

The Development of Business Marketing Companies: An Empirical Study

Kristin Balslev Munksgaard
University of Southern Denmark

David Ford
Kedge Business School

Abstract

This paper attempts to describe, analyse and make sense of the development of business marketing companies and their counterparts. To do this, the paper examines the experiences of four companies that trade with each other. The paper builds on research into business development in the economics, strategy and marketing literature and to previous research in the IMP network tradition. The paper concludes that the development of business marketing companies can usefully be interpreted as a process of *discontinuous progression* that takes place between individually-significant counterparts. This conclusion challenges the emphasis that has been placed on the supposed stability of resource structures, business relationships and networks in previous research. The paper presents an initial development of the concept of discontinuous development. Finally, the paper uses this development and the case analysis to provide managerial prescriptions for the task of business development.

Keywords: business development, interaction, relationships, discontinuities

Introduction

This paper is concerned with how business marketers and their customers develop. The development of a business company is likely to be a complex process that involves changes in the company itself, in its customers and suppliers and in the wider business landscape. The paper aims to explain and make sense of this process and the tasks involved in it. To achieve this, the paper explores the experiences of four companies that operate in a relative simple area of business: they grow and distribute potatoes and other vegetables. Each of the companies does business with one of the others. Two of the companies are small and are family-owned and two are medium-sized.

Describing business development

Case 1: Nordgaard and Plaza

Two things are said to be important in producing food; price and quality. Many food products are perishable and so producer and retailer have to work together to get good products onto store shelves at the right time. Milk and meat producers and retail buyers try to achieve this by entering into binding contracts for the price, timing and quality of deliveries. Vegetables and fruits are more likely to be bought and sold on spot or auction-market terms. Retail buyers often have a selected range of primary producers from which they often buy. But price and quality are considered important determinates for transactions. So even though the buyers have contracts with preferred suppliers, they still bargain for price among the selected few from week to week.

The growth in demand for organic food has led to a reorganisation in vegetable production and consumer interest in locally-produced food is now affecting the choice of varieties for seed planning. The availability of locally-grown products is limited and growing them can be demanding because varieties may be optimised for production in other parts of the world. Seed choices often have to be made several harvesting seasons before marketing and so both producers and buyers are increasingly looking for changes in the way they deal with each other.

Plaza is a wholesaler of fruit and vegetables in Denmark and buys various locally-produced products from Nordgaard, a smaller organic vegetable producer. Plaza has been increasing its sales of organic

products to retailers, restaurant chains and gourmet restaurants. At the same time Nordgaard decided to broaden its business to include more sales to the food-service sector, thus reducing its dependence on large retail customers. Until recently, Nordgaard's business with Plaza had mainly consisted of repeated transactions for vegetables such as onions, potatoes and carrots, for which Plaza had been bargaining to obtain the best quality and price among selected organic suppliers. A year ago, Plaza suggested to Nordgaard that they develop closer links focused on the joint branding of locally-produced vegetables.

Plaza suggested to Nordgaard that they should both become involved in the producer's seed planning while giving Nordgaard full access to Plaza's own forecasting for such products. This form of collaboration was new for the two companies and unusual for the industry. Nordgaard claimed that:

“Our basic business philosophy is to develop value with others.”

However, Nordgaard recognised that letting a wholesaler participate in seed planning involved giving up some control of its operations. Nevertheless, Nordgaard saw benefits from securing their sales and increasing the production of special vegetables which are less sensitive to price variations in the market. Additionally, Nordgaard had a long-standing interest in moving into more product processing and saw a potential for doing this with Plaza.

Product developers, purchasers and management from Plaza, together with the owner and salesman from Nordgaard came up with many ideas for jointly developing products, branding and concepts at a “brain-storming workshop”. All parties felt enthusiastic about developing their business based on two common interests: firstly a shared aim to take advantage of the trend towards local production through joint development and co-branding; secondly to strengthen and consolidate their business in ordinary vegetables. The individuals involved began to develop strong personal ties with each other and felt a strong mutual interest.

Nordgaard has only a few permanent staff besides the owner, who soon realised that working with Plaza was resource intensive. Nordgaard had to contact several of their functions weekly, such as buyers, product developers and quality controllers. In contrast, Plaza has a large organisation that is systemised for daily coordination with many suppliers and customers. Nordgaard had to try to cope with this structure, according to its sales manager:

“When we started doing business I received a list of more than ten contacts at Plaza – including the buyer, his assistants, warehouse workers, quality people and the ones you need to contact if something is returned... and that list is as long as our entire list of staff.”

Faced with this problem, the Product Manager at Plaza invited Nordgaard to participate in two courses on “Open Innovation and Supplier-Driven Innovation” at a university. Pressure on the time of the owner and salesman of Nordgaard made them reluctant to accept the invitation. However, they felt obliged to demonstrate their commitment towards Plaza.

As their business developed, Plaza was pleased with its counterpart and with the benefits of accessing the Nordgaard owner's knowledge of the organic market. The buyer at Plaza regularly called Nordgaard's owner to discuss matters that did not directly relate to their joint business:

“When I am with (Nordgaard's owner), I get so much knowledge about things. He is so incredibly well-informed about what is going on. He is a great knowledge partner”.

Plaza also gained access to Nordgaard's network of smaller organic producers in Denmark and elsewhere. Through these contacts Plaza gained security of supply for an increased number of speciality products. Also, these contacts provided potential co-branding opportunities that supported Plaza's interest in strengthening its wholesale offering of locally produced organic vegetables and fruits.

However, the supply of ordinary standard vegetables from Nordgaard faced quality problems. Plaza's buyer emphasised how customers put great value on the quality and sorting of products, for example in such dimensions as the sizes of carrots and weight of cabbage. Nordgaard repeatedly failed to meet these basic requirements and this led Plaza to worry about the future of their business. Plaza did not confront Nordgaard about these problems, as the buyer explained:

“If it had been any other supplier I had been tough saying “I don't care – fix it”. But since we are building this collaboration it is different.”

Plaza considered that the potential of the business and its strong personal relations were too valuable to jeopardise. Meanwhile, Nordgaard were bewildered by the quality issues raised by Plaza as no other customer had made similar complaints. But because they considered their business with Plaza to be important, Nordgaard initiated additional quality checks and sorting of vegetables. This sorting increased Nordgaard's wastage by 20 % compared to its other customers, but Nordgaard did feel able to assure Plaza that quality would no longer be a problem.

