HOW PEOPLE, PROCESSES AND PRACTICES DELIVER VALUE IN B2B RELATIONSHIPS
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THE CHANGING NATURE OF BUSINESS RELATIONSHIPS

- Relationship as taken-for-granted
- Business partners bring diverse contributions
- B2B relationships span many functions
- Rise of global network companies
- “Inverted” marketing by strong brand and global reach
- Changing role of the individual
- The effect of social networks on brands and relationships
VALUE IN BUSINESS RELATIONSHIPS

- Value as trade-off in marketing management
- Consumer behavior value more complex
- CRM: Customer life time value (CLV)
- Value as co-created in use (SDL)
- Bottom line: No comprehensive model of the relationship and value
- Aim of paper: develop a method to elicit value from B2B relationships
VALUE IN BUSINESS RELATIONSHIPS

- Value-delivering processes
  - Innovation
  - Customer creation
  - Operations

- Relationships as a bundle of value processes

- Object of study: the corpus of the relationship = the actual structure of value processes

- Method: abstracting values from key informants or constructing items for surveys
FORMAL VALUE AS CODING OR ITEM SCHEME

- Formal definition of value
- Three dimensions of value: E, P and L
  - E=emotional
  - P=practical
  - L=logical
- Combining them into 9 types: example E-P
- Ordering them into an hierarchy 1-9
VALUE MEASURES

- Interpreted from text derived from citations
- Object of evaluation (found in text)
- Value term which is related
  - “…I love (E) what I am doing now… (P)” = E-P
  - “…the product (P) is worth the cost (L)” = L-P
- Values as items in survey
  - “Information (L) is correct (L)”
FOCUSING DATA COLLECTION: CRITICAL INCIDENTS

- Selecting key informants in value processes
- Critical incidents (positive or negative outcome for person/organization) transcribed
- Organization of texts into an event
- An event is: “a retrospective organisation of a set of inter-related incidents into a comprehensive narrative”
Unobtrusive data collection

- Designing data collection
  - Key informants: dyadic/non-dyadic
  - Information types/channels
  - Value process/venue/time
- In situ note-taking as memory help
- Self-confrontation interview
- Transcription of verbalizations into text
- Organizing text into events
- Selection of events to analyze (criteria such as: important, prototypical)
**CODING VALUE CONTENT**

- **Context:** A for-hire consultant on his first day on the job integrating IT-systems around regional health care units. *Operations as value delivery process.*

- **Event 1:** “The project director, who is in charge of the entire IT project for the health region came up and sat down with our work group, it turned into a spontaneously meeting, I had the chance to present myself and I felt welcome (E-E)...he looked straight into my eyes and explained things well (L-L) to me... and as he is the top guy of the entire IT project I felt happy (E-E) that he took the time to talk directly to a newcomer.... and he explained well different abbreviations (L-L) used by them. *This felt good (E-E).*”

- **Result:** A good first impression of top management by E-E and L-L
Event 2: “At eight o’clock we started work and we all went to our work room which contained four work spaces, but we were five in total in this room... *I felt lost* -(P-E) and *I did not know what to do*-(L-P)...on the first day you want to do something... *you want your log in details and other information*(P-L)...”

Result: A bad impression from work mates: Negative values instead of positive

Key values in contract: Integrating IT = P-L
CODING VALUE CONTENT

- Context: Hiring a recruitment consultant to an energy giant. **Customer creation as value delivery process.**
- Event 3: “He is special because I have had contacts with him for a long time (two years). I met him for an interview...I liked his personality (E-E) ... he is very social (P-E), friendly (E-E) and also competent (P-E and P-P) ... you get to like him (E-E) and he is easy to place (P-E) as a consultant... In this case we got a request from a client for a person who is to work with their business system...I felt immediately that he was the right person (L-E)...”
- Result: Delivering a friendly (E-E) and competent consultant (P-E/P)
VALUE IN BUSINESS RELATIONSHIPS: A SUMMARY

- Overall relationship = corpus = contextual structure of processes
- Three value delivering processes
- Informants generate critical incidents
- Incidents transformed into events
- Selected events coded as to value content
- Value patterns are analyzed and compared between relationships, firms and industries
VALUE IN BUSINESS RELATIONSHIPS: A SUMMARY

- Value as formal scheme makes comparison meaningful and generic
- Can serve as strategic chart
  - Content of value (benchmarking)
  - Profile of core values in processes
  - Directionality of value increase

Thank you! Questions?
Some of my references on value