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MNC MAKING SENSE OF GLOBAL CUSTOMER RELATIONSHIPS
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Abstract

The present study develops the knowledge of industrial customer relationships by examining how multinational corporations (MNCs) make sense of global customer relationships. This study also discusses how individuals make sense of global customer relationships inside of MNC networks. Sensemaking is thus viewed as both an individual action and an organizational-level action. In this research, individual sensemaking views are combined into organizational-level understanding to offer a multilevel approach to both relationships and networks.

The empirical study is a qualitative single-case study that focuses on three global customer relationships of an MNC. This research describes the sensemade views of the selected customer relationships and explores how these views are created. The discussed customer relationships are global by nature, they cross national borders, and they involve the episodic and discontinuous project level as well as global customer relationships that are managed at a more continuous organizational level, and these relationships are intertwined over time. The sensemaking of customer relationships is intertwined with relationship development.

This research creates an understanding of sensemaking and operationalizes the concept by showing the different types of sensemaking and exploring how individuals make sense. This research also identifies primary sensemakers whose acting and sensemaking have contributed to developing the MNC view of global customer relationships and connected the multiple different views. This research shows that within a single corporation, multiple different understandings of the customer as well as of the type and status of customer relationship can exist. This research describes how the sensemaking process inside of a network functions and how the MNC sensemade views of the customer relationship are formed from multiple individual views.

In addition, the definition of an MNC is widened in this research, and an MNC is defined as an internal network that is formed around its customer relationships. Customers constitute a key driving force of internal cooperation and create the environment in which individuals strive to make sense of their own network and of the customers with whom they are operating.

Keywords: global customer relationships, internal network, multinational corporation, sensemaking
Pernu, Elina, Globaalien asiakassuhteiden ymmärtäminen monikansallisessa yrityksessä.
Oulun yliopiston tutkijakoulu; Oulun yliopiston Taloustieteiden tiedekunta, Markkinoinnin yksikkö

Tiivistelmä


Tässä tutkimuksessa kuvataan, kuinka asiakkaista luodaan ymmärrystä organisaatiot- ja yksilötasolla. Tutkimuksessa tunnistetaan keskeisiä henkilöitä, joiden toiminta rakentaa monikansallisen yrityksen ymmärrystä globaalalle asiakassuhteista ja yhdistää eri yksilöiden näkemyksiä. Tutkimuksessa havaitaan, että yhden organisation sisällä voi olla lukuisia eri ymmärryksiä asiakassuhteesta ja sen tilasta. Tutkimus kuvaa, kuinka ymmärrystä luodaan organisaation sisäisessä verkostossa ja miten organisaatiotason ymmärrys globaalalle asiakassuhteista muodostuu useiden eri yksilöiden käsitteksistä.

Lisäksi tässä tutkimuksessa monikansallisen yrityksen määritelmä laajennetaan kuvaamalla se sisäiseksi verkostoksia, joka rakentuu asiakassuhteiden ympärille. Asiakas on tärkein ohjaava voima sisäisessä yhteistyössä. Toimimessaan yrityksen sisäisessä verkostossa, yksilöt pyrkivät luomaan ymmärrystä omasta ympäröivästä verkostostaan sekä asiakkaista, joiden kanssa he toimivat.

Asiasonat: globaalit asiakassuhteet, monikansallinen yritys, sisäinen verkosto, ymmärryksen luominen
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1 Introduction

Who is the customer? How are customers viewed and understood inside a multinational corporation? How do individuals make sense of customer relationships, and how are organizational views of the customer relationship created? These questions provide the starting point for this thesis and will be discussed in detail in forthcoming chapters.

1.1 Justification of the study

Multinational corporations (MNCs) are organizationally complex multidimensional entities (Ghoshal & Bartlett 1990, Gupta & Govindarajan 2000) consisting of headquarters and local units. The comprehensive coordination of multiple units of an MNC is crucial for the success of the entire organization. As an MNC consists of multiple inter-unit relationships, it can be described as a network of different units (Holm & Sharma 2006). Previous research has described the MNC as a network of relationships by utilizing terms such as “differentiated network” (Andersson et al. 2002, Nell et al. 2011, Nohria & Ghoshal 1997), “interorganizational network” (Ghoshal & Bartlett 1990), “hierarchy” (Hedlund 1986) and “internal network” (Dörrenbächer & Gammelgaard 2010). According to Hedlund (1986), organizations are less hierarchical than what organizational charts imply. Some units may belong to multiple functional groups, and any given unit may be a member of several systems, each of which may be conceived as a hierarchy. Nevertheless, describing an MNC as a network does not imply that the network structure would always be functional or that hierarchical structures would not exist. Rather, as Möller and Rajala (1999) note, the increased use of teams and project groups in organizations has led to the formation of partly planned and partly informal intra-organizational networks. It has also been suggested (see Holm et al. 1995) that to properly understand the dynamics of MNC, there is a reason to study the operations of its different units and thus approach MNC as a network. MNCs actually consist of multiple internal networks, as the subsidiaries and headquarters are both embedded in the host country context and institutions and simultaneously form their own internal networks (Dörrenbächer & Gammelgaard 2010).