Both counterparts considered the Nordgaard-Plaza collaboration to be young and vulnerable. Both feared that conflict could lead to mistrust and a break-up, but both recognise the potential of the business for both companies. Accordingly, the individuals involved were careful in their interactions and when daily disputes arose about quality they showed more tolerance than they would display in their other business. Based on their initial learning and experience with Nordgaard, Plaza considered developing a similar approach to its business with a producer of conventional vegetables.

As part of their preparation for one of the university seminars the counterparts developed a joint plan for future development. The plan involved developments in seed planning, high-quality convenience products and in their ways of working together. Although the Product Manager at Plaza recognised that many things may alter the plan, she saw it as a joint vision for the partnership. One idea for future joint activity was for Plaza's customers to visit Nordgaard at food events and their growing sites. The producer expected that this would have a 'pull-effect' on Plaza's customer orders. A further step was for Nordgaard to redirect some of their own significant customers to be serviced through Plaza, hence reducing the Nordgaard's handling and logistics costs, while also benefitting Plaza and the customers. However, the partners shared a concern that Nordgaard's other customers would withdraw their business if they discovered the extent of Nordgaard's knowledge-sharing and business development with Plaza. This issue was particularly acute because some of these other customers regarded Plaza as a competitor. Hence, the counterparts agreed to develop business in a step-wise manner and to keep their long-term vision a secret from other companies.

Meanwhile, as quality disputes continued between the counterparts, Nordgaard had meetings with a large retail customer, ABC Retail, with which they had limited business for many years. Nordgaard proposed several new ideas for joint business including joint seed-planning and product development. ABC Retail was excited as Nordgaard's ideas matched well with its own recently announced strategy. The retailer proposed that the two companies publically announce the signing of a letter of intent for a four-year contract to develop a “strategic-partnership” for co-branding and increased business.

But ABC's suggestion for a partnership caused problems for Nordgaard as it had just signed a large contract with another retailer, Retail Nordic, that was ABC Retail's biggest competitor. When Retail Nordic learned about the collaboration between Nordgaard and ABC Retail it immediately cancelled its contract with Nordgaard. At the same time, ABC Retail decided to end its contract with another vegetable supplier as it wanted to limit the number of its suppliers. Having precluded other partners, Nordgaard and ABC Retail signed their new “partnership contract”. The contract was agreed before any trial deliveries, quality checks or preliminary product development. It was based on the companies' commitment to invest in future product development and increased security as customer and supplier for each other. Nordgaard was pleased with the arrangement and with ABC's commitment to them as a small supplier with fewer resources. For example, ABC Retail began

training its buyers, quality and warehouse employees how to handle deliveries from a smaller, selected partner such as Nordgaard and it has appointed an employee to handle the joint interests of the two companies in branding.

Meanwhile, Nordgaard considered it important to reassure Plaza that its new business with ABC Retail would not affect their relationship and that it felt that it had the resources to be able to serve both customers. Plaza offered its congratulations as no competition issues were involved: Plaza did not service the biggest retail chains in Denmark such as ABC

Meanwhile, quarrels about quality continued between Nordgaard and Plaza. At one point Plaza returned the whole of a large order, "to teach Nordgaard a lesson". Plaza asked the owner of Nordgaard to reprimand his sales manager for his incompetence. The owner was furious but chose to ignore the comment. Nordgaard had also become dissatisfied with its earnings from the Plaza business as it had made no profits during the months in which there had been concerns about quality.

The Product Manager at Plaza was frustrated, as she still saw potential for developing business and she called a meeting with the deputy chief executive and buyer of Plaza and the owner and sales manager of Nordgaard. After arguing about quality and prices and after pressure from the vice chief executive an agreement was reached to develop a new price structure to ensure the earnings of Nordgaard. Quality issues were also addressed and the counterparts left the meeting confident that this was a new beginning. However, reflecting on the meeting the Product Manager at Plaza acknowledged internal disagreements on how a partnership with a supplier should be developed:

"It is difficult in an organisation like ours if those in key positions do not have the same view of the outside world or how to act in it."

But, she was confident that the development would continue and decided to contact Nordgaard about an agreement on co-branding products for the catering and restaurant trade. The buyer at Plaza remained concerned that Nordgaard was getting special treatment when compared with other suppliers. But he also wished to continue the joint seed planning which gave him access to special vegetables demanded by his customers. The deputy chief executive at Plaza decided to raise the partnership with Nordgaard at a forthcoming management meeting. Meanwhile at Nordgaard, spirits were high because the new partnership with ABC Retail was considered a business 'scalp'. The owner and sales manager were also pleased with the possibility of re-negotiating the price structure for their business with Plaza, although they were less confident about how many resources should be put in developing business further.

Case 2: Gram Castle and REMA1000

Gram Castle is an 800 year old estate, originally established to collect taxes from travellers and merchants in the Middle-Ages. Today Gram Castle is a privately owned organic farm, hotel, restaurant and holiday apartments. The farm produces high quality organic food products (flour, dairy products and vegetables) and has a strong local influence in the region of Southern Denmark. The development of Gram Castle was a dream for the Brodersen family to create a cultural and commercial centre and develop a sustainable farm managed with respect for nature. However, the castle had been empty for decades and was in a bad state of repair when the family bought it in 2007. Hence, Brodersens wished to avoid high-risk bargaining with powerful retailers and so they searched for a retail counterpart that would be interested in distributing and marketing all of the high-quality, high-priced, organic products produced at Gram Castle.

REMA is an international discount retail business with a business approach concentrated on the price-sensitive consumer who also values quality. REMA targets a broad, price sensitive segment of the Danish market. However, REMA also focuses explicitly on those segments that seek low prices but are willing to pay more if products are perceived of a special quality. These consumers buy for cheapness during the week but more expensively for weekends and holidays. Accordingly, the retailer

includes a variety of higher-priced sustainable and organic products in its portfolio. REMA is owned by the Norwegian Raitan family and is represented in Denmark by 252 franchised stores. The franchise concept allows an individual shopkeeper to run his own business which is in line with the Raitans' core value of setting the single human at the centre of its operations.

