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**Interactive Resource Development in New Business Relationships:  
A Commentary Essay**

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## **Abstract**

This commentary essay presents suggestions for future research in two major areas based on the article “Interactive Resource Development in New Business Relationships” (Gadde, Hjelmgren, & Skarp, in this issue). The first area concerns cognition and sense-making processes both of which are currently under-researched in business network studies as well as in resource development studies. The second area highlights the so-called ‘hidden qualities’ of functions or benefits/damages that emerge when a resource is activated and its value when combined with other resources is realized. A large number of unexplored questions still remain for research on resource development, but the topics suggested above would offer important new knowledge to the field.

## **Interactive Resource Development in New Business Relationships:**

### **A Commentary Essay**

Ever since Penrose's (1959) and Pfeffer and Salancik's (1978) seminal work, resources and resource development have attracted considerable scholarly interest. The study by Gadde, Hjelmgren, and Skarp (in this issue) falls within the interaction and network approach and analyzes joint resource development in business relationships where the parties lack previous experience of each other. Findings from two case studies show that the development of a new product or service calls for extensive linking and matching of physical and organizational resources. Resource adjustments and interplay are highlighted as important factors for connecting the technology of production with the technology of use. The results also reveal some economic implications regarding the value compared to investment that is generated for each company. The findings are largely in concordance with previous research but interestingly they emanate from a new business relationship rather than established relationships. This commentary essay develops ideas for future research in two main directions: identifying sense-making processes and uncovering 'hidden qualities'.

#### **Sense-making in resource development**

The findings illustrate how different resources are adapted and combined in business relationships. Yet, several issues and challenges remain concerning resource development in a network setting. It is important to recognize that cognition and sense-making processes should be given more research attention in business network studies in general and in resource development studies in particular. Within the interaction and network approach Welch and Wilkinson (2002) were among the first to suggest the importance of studying mental models and

frameworks in companies, relationships and networks. (See Figure 1 for their AARI scheme of analysis.)

	<b>Company</b>	<b>Relationship</b>	<b>Network</b>
<b>Actors</b>	Organisational structure	Actor bonds	Web of actors
<b>Activities</b>	Activity structure	Activity links	Activity patterns
<b>Resources</b>	Resource collection	Resource ties	Resource constellation
<b>Ideas</b>	Schema	Schema couplings	Schema configuration

Figure 1. The AARI Scheme of Analysis (Welch and Wilkinson, 2002 based on Hakansson and Snehota, 1995)

The original and fundamental dimensions of relations and networks proposed by Hakansson and Snehota (1995) included: actors, activities, and resources (AAR). Welch and Wilkinson (2002) added a fourth dimension, namely, ideas. Each dimension can be analyzed on three different levels: the organization, the relationship and the network. Ideas encompass the perceptions individuals and organizations have about themselves and others, their beliefs about how the world functions, norms of appropriate behavior, attitudes toward particular issues and values concerning what is desirable. Welch and Wilkinson proposed that an organization's schema results from the interactions among the schemas of the individuals comprising the organization. Schema couplings reflect how the schemas of two organizations become interrelated and adapted to each other over time in such a way as to be consistent with the ongoing relationship. Schema configurations are the patterns of co-adapted ideas within a network and underpin its functioning.

The question is, how *do* companies make sense of themselves and the surrounding network, interpret information, assign weight to or ignore information? Further, how do they prioritize which goals and strategies will drive their activities and resources and thereby their resource development? Two recently published studies develop frameworks for analyzing sense-making in companies and illustrate management logics and sense-making (Tollin, 2008; Tollin and Jones, 2009). Their empirical findings obtained in a marketing and a product innovation setting, respectively, identified parallel mindsets in industrial companies and showed that managers' logics both limit and provide opportunities for managerial action. I suggest that it would be valuable to examine resource development with such findings in mind, since managers' ideas are inherent and fundamental in companies' actions.

It would be fruitful to examine ideas and sense-making processes in a newly established relationship, where knowledge development potentially would be quite intensive: as shared knowledge develops and influences the structure and content of resource ties the companies are learning about the use, combination and re-combination of resources. Ideas about resource development could initially be analyzed on each of four levels: individual, company, relationship, and network. Additional issues could include sense-making and other cognitive processes in resource development examined from the perspective of change, such as dynamics and triggers or drivers of development. Especially valuable research topics would be how ideas constrain and condition the way in which resources are connected and adapted. It would also be interesting to, for example, analyze *why* adjustments are made during product development processes and to compare different initial expectations of starting-points for product development processes and how these impact on subsequent resource development. Cognitive aspects can be considered as

worthy of study particularly in a new relationship, when companies may have a large number of aims for their upcoming relationship and resource development.

Since the idea dimension can offer complementary and valuable knowledge for relationship and network research, it would seem that the time has come to include this perspective. Earlier this year, that is in 2010, sense-making in industrial companies has been recognized in a special issue of *Industrial Marketing Management* edited by Naudé, Henneberg and Mouzas. Until now there have been few interaction and network studies on sense-making, with the exception of a few studies describing and analyzing network pictures (see for example articles in the special issue).

### **Hidden qualities of resources**

Drawing on Hakansson and Waluszewski (2002) one implication to be derived from the article by Gadde, Hjelmgren, and Skarp (in this issue) is that entering into new relationships may lead to the discovery of resource features that were previously unknown, because resources ‘always have hidden qualities’ (Hakansson and Waluszewski, 2002: 32). The value of different resources may thus vary even more than has been assumed, and this insight may open up many unexplored possibilities for research and company practice in the resource development field. The claim that a quality is ‘hidden’ could obviously be interpreted in many different ways. One idea for research on the concept would be to uncover unknown qualities of functions or benefits/damages that emerge when the resource is activated and its value when combined with other resources is realized (on reviews of different value perspectives see for example Lindgreen and Wynstra, 2005; Henneberg and Mouzas, 2008). Instead of identifying and analyzing different contents, types and scopes of processes as is typically done today, a value-from-

resource-use approach would allow for user-valued and unforeseen qualities. 'User' should here be interpreted in a broad sense as applicable on different actor levels. A 'user' could accordingly be each of the parties in the relationship, thus not merely the buying company, but also a dyad or a partial or whole network. Moving the value analysis between levels and comparing actor levels would be valuable, especially for revealing 'hidden' qualities' in resources. A value-in-use approach does not differentiate between goods and services but highlights for example resource heterogeneity and contextual embeddedness and would thus fit quite well with the view on resources applied by interaction and network studies.

## **Conclusion**

In the resource development field, there remain several unexplored possibilities. This commentary essay has mainly presented two major directions for future research. What has changed in the last few years is the way in which companies evaluate their own resources and how they need and want to develop them, thus highlighting the significance of sense-making and of uncovering currently unknown qualities of resources.

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Figure 1. The AARI Scheme of Analysis (Welch and Wilkinson, 2002 based on Hakansson and Snehota, 1995)

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