When approaching MNC as a network and thus noting that MNCs consist of multiple internal networks, it is necessary to define the internal network in question in greater detail. The present study focuses on an MNC’s internal...
network in relation to its customer relationships. Relationships have been described both by previous literature (e.g., Dwyer et al. 1987, Ritter et al. 2004) and in practice as the most important resources that companies have. Therefore, an organization’s ability to successfully develop and manage its relationships with other actors has been regarded as a core competence and important source of competitive advantage (Möller & Halinen 1999, Ritter et al. 2004, Wilson 1995). Young and Javalgi (2007) state that as organizations become more global, their need to deeply understand customers and carry on a meaningful dialog with them increases. Multinational customers demand global-based contracts, prices and products rather than simply country-based services (Harvey et al. 2003, Montgomery & Yip 2000). It has been observed that the changing patterns of global business and increasing demands for uniform global prices and product offerings are helping suppliers to realize that if they are unable to serve customers globally, then they are unlikely to continue to serve them at a national level (Campbell 2003, Wilson & Weilbaker 2004).

Internal networks in MNCs differ between customers, and the handling of these intra-organizational relationships between different units in MNCs is the key prerequisite for the successful management of their customer relationships (see Möller & Rajala 1999). Identifying key customers in MNCs is considered an important strategic decision (Wilson & Weilbaker 2004). For MNCs, defining key global customers is problematic because different organizational and geographical units may perceive different customers as being more important than others. Nevertheless, the management of certain corporate-level customers is considered important.

The emerging question in this multinational context is as follows: who is the customer? MNCs offer increasingly challenging environments for making sense of customer relationships. Möller (2010) notes the need for managers to be able to make sense of their business environment, its dynamics and possible development plans. Sensemaking in a complex business network helps managers to understand their own position and the options available for change (Henneberg et al. 2010). Current trends, such as rapid globalization, increased network forms, technological complexity and knowledge intensity, are producing an increasingly complex and dynamic environment in which network relationships are embedded into global and local environments. The same can also be observed in network MNCs in which different units are located in geographically distant locations and a multitude of technologically diversified products are developed inside the borders of a single MNC. Therefore, concurring with Möller (2010), it is viewed
that the above-mentioned issues together suggest the theoretical and managerial need to understand how managers make sense of their network environments, how they attempt to influence the sensemaking of other actors, and how they shape their own networks and their behavior within such networks.

In this research, sensemaking is viewed as both an individual and organizational-level activity (Weick 1995: 5–6) in which circumstances are turned into a situation that is comprehended explicitly in words and then stimulates action (Weick et al. 2005). Sensemaking involves the continuous refining of an emerging story (Nilslund & Pemer 2012, Weick et al. 2005). In MNCs, individuals create “stories” to better understand their global customers. These descriptions or stories do not represent the whole truth, but over time, they may be capable of accurately describing relationship with customers. However, one particular story may fit the view of one group better than the view of another group.

Customer relationships and the development of these relationships have been researched in significant amounts in the Industrial Marketing and Purchasing (IMP) tradition, but only a few studies have focused on sensemaking. Studying sensemaking has been more prevalent in the research tradition of organizational behavior and strategic management (Henneberg et al. 2010). Hence, previous research has not extensively focused on how individuals in MNCs make sense of customers. This individual sensemaking in turn creates the MNC-level sensemaking of global customer relationships. The present study thus focuses on an MNC’s sensemaking of global customer relationships.

As an organization is a complex network consisting of internal relationships between people, departments and various functional units (Ritter et al. 2004), studying organizations is not a simple task. According to Doz and Prahalad (2005: 36–37), a significant amount of current research based on large samples of organizations has tended to treat organizations as a “black box” and thus have not generated detailed knowledge on how organizations work. To address this challenge and to create deep understanding of the underlying processes, this research approaches MNCs using a qualitative process research strategy.

In this research, an MNC is described as an internal network consisting of different units, actors and levels. Different organizational levels affect and restrict how customers are viewed and how individuals in various levels can make sense of customers (see, e.g., Henneberg et al. 2010). Doz and Prahalad (2005: 36–37) note that the literature on multinationals is often descriptive but lacks constructive theories. Therefore, this research builds on multiple theoretical approaches to
determine how individuals in MNCs make sense of the same customer in different units of supplier MNCs. Thus, this research focuses on various views of the global customer relationship from the perspective of different organizational levels within an MNC.