The Brodersen family believed that they shared the same business values as REMA and approached them with a proposal to build an exclusive relationship. When the REMA purchasing manager visited Gram Castle for the first time, the Brodersen family had just acquired the large farm and was just producing its first products. The REMA purchasing manager was sceptical about the prospects for dealing with Gram Castle: investing in close-cooperation with a single producer and promising to buy all their products is rather different from the other business in which the retailer was engaged in Denmark. However, after only one meeting between Gram Castle and REMA both parties were convinced of their joint potential and an informal agreement was made in 2007. REMA would buy all the organic products produced at Gram Castle and Gram Castle would not sell their products to any other retailer.

However the 2008 financial crisis affected the operations of Gram Castle and the company sought an additional financial partner to invest in its development. In 2010 the partnership between the retailer and the organic farmer was formalized in a contract through which the retailer bought 47 % of the shares in Gram Castle. The Brodersen family retained 53 % ownership. The retailer subsequently made additional investments in joint business activities and its representatives joined the Gram Board. Daily business between REMA and Gram Castle was informal. Most decisions in the early years were made between the Brodersen family and the purchasing manager from REMA. Both counterparts view their contacts as trustful and open, according to Mr. Brodersen:

“There is confidentiality in this partnership. He would never fear that I abuse this knowledge. I would never do that. There is an incredible openness. And that also affects our ability to develop; it is quite different from and faster than others”.

Daily operations also included joint efforts for product development. Gram Castle considered that major product innovation was too expensive for them and they concentrated their efforts on developing the quality of their main products. The Brodersen family was keen to develop a range of high-quality, but technological simple organic products (like wheat flour, cereals, dairy products and vegetables) that will remain listed by REMA for several seasons:

“We have created twelve products in one year and they are here to stay. Usually food products are off the shelves after three months and over fifty percent are gone after one year. Sales have exceeded everyone's expectations”.

REMA's marketing and purchasing departments contributed with ideas for new products so that when the counterpart had accepted a new idea the sale was already made. The time from idea to new product was very short.

However, this kind of business does have effects on the two organisations. The REMA purchasing manager claimed that developing the business with Gram Castle had been a tough learning process because each counterpart needed to continuously match the expectations of the other, build commitment and organise the business. The REMA purchasing manager stresses the importance of respecting the capabilities and business of the counterpart:

“Along the way there has been a lot of expectation alignment and I believe much of the success is due to ‘doing what you are good at’. Ensure you use your energy and your focus on what you are good at. You must show respect and understand each other's worlds”.

The purchasing manager also emphasized how important it is to focus on the collective interests and aims especially when disagreements occur or vital decisions need to be made:

“We have to learn from this project. There have been a few episodes where we really had to remember that this project is able to contribute and become an asset to us. As a pioneer you really have to believe in the project and agree that this is what you want to do”.

Mutual consent on how to develop the joint business has been a continuing part of the contacts between REMA and Gram Castle and the business has also affected the internal organization of the retailer. The REMA purchasing department works with two important criteria; to get the right price and make sure that products are available to consumers. In normal exchanges this involves bargaining with suppliers on quantity and deliveries. However, doing business with Gram Castle is different: prices are not decided through bargaining but based on production cost, profits to be earned by Gram Castle and the retailer and evaluations of consumer responses. Quantities are decided based on the actual production at Gram Castle. If a product is out of stock the purchasing department does not seek other suppliers but aims to improve their distribution between stores based on records of sales. Handling these issues has produced some tensions as elaborated by the purchasing manager:

“If problems arise you have to deal with them right away. And at all times keep in mind that we have a common goal we want to achieve. In the beginning there were challenges with some buyers who could not understand this”.

To the Brodersen family it was very important to keep every step of production of organic products in house. All product development was carried out internally, from idea development to packaging and logistics:

“It is in the way we produce things, timing for harvesting to achieve the highest baking-quality in the flour and so on. You have to be aware of the entire process: the cultivation, the storage and the processing”.

Even the packaging of products is selected to add to the storytelling of Gram castle. Every packaging includes an invitation to consumers to visit Gram Castle and learn of the origin of the products. Therefore the owners are very keen on securing their own handling of all activities related to the products. REMA supports this business approach, but also considers the total cost of Gram Castle handling everything. As according to the retailer’s purchasing manager:

“Even though it is not a standard product with a standard specification, we have to relate the price the consumer will pay against the costs of development, production and distribution”.

This issue led to discussions between the partners. At first, Gram Castle resisted REMA’s suggestion that packaging should be outsourced to reduce costs. However, REMA continued to argue that handling cost were too high and consumer resistance was becoming apparent. In the end Gram Castle had to yield and packing of potatoes and vegetables was passed on to another supplier of REMA. Even though, business with REMA has added an international dimension to its operations, the Brodersen family feels a strong loyalty to the local community. So Gram Castle continued to build its business based on local production and investing in the local area:

“Our entire strategy has always focused on that the fact that the better you are in the local area the better you are in the big world”.

The business draws on the local community for organizing events such as food festivals etc. and is closely engaged in the development of local entrepreneurs and tourism.

The success at Gram Castle has aroused the interests of other retailers and the producer has received good business offers from other potential customers. However, the counterparts remain committed to their agreement that REMA buys all Gram Castle’s products and the producer does not sell to other retailers. But business with REMA has given Gram Castle access to other customers. Other companies

owned by REMA have used Gram Castle's conference centre. Additionally, working with REMA is an advantage when seeking other potential investors to develop other Gram Castle lines of business:

“REMA thinks differently and that means that it is not enough that we ourselves have seen the light. We need to make sure that they also see the potential in what we do. Nevertheless, in any other situation we would still have to convince a bank. Today it is not possible to do all of a business by yourself... But we also know that the sale of Gram Castle's products is secured. Those who buy our products are also the co-owners. They are committed”.

Analysing business development

A partial literature review

We can usefully start our analysis of development in business marketers and their customers by drawing from the wide ranging research found in the strategy literature, from research in marketing and purchasing and from within the IMP tradition.

An early aim of the strategy literature was to examine the ways in which a company's resources can contribute to its development (Nelson & Winter, 1982; Penrose, 1959; Wernerfelt, 1984). This analysis was based on the assumption that resources are heterogeneously distributed between companies and that this distribution is relatively stable over time Barney (1991). The assumption of a stable resource structure allowed strategy researchers to analyse the processes through which the internal resources of the firm can be activated to achieve a competitive advantage within a broadly-defined market (Pettigrew, 1987; Porter, 1981; Wernerfelt, 1984). This earlier research also highlighted how a complete view of the process of business development has to include the individuals who are involved in the elaboration and fulfilment of a company's strategy and whose intentions are influenced by their own aims and abilities, loyalties, hopes and ambitions (Caldwell, 2005; Pettigrew, 1985; Pettigrew, 1987; Sminia & De Rond, 2012).

