level analysis and ontological considerations, as buyer-seller interaction is seldom (if ever) reducible to corporate level decision making. In the future, empirical research is required to study these development paths in practice in service-intensive project business.

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