1.2 Objectives and research questions

The objective of this dissertation is to develop knowledge of industrial customer relationships by showing how an MNC makes sense of its global customer relationships. This research also aims to create an understanding of how individuals make sense of global customer relationships within MNC networks.

These customer relationships cross national borders, and the networks in different national environments may provide different contexts for customer relationships. Furthermore, the customer relationships in this research involve the episodic and discontinuous project level as well as global customer relationships that are managed at a more continuous organizational level, which are intertwined over time. As multiple business units are involved in customer relationships, the functioning of the entire organization becomes more crucial. In this research, it is regarded that having a shared view of customers inside of an organization and thus unified means of interacting with such customers can be useful in fulfilling the quality expectations of customers. To realize this goal, an MNC must make sense of its global customer relationships. Thus, the main research question in this study is as follows:

– How do MNCs make sense of global customer relationships?

The main research question is complemented with three sub-questions:

– How do internal MNC networks influence the understanding of global customer relationships?
– How do individuals make sense of global customer relationships?
– How does relationship development shape the sensemaking of MNC managers?

The first sub-question focuses on MNCs and defines them as internal networks of various organizational units and actors. The objective here is to describe the internal MNC network context and focus on its effects on customer relationships. This study focuses on a multilevel organization in which different subsidiaries may have numerous relationships with the customer organization. Thus, the
nature of the MNC has an effect on the overall sensemaking of the customer relationships.

The second sub-question concentrates on the individual-level actions in global customer relationships inside of a dispersed MNC. Individuals make sense of the customer relationships in which they are involved, and their sensemaking is tied to the specific organizational level and unit in which they operate. Together, different individuals create a picture of how the entire relationship can be managed inside of the MNC. The third sub-question focuses on how relationships develop and notes that the sensemaking of customer relationships evolves as such relationships mature.

1.3 Positioning and the contribution of the study

This research contributes to the literature on industrial customer relationships by analyzing the complexities of the customer relationships in geographically and technologically dispersed MNCs with globally operating customers. Furthermore, the study considers that an MNC’s sensemaking of its global customer relationships is inseparable from the sensemaking of individuals interacting with the customers’ representatives and the development of the relationship over time. The IMP and key account management literature has focused on how to manage customer relationships (e.g., Madill et al. 2007), and the use of account managers (e.g., Wilson & Weilbaker 2004) has been one suggested solution. Despite its credits, this perspective is too simplistic to describe the situation in which the customer is not always the same and the relationship consists of overlapping projects with different participating individuals and geographical and technological units.

The secondary goal in this research is to enrich the MNC literature by developing the understanding of MNC as a network that is viewed and organized differently in relation to various customers and over time. The IMP research tradition is utilized by adding its view of internal networks to the MNC literature and by discussing how managers perceive their surrounding business networks and how they are able to make sense of such networks (see Henneberg et al. 2010, Ritter et al. 2004). This view enables richer discussion of internal MNC networks. Previous MNC literature has primarily focused on headquarter-subsidiary relationships (e.g., Holm et al. 1995) and external network of subsidiaries (e.g., Andersson et al. 2002). Limited research has focused on how
internal networks as a whole affect customer relationships or how each customer relationship shapes these networks.

The project business literature is also briefly discussed in this research, as the empirical part of this research focuses on the internal network of a multinational project business organization, which can be regarded as representing a specific type of MNC. Project operations are one of the dominating modes of international business in a global business environment (Skaates et al. 2002, Skaates & Tikkanen 2003); thus, the changes that are occurring changes offer both new opportunities and challenges to organizations (Young & Javalgi 2007). Coherent worldwide management in these organizations requires extensive interunit coordination and integration (Campbell 2003, Ghoshal et al. 1994). More research on different aspects of project business is needed (Skaates et al. 2002, Söderlund 2004b), and there is also a need to combine the project business literature with other aspects of business. For example, the management of multi-project firms, i.e., the management of multiple projects inside of a single firm or the relationships between projects in that specific firm (Söderlund 2004b), has not been extensively studied. Thus, it is necessary to conduct in-depth case studies and studies that would benefit theory building and the understanding of fundamental issues of projects and project organizations (Skaates et al. 2002, Söderlund 2004b). Project context affects customer relationships by making them more dispersed compared with traditional business-to-business relationships, as customer relationships in a project context are built from multiple project relationships. Furthermore, internal networks are more complex because they also involve the discontinuous project level. Thus, this study also offers a contribution to the project literature by illustrating on how project-level views of customer relationships are combined into MNC sensemade views of the customer relationship, thus guiding the future development of this specific relationship.