The strategy literature has been oriented towards analysis of the process through which a single company seeks to develop. This approach rests on the assumption that a company is able to take its own decisions about its development based on the exploitation of its own resources (Ansoff, 1957, 1970; Pettigrew, 2014; Porter, 1981, 2008). However, this unilateral perspective has been modified over the years by a growing interest in the connections between a company and the surrounding business landscape (Payne, 1957; Prahalad & Hamel, 1990). This latter research has emphasized the importance for a company of being able to effectively adapt to generalised changes in the adversarial business landscape (Baden-Fuller & Volberda, 1997; Barney, 1991; Teece, Pisano, & Shuen, 1997; Zheng Zhou & Wu, 2010). The approach within the strategy literature to the analysis of business development is neatly summarized by Pettigrew:

”The first quality (in successful strategy development) is the capacity of the firm to comprehend the competitive forces in play and how they change over time. Second, there is the linked ability of a business to mobilize and manage the resources necessary for the chosen competitive response through time. Yet irrespective of the chosen strategy, the key intangible asset is the capability to carry through the (internal) changes implied by the strategy...” (Pettigrew, 2012:1311)

More recently, this focus on the internal tasks of business development has been challenged by a more external orientation. This orientation suggests that each company operates within general processes that are beyond its ability to analyse or predict and which severely limit managers' ability to achieve change in any particular direction. For a summary see Caldwell (2005). But within this external orientation, stakeholder theory has also sought to analyse the impacts of *specific* counterparts on the company in an adversarial business landscape (Freeman, 1984; Sharma & Henriques, 2005)¹.

¹ For an exception to this view of an adversarial landscape see Teece, 1992

Academic literature in both the marketing and purchasing areas shares the strategy literature's orientation towards the development of a single company. This literature is concerned with how a company can marshal its own resources to develop and implement unilateral action against a generalised customer or supplier market. It is implicit in much of the marketing and purchasing literature that each process is directed towards counterparts that are assumed to be largely reactive. In other words, the marketing and purchasing literature implicitly assumes that marketers and purchasers *manage* what happens between them and their generalized customers and suppliers (e.g. Achrol & Kotler, 1999; Möller & Halinen, 2000; Plank & Ferrin, 2002). The implicit assumption that companies can manage their counterparts is reflected in the managerial techniques adopted by practitioners, such as Customer Relationship Management (CRM) and Supplier Management (Christopher, 2005; Grönroos, 1994; A. Payne & Frow, 2005; Rigby, Reichheld, & Schefer, 2002). An exception to this unilateral view of marketing and purchasing is the recent developments in the area of Value Co-Creation between customer and supplier (Arnould, Price, & Malshe, 2006; Ballantyne & Varey, 2006; Grönroos, 2008). This approach emphasises that value creation for a customer is a joint process between supplier and the customer.

Research within the IMP tradition differs from that within strategy, marketing and purchasing in a number of ways: IMP literature conceptualizes the business development of each single company within a continuing process that encompasses multiple companies. Within the IMP view, the value of a company's resources and the development of the company will depend on how its resources are adapted, developed and combined with the resources of other companies. By placing each company within an *evolving* structure of resource investment and interdependence, IMP research presents a picture of companies that are severely limited in their ability to choose or to follow an independent path of development. IMP literature envisages the business development of a single company as an interactive process between companies that are individually significant for each other. The outcomes of these interactive processes are effectively un-knowable and beyond the complete control of any of those involved in them, but they determine the direction of each company's development. However, IMP literature does not view business interaction as a deterministic process leading inevitably to an ever-closer union between companies. Business interaction is frequently conflict-full as all companies seek to choose between available counterparts and to influence the direction of their own and their counterpart's development through interaction. IMP research emphasizes the roles of long-term investment in relationships and resources in business development. In this way, the IMP conceptualization presents a picture of a rather more stable relative stability between and within companies in evolving relationships compared to a conventional transactional view of business within a market (Hakansson et al 2009).

This interactive and network perspective may shed light on the wider structures of the business landscape and on the processes involved in particular business relationships. However, this literature has until recently produced few managerial analyses or prescriptions for the overall business development of a company (Ford & Hakansson, 2014; Mainela, Pernu, & Puhakka, 2011; Von Raesfeld & Roos, 2008).

Analysing the case studies

We can now attempt an analysis of the two case studies in the light of the approaches of the three areas of literature that we have briefly reviewed.

Resources

The cases show that each of the four companies had a clearly identifiable but limited set of physical and intellectual resources: The producer Nordgaard had the facilities and skills necessary for vegetable production and distribution. It had well-established relationships with its customers. Gram Castle also had developed production skills from former businesses but no established customer relationships. Each believed that they had a "feel" for the way that tastes were developing in the consumer market for their products, but neither had fully explored these. Both held clear principles about how business

should operate and believed that these principles were important for their future success. But both companies had clear resource inadequacies: they were unable to forecast levels of consumer demand or to efficiently manage stocks of perishable products. The two producers also had very limited managerial resources. They also found it difficult to appreciate the need for a commercial level of product quality, or the ability to achieve it. Neither company had the resources to develop an independent strategy of offering to address the end-user market or to develop their business with distributors.

The Distributors, Plaza and REMA had both developed apparently stable distribution relationships with their customers and suppliers, Plaza at the wholesale level and REMA as retailers. Both companies held clear views of the requirements of their customers with whom they had developed relationships. They both had an established managerial structure and a set of ethical values which formed the basis of their operations. Neither of these distributors had skills in the production of vegetables, nor established relationships with organic or local suppliers.

Action, reaction and interaction

A description of the four companies' resources provides an initial idea of each of their current positions within the business landscape. This landscape and the companies within it were subject to a range of influences, including the development of customer requirements for "ethical" and "local" food. Each company was able to rationalise the evolution by relating it to their own views of the practicalities and the ethics of business. But none of the four companies had the resources to affect the evolution of the wider landscape. Nor did they have the abilities to react to that evolution alone.

The relationships and operations of the three more established companies and the direction of development of the newly established company were not set by the global evolution of the market or by their own strategy alone but by the interactions which surrounded and followed two initiatives:

The wholesaler, Plaza wished to increase its sales of organic products and one of its suppliers, Nordgaard wanted to reduce its dependence on large retail customers. Plaza proposed to Nordgaard that they should both become involved in an unusual collaboration which related closely to Nordgaard's business philosophy of "developing value with others".

Gram Castle represented a family dream to create a cultural and commercial centre respecting their ecological values. But the family wished to avoid high-risk bargaining with powerful retailers and so they proposed to REMA an exclusive distributor deal for all their organic produce.

In both of these cases, the generalised aspirations, values, experiences and evaluations of the four companies and their views of the business landscape in which they operated were crystallised in their proposal or response in a particular episode involving specific counterparts. Both of these episodes marked a *major discontinuity* in the business development of the four companies. REMA was an established business while Gram Castle was effectively a start-up. REMA reacted sceptically to the idea of developing a rather unusual arrangement with a company which was very different in terms of its culture and managerial resources. As business developed between Gram Castle and REMA it became clear that the direction and operations of both REMA and Gram Castle were strongly influenced by their relationship (Snehota, 1990). Similar effects were apparent in the development of Nordgaard's business with Plaza, which Nordgaard described as "resource intensive" although the effects of this developing relationship on the wider business on REMA and Plaza were rather less significant.

The four companies each faced further interconnected discontinuities in their respective businesses. Nordgaard was actively seeking to develop business with another large customer ABC Retail, that was also interested in developing their organic product business. When the ABC Retail deal was agreed, Nordgaard had to break a signed contract with ABC's competitor Retail Nordic, at ABC's insistence.

Discontinuity and continuity

The business development of the four companies in the cases also shows aspects of the connections between discontinuities in development and more incremental or evolutionary change. Gram Castle further developed its business through interactions with a large variety of smaller, regional producers that built on and contributed to its main business with REMA

The relationship between wholesaler Plaza and Nordgaard also evolved within their developing relationship as both sought to capitalise on the product development opportunities provided by their relationship. But in contrast, both companies also experienced difficulties in adjusting their attitudes and internal operations to match the discontinuity in their business development represented by their relationship. Thus, Nordgaard continued to find it difficult to develop internal order-handling routines suitable for a sophisticated customer and some of Plaza's staff found it difficult to commit themselves to a supplier that did not meet their normal requirements.

Making sense of business development

This paper has presented two cases of four companies operating in a rather simple part of the business landscape characterised by low levels of technological intensity and change. Despite this relative simplicity, the cases highlight discontinuities in the interactions between the companies on the individual development of the companies in the cases on the interactions between them and on the "small world" in which they operate. The cases we have presented provide at least five insights into the process of business development:

Business development is a discontinuous progression

The cases that we have reported describe discontinuities in relationship structure that largely determined the subsequent business development of each of the involved companies over a number of years. The significance for business development of these discontinuities contrasts with the conclusions of previous studies that highlight the apparent stability of network and relationship structures. This stability is said to rest on the restricted availability of counterparts and limitations in relationship development skills. Previous studies suggest that companies are likely to develop incrementally by adding customer relationships that are similar to their existing ones, in other words by *consolidating* rather than by *creating* a radically different relationship structure (Håkansson & Ford, 2002). But the discontinuities reported in the cases provided a qualitative shift in the resources to which each company had access and had major effects on the resources that they controlled. The discontinuities presented problems for those involved in them and affected the skills that they needed to develop. The discontinuities were not isolated events but also affected the direction of subsequent discontinuities that arose in the development of the four companies.

Business development is built on resource asymmetry

Both of the cases we reported showed discontinuities in the development of companies that had asymmetric resources and skills. On one level, each case described business between a larger, financially stronger and a smaller, financially weaker company. We may expect that the "macro-asymmetry" between the companies would enable the larger one to coerce the smaller, both initially and throughout their relationship development. But if we examine the cases at a more detailed level, they show asymmetries in both directions between the companies in different aspects of their knowledge, resources and abilities to influence their counterparts: these two-way asymmetries determine the areas and the processes in which counterparts are able to *coerce* or where they *concede* to each other (Håkansson & Ford, 2002; Johnsen & Ford, 2008). The initial resource asymmetry between the companies forms the basis for evolutionary change based on investments made by companies to exploit the advantages of their interdependencies (Baraldi, Gressetvold, & Harrison, 2012; Håkansson & Waluszewski, 2002a, 2002b). In contrast, the growth of asymmetric dependency between the companies may also lead one or other to seek a discontinuous change in their business

development. Finally, the development of asymmetries between pairs of companies is likely to have a major effect on the ways that the pairs of companies in our cases developed business with other customers and suppliers (Anderson, Håkansson, & Johanson, 1994; Ford & Håkansson, 2005; Ford, Håkansson, & Johanson, 1986).

Business development involves internal and external consensus, real, imagined, partial or absent

“Strategic change processes are typically fragmented, evolutionary and intuitive. Real strategy evolves as internal decisions and external events flow together to create a new, widely shared consensus for action” (Quinn & Voyer, 1996:95).

Our cases add to this view of business development by emphasising that it also requires some measure of *external consensus*. External consensus may involve agreement and merging of interests. But our cases illustrate that external consensus is likely to be only partial and achieved through wide-ranging teaching, learning or coercion. Operating under conditions of undeveloped, unreliable or illusory consensus is likely to be a major challenge for managers in the business landscape. This challenge is likely to require often radical changes to a company’s interconnected internal consensus (Corsaro & Snehota, 2011; Quinn & Voyer, 1996).

Business development involves limited control

The discontinuous progression that was apparent in our cases indicates that a company’s business development is not completely controlled by that company, nor can it be planned unilaterally. The success of a company’s business development is dependent on its own and on the evaluations, actions and directions taken by *particular* others. Business development requires companies to manage and exploit the particular aspects of their relationships in which they have asymmetric strength whilst simultaneously monitoring and evaluating the moves of counterparts in other areas.

Business development is a long-term process

The cases we have described covered a short period of time in the histories of the companies concerned. Each company expressed some satisfaction with the developments between them. But it is equally clear that individuals saw continuing or emerging problems in the resources and attitudes of their counterparts. Some of these problems were compounded by the failure of one side to understand the issues facing the other, by their apparent inability to respond or their unwillingness to incur short-term costs. The cases also illustrate how the long-term efforts of companies to overcome particular problems in their relationships are likely to be overtaken by the subsequent unilateral actions of direct or indirect counterparts.

Conclusions: how to manage business development

The term “business development” encompasses many of the questions that preoccupy managers. Some of these questions, such as how to develop the human and physical resources of a company, may apparently be addressed inside the manager’s own organisation. But the development of a company’s own resources will always have to be combined with the development of the skills and resources of related companies. However, developing a company’s internal and external resources is not an incremental process of evolution, but one that is marked by major discontinuities. These discontinuities may take the form of major changes in or the ending of existing relationships, the start of new relationships or changes in contiguous relationships or wider circumstances. These discontinuities form the starting point for a listing of some of the requirements for business development, as follows:

Business development requires skills in managing a business, without being able to control it

IMP research emphasises that business development requires all companies to cope with and take advantage of the separate and evolving interests of others: managers must be able to evaluate when and how to work with particular counterparts, but also when to work against or in spite of them. Managers must also consider when to seek gains at the expense of counterparts. In short, business development requires the ability to know when and how to seek discontinuities within and between relationships and the ability to monitor and react to possible discontinuities introduced by counterparts.

However, business managers have to operate with a limited, confused and often erroneous idea of what may be in their long-term or even their immediate interests, especially when faced with major discontinuities. Business managers are also likely to have even less understanding of the aspirations and interests of others and where their interests converge or diverge. Hence, a major component of business development is to make explicit to all those involved *both internally and externally*, the assumptions on which the company's approach to both incremental change and major discontinuities are based.

Business development requires trade-offs between multiple counterparts

The companies in our cases were related to a number of counterparts by interconnected financial investments, adaptations and commitments. For example, the development of Nordgaard's business with Plaza endangered Nordgaard's business with others who regarded Plaza as a competitor. Nordgaard and Plaza chose to keep their arrangements secret from others. This single decision was a major discontinuity in their relationship and multiplied their commitment to each other at the expense of other counterparts.

Business development requires skills in managing co-evolution with others

The interactions between the physical and human resources of the companies in our cases led them along a path within which those resources were combined, adapted and developed. This path of development reinforced the developing specialisation in the activities of the companies. Some of these interactions and developments were planned by one or both companies, but many occurred unintentionally or even unconsciously following the initial discontinuity. Business development requires managers to be able to monitor and intervene in their co-evolution with others and to assess the effects of this co-evolution on their interdependencies with multiple counterparts.

Business development requires the management of resource development without precise accounting

A business relationship is a process through which the resources, activities and individuals of two or more companies are directed *over time* towards their common interests. A business relationship reflects the characteristics and extent of the investments made in it. A company's business relationships are its prime assets without which it is unable to trade. The success of a company's business development is reflected in that company's rate of return on its relationship assets. However, the absolute and comparative rate of return of relationships is not amenable to conventional analysis. The operational and financial outcomes from discontinuous change are unpredictable and managers must be able to demonstrate the ability to evaluate outcomes on a continuing basis.

Business development requires a long time perspective

The interactions between the four companies evolved on the basis of their growing experience of each other. Each company had to incur costs of investment and change with the aim of achieving benefits for themselves and their counterpart in the future (Håkansson & Snehota, 1998). Long-term success in business development cannot be measured by short term results. But all business managers face the

temptation to achieve short-term success by limiting relationship investment or taking short-term advantage of counterparts through introducing major discontinuities with long term effects.

Business development requires coordination between many individuals

The assessments of the individuals in our cases all changed as they began to view their relationship as separate from particular transactions within it and outside of it. The small number of individuals who interacted directly with their counterparts saw the relationship differently from the larger group that was affected by it and who also contributed to it. A number of individuals had to change their pattern of work and cope with the inadequacies and peculiarities of others in order to support the relationships (Håkansson & Snehota, 1998). Discrepancies in approach, even involving individuals far from direct interactions can negatively affect a relationship and damage business development.

Business development requires flexibility

The development of the two business relationships was not nor could be planned by either or both of the counterparts and it was not an orderly process. Each of the two relationships was based on a general view of its possibilities for the development of the companies. Each involved trade-offs between the short and long-term costs and benefits for individuals and for each of the companies. Some of these costs were severe and many were unanticipated. Most of the trade-offs had to be made without analysis because the companies did not know what their or its counterpart's future costs and benefits would be. Business development has two aspects, one is working with and through others in incremental development and one is anticipating, seeking and taking advantage of discontinuities.

Business development requires well-considered resource allocation between relationships

The two relationships in the cases evolved in different ways and each was quite different from each company's other relationships. It is common for companies to have a relatively small number of relationships that they consider important for different aspects of their development at different times and many others that they consider to be less critical for their future (Ford, 1980). It is unlikely that the four companies had the same view of the importance of their relationship either at its beginning or subsequently and their respective commitment and investments will follow different paths. Business development requires a company to allocate scarce resources between relationships over time. Managers have to accept the effects of limiting commitment to some counterparts at the expense of others and disinvesting in some relationships which have previously been of value and in which close company and personal ties may have been developed.

Further research

The strategy literature shares an orientation with the marketing and purchasing literature towards the operations of a single company. Both the strategy literature and IMP literature emphasise the relative stability of resource structures. But our initial examination of the two cases may indicate the value of a shift in research attention away from examination of the multiple episodes associated with developing relationships and evolving interdependencies and towards identifying and interpreting the interconnected discontinuities in the network structure.

Similar discontinuities to those that we have described may be expected to affect all companies at some time or other. Discontinuities in business development may be internally or externally generated. They may be planned or unplanned and arise from the actions or omissions of others. Discontinuities may have general effects across the network or be specific to particular counterparts. They may appear to be one-off events, but they may also trigger a sequence of changes. Perhaps more importantly, many apparently routine events may actually mark a major discontinuity in a relationship, portfolio or network structure. This discontinuity may or may not be recognised by those involved, affected or observing it. Conversely, an outsider may view something as a major discontinuity, which to those involved is just the direction that things have been moving for years. But of course, in the

complexity of the business landscape, any discontinuity will influence other turning-points; each discontinuity may preclude or influence many others. Business development is the task of creating, responding, coping and managing the flow of discontinuity that permeates the business landscape. Business development also requires skills in responding to radical discontinuous and unplanned change proposed or *unilaterally introduced* by others.

References

- Achrol, R. S., & Kotler, P. (1999). Marketing in the Network Economy. [Article]. *Journal of Marketing*, 63(4), 146-163.
- Anderson, J. C., Håkansson, H., & Johanson, J. (1994). Dyadic business relationships within a business network context. *Journal of Marketing*, 58(4), 1-15.
- Ansoff, H. I. (1957). Strategies for Diversification. *Harvard Business Review*, September-October, 113-124.
- Ansoff, H. I. (1970). *Corporate strategy: an analytic approach to business policy for growth and expansion*: Harmondsworth.
- Arnould, E., Price, L., & Malshe, A. (2006). Toward a cultural resource-based theory of the customer. In R. F. Lusch & S. L. Vargo (Eds.), *The Service-dominant Logic of Marketing: Dialog, Debate, and Directions*: M.E. Sharpe.
- Babbie, E. (2001). *The practice of social research* (9 ed.). Belmont, CA: Wadsworth/Thomson Learning.
- Baden-Fuller, C., & Volberda, H. W. (1997). Strategic renewal. *International Studies of Management & Organization*, 27, 95-120.
- Ballantyne, D., & Varey, R. J. (2006). Creating value-in-use through marketing interaction: the exchange logic of relating, communicating and knowing. *Marketing Theory*, 6(3), 335-348. doi: 10.1177/1470593106066795
- Baraldi, E., Gressetvold, E., & Harrison, D. (2012). Resource interaction in inter-organizational networks: Foundations, comparison, and a research agenda. *Journal of Business Research*, 65(2), 266-276.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Caldwell, R. (2005). Things fall apart? Discourses on agency and change in organisations. *Human Relations* 58, 83-114.
- Christopher, M. (2005). *Logistics and Supply Chain Management: Creating Value-added Networks*: Pearson Education.
- Corsaro, D., & Snehota, I. (2011). Alignment and Misalignment in Business Relationships. *Industrial Marketing Management*, 40(6), 1042-1054. doi: 10.1016/j.indmarman.2011.06.038
- Damgaard, T., Munksgaard, K. B., & Sørensen, E. B. (2010). Strategising in relationships? A practical framework for situation analysis. In P. Freytag & K. Philipsen (Eds.), *Challenges in Relationship Marketing*: Academica.

- Dubois, A., & Gadde, L.-E. (2002). Systematic combining: an abductive approach to case research. *Journal of Business Research*, 55(7), 553-560.
- Easton, G. (1998). Case research as a methodology for industrial networks: A realist apologia. In P. Naude & P. Turnbull (Eds.), *Network dynamics in international marketing*. Oxford, UK: Elsevier Science.
- Flyvbjerg, B. (2011). Case Study. In N. K. Denzin & Y. S. Lincoln (Eds.), *The Sage Handbook of Qualitative Research* (4th ed.). Thousand Oaks, CA: Sage.
- Ford, D. (1980). The development of buyer-seller relationships in industrial markets. *European Journal of Marketing*, 14(5/6), 339-354.
- Ford, D., & Hakansson, H. (2014). *The managerial challenge of business interaction: Behind the market facade* Paper presented at the 6th IMP Asia, Bali, Indonesia.
- Ford, D., & Håkansson, H. (2005). The idea of business interaction. *The IMP Journal*, 1(1), 4-27.
- Ford, D., Håkansson, H., & Johanson, J. (1986). How do Companies Interact? *Industrial Marketing & Purchasing*, 1(1), 26-41.
- Freeman, C. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Grönroos, C. (1994). From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing. *Management Decision*, 32(2), 4-20. doi: 10.1108/00251749410054774
- Grönroos, C. (2008). Service logic revisited: who creates value? And who co-creates? *European Business Review*, 20(4), 298-314. doi: doi:10.1108/09555340810886585
- Håkansson, H., & Ford, D. (2002). How should companies interact in business networks? *Journal of Business Research*, 55(2), 133-139.
- Håkansson, H, Ford D, Gadde, L-E, Snehota I and Waluszewski A (2009), *Business in Networks*, Chichester, John Wiley and Co.
- Håkansson, H., & Snehota, I. (1998). The burden of relationships or who's next? In D. Ford (Ed.), *Understanding business marketing and purchasing* (2002, 3rd ed.): Thomson Learning.
- Håkansson, H., & Waluszewski, A. (2002a). *Managing technological development. IKEA, the environment and technology*: Routledge.
- Håkansson, H., & Waluszewski, A. (2002b). Path dependence: restricting or facilitating technical development? *Journal of Business Research*, 55(7), 561-570.
- Johnsen, R. E., & Ford, D. (2008). Exploring the concept of asymmetry: A typology for analysing customer–supplier relationships. *Industrial Marketing Management*, 37(4), 471-483.
- Mainela, T., Pernu, E., & Puhakka, V. (2011). The development of a high-tech international new venture as a process of acting: A study of the lifespan of a venture in software business. *Journal of Small Business and Enterprise Development*, 18(3), 430-456.
- Möller, K., & Halinen, A. (2000). Relationship Marketing Theory: Its Roots and Direction. *Journal of Marketing Management*, 16(1-3), 29-54.

- Nelson, R. R., & Winter, S. G. (1982). *An evolutionary theory of economic change*. Cambridge, Massachusetts: Harvard University Press.
- Payne, A., & Frow, P. (2005). A Strategic Framework for Customer Relationship Management. *Journal of Marketing*, 69(4), 167-176.
- Payne, B. (1957). STEPS in long-range planning. *Harvard Business Review*, 35, 95-106.
- Penrose, E. T. (1959). *The theory of the growth of the firm*. New York: Wiley.
- Pettigrew, A. M. (1985). *The awakening giant: Continuity and change in ICI*. Oxford, England: Blackwell.
- Pettigrew, A. M. (1987). Context and action in the transformation of the firm. *Journal of Management Studies*, 24(6), 649-670.
- Pettigrew, A. M. (2012). Context and Action in the Transformation of the Firm: A Reprise. *Journal of Management Studies*, 49(7), 1304-1328.
- Pettigrew, A. M. (2014). *The politics of organizational decision-making*: Routledge.
- Plank, R. E., & Ferrin, B. G. (2002). How manufacturers value purchase offerings: An exploratory study. *Industrial Marketing Management*, 31(5), 457-465.
- Porter, M. E. (1981). The contributions of industrial organization to strategic management. *Academy of Management Review* 6(4), 609-620.
- Porter, M. E. (2008). *Competitive strategy: Techniques for analyzing industries and competitors*: Simon and Schuster.
- Prahalad, C. K., & Hamel, G. (1990). The Core Competence of the Corporation. *Harvard Business Review*, 68(3), 79-91.
- Quinn, J. B., & Voyer, J. (1996). Logical incrementalism: managing strategy formation. In H. Mintzberg & J. B. Quinn (Eds.), *The Strategy Process: Concepts, Contexts, Cases*, (3rd ed.). London: Prentice-Hall Europe.
- Rigby, D. K., Reichheld, F. F., & Scheffer, P. (2002). Avoid the Four Perils of CRM. *Harvard Business Review*, 80(2), 101-109.
- Sharma, S., & Henriques, I. (2005). Stakeholder influences on sustainability practices in the Canadian forest products industry. *Strategic Management Journal*, 26, 159-180.
- Sminia, H., & De Rond, M. (2012). Context and action in the transformation of strategy scholarship. *Journal of Management Studies*, 49(7), 1329-1349.
- Snehota, I. (1990). *Notes on a theory of business enterprise*: Department of Business Administration.
- Teece, D. J. (1992). Competition, cooperation, and innovation: Organizational arrangements for regimes of rapid technological progress. *Journal of Economic Behavior & Organization*, 18(1), 1-25
- Teece, D. J., Pisano, G. P., & Shuen, A. (1997). Dynamic capabilities and strategic management. *18(7)*, 509-533.

Von Raesfeld, A., & Roos, K. (2008). How Should a Small Company Interact in Its Business Network to Sustain Its Exchange Effectiveness? *Creativity and Innovation Management*, 17(4), 271-280.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5, 171-180.

Yin, R. K. (2003). *Case study research design and methods* (3rd ed.): SAGE Publications.

Zheng Zhou, K., & Wu, F. (2010). Technological capability, strategic flexibility, and product innovation. *Strategic Management Journal*, 31, 547-561.

APPENDIX

Two in-depth case studies of the business development of four companies were collected, *'the interaction between a phenomenon and its context is best understood through in-depth case studies'* (Dubois & Gadde, 2002:554). The case study method further allows for retaining a meaningful characteristic of a real-life event such as organisational and managerial processes and relationships (Yin, 2003:1-2). Adhering to a critical realist perspective, the use of a case study method can provide descriptions and reflections of different perceptions of reality related to an empirical event such as the managing business development (Easton, 1998).

For this particular study of business development two cases of a customer-supplier relationship in the Danish food industry has been chosen. According to (Flyvbjerg, 2011), extreme cases are relevant for obtaining information on unusual situations which can contribute to understanding the limitations of existing theories and thus bring forward issues for theoretical refinement. The chosen cases are extreme in the sense that they report on business development in very simple business set-ups related to the production of different kinds of vegetables, flour and dairy products. Further, joint business unfolds in a rather limited geographical area. The involved suppliers are small and medium-sized both interacting with larger customers. None of the companies make use of complex technologies. Both cases offer promising expectations for relevant information on how the partners handle and manage business development.

Data collection

For this study access to follow the development of the relationships was given for a period of twelve months. The data collected consisted of interviews, joint seminars and minutes from meetings between the supplier and customers engaged in the relationship. Semi-structured face-to-face interviews with the directly involved individuals from each party constitute the primary empirical material, together with access to meeting minutes and observation of joint seminars and meetings between the partners. Shorter video recordings from seminars of the partners presenting their collective interest for developing the relationship are included as data in the study. Table 1 provides an overview of the empirical material collected for case 1.

Table 1: Case 1 - interviews, meetings and seminar used as empirical material

	Customer	Supplier
Telephone interviews	Three interviews with the product developer – in total approx. 2 h..	Two interview with the owner – approx. 40 min.
Joint seminar	Two full-day seminars 4 video recordings of joint presentations – in total approx. 20 min.	
Joint meeting	Participation in one joint meeting at the customers – approx. 2 h. 30. min.	
Face to face interviews	Two interviews – one with the product developer and one with the purchaser and product developer – in total approx. 3 h.	One interview with the owner and sales manager – approx. 1 h. 30. min.

The customer-supplier relationship in case 2 was initiated in 2007 as an agreement for the retail customer to purchase the entire high-quality organic product portfolio from the supplier. In this case the initiative to invest in the development of the relationship was that of the supplier. Whereas the retailer has other suppliers for its stores in Denmark, the supplier sells exclusively to this retail customer. The exclusivity agreement is a strategic choice from the supplier to service only one customer and avoid resource demanding bargaining with additional customers. This is the interest of the supplier since this allows for focusing on development of viable high-quality products while avoiding yearly negotiations of new delivery contracts. To the customer this type of relationship

deviated from business done with other suppliers, but the products and mutual story-telling related hereto is perceived to fit very well to the overall business strategy of the retailer. In the food industry in Denmark, this relationship is known as special and strong.

The business development of this specific relationship has been followed over a period of 6 year. Besides yearly informal visits to the supplier, the data for this specific study consists of semi-structured face-to-face interviews with the directly involved individuals. Further, unique access has been given to archives of developing joint promotion material and observations from seminars with the supplier provide additional insights on this partner's reflections on this specific partnership and other relationships. Table 2 provides an overview of the empirical material collected for case 2.

Table 2: Case 2 – interviews and archival documents used as empirical material

	Customer	Supplier
Seminar		Two full-day seminars on relationship and network development
Joint promotion material	Archival documents for developing joint promotions	
Face to face interviews	One interview with the purchasing manager –approx. 1 h. 30. min.	Two interviews with the owner – in total approx. 3 h. 30. min.

Data analysis

The initial interview guide included questions related to the business interest of the customer and supplier respectively, their visions for business developing and the relationship as well as perceived potential barriers for joint development. During interviews managers have been asked to sketch each their business network. Following the companies and their mutual relationships over a period of time, ongoing data analysis has been an inherent part of the process. Accordingly, the interview guide has been continuously developed and additional issues of e.g. anticipated reactions from third parties in the network and reasoning for managerial decisions and post hoc reflections on change episodes related to the business development of each company and the relationships have been thoroughly discussed.

During seminars the partners have been asked to sketch their joint network (based on Damgaard, Munksgaard, & Sørensen, 2010) and observational notes have been made of presentations on the relationship given to other seminar participants. Observational notes followed guidelines provided by Babbie (2001) suggesting a two-stage system of initial keywords that are subsequently rewritten in more detail. Transcriptions of interviews and meetings as well as narratives from seminars have been coded and analysed, following the theoretical concepts outlined.