1.4 Key concepts of the study

In this chapter, the key concepts used in this dissertation are presented and defined. The theoretical backgrounds of the key concepts will be discussed in detail in Chapters 2 and 3.
**MNC**

An MNC (multinational corporation) refers to an organization that operates in multiple geographical locations throughout the world. An MNC can be identified as a network consisting of different units in which knowledge and competencies are accumulated from different parts of the world to achieve a competitive advantage (Holm & Sharma 2006). In this research, the MNC is described as a dispersed project organization given the typical features of a project business.

**Subsidiary**

A subsidiary is an organizational unit of an MNC. Subsidiaries are often defined as “country-based subsidiaries” (see, e.g., Forsgren 2002), but in this research, subsidiaries within the MNC are primarily divided into separate units based on the technologies that they offer rather than the country to which they belong. Thus, a subsidiary itself can be geographically dispersed.

**Internal MNC network**

The concept of internal network or internal MNC network that is used in this research refers to an MNC’s network of relationships among various internal units, levels and actors. In the previous literature, terms such as “interorganizational network” (Ghoshal & Bartlett 1990), “differentiated network” (Andersson et al. 2002, Nell et al. 2011, Nohria & Ghoshal 1997) and “heterarchy” (Hedlund 1986) have also been used. In this research, an internal network refers to the MNC as a network and is specifically used in relation to specific customers. A network is not considered a permanent structure; rather, each network in relation to a specific customer is viewed as unique. An internal network consists of headquarters, subsidiaries, and different technological and geographical units within subsidiaries as well as projects and individuals involved with specific customers. Thus, an internal network includes multiple levels of analysis, which are defined as the organizational, unit and individual levels of analysis in this research.
Global customer relationships

In this research, a global customer relationship (or customer relationship) refers to the relationship between a supplier MNC and a customer MNC. The customer relationships that are discussed in the MNC context are global in nature. The customer relationship between supplier and customer organizations consists of multiple individual relationships between different technological and geographical units as well as between different individuals and projects. The customer relationships in question are more scattered than traditional business-to-business relationships, as the relationships consist of different projects and thus consist of discontinuous periods. The IMP literature (see www.impgroup.org) has focused on industrial buyer-seller relationships and this literature is utilized, thus considering buyer-seller relationships to be equivalent to customer relationships. This research concentrates on the supplier’s perspective of the customer relationship inside of the MNC network.

Sensemaking

Weick et al. (2005) describe sensemaking as an intra-organizational evolution that is influenced by a variety of social factors. Sensemaking can be viewed as both an individual- and organizational-level activity. In this research, individual sensemaking is described as the acting of individuals that occur within their surrounding network in attempts to make sense of global customer relationships. In simple terms, sensemaking refers to an actor’s ability to perceive, interpret and construct meaning (Möller 2010). Thus, sensemaking can be described as a mutual exchange between actors and their environment that is made meaningful, that is preserved and that leads to a continually developed shared understanding, which in turn is central to the creation of organizational-level understanding. This research adopts the view that an MNC’s sensemade view of its global customer relationships is created from individual-level sensemaking. At the MNC level, sensemaking is viewed as a social process of creating shared understanding.

1.5 Empirical setting of the study

This research examines the internal MNC networks in relation to three specific customer relationships (figure 1). The MNC in question is a multinational project business organization consisting of three subsidiaries, each of which includes
multiple geographical and technological units. Each of the various geographical and technology-based supplier units has relationships with various customer units. Different projects are often implemented independently of one another, and the project personnel differ between each project. One or more units may have simultaneous projects with one customer unit. Such relationships become networks because of the global subsidiary-based operations of both the supplier and its customers and the involvement of various third parties in the projects. Thus, understanding of the dynamic phenomenon of internal MNC network is sought through the examination of the evolution of these relationships over time.

Fig. 1. Research setting.

This research utilizes multilevel empirical data and is thus able to focus on the individual-level sensemaking of global customer relationships in an internal MNC network and to approach the organizational level by concentrating on organizational sensemaking. In multilevel theories, the simultaneous examination how one level of analysis can influence and interact with other levels can create
understanding of the complex and changing organizational landscape (Drazin et al. 1999).

1.6 Outline of the study

This thesis consists of seven chapters and begins with an “Introduction” chapter that explains the topic and objective of the dissertation. Next, the positioning and contribution of the study as well as the key concepts and the empirical setting of the study are illustrated.

The theoretical foundations of the study are described in Chapters 2 and 3. In Chapter 2, the research context of the study is described. The MNC research context is useful for describing the complex environment and the fractured nature of customer relationships. Thus, the MNC literature adds the dispersed nature of customer relationships within MNCs to the theoretical framework and thus raises the question “who is the customer?” In this chapter, a specific type of MNC, namely, a project business MNC, is presented. An MNC is described as an internal network consisting of multiple levels, which thus create the context for organizational- and individual-level sensemaking. The third chapter focuses on global customer relationships by describing the previous research traditions on buyer-seller relationships and various relationship development theories. Concentrating on relationships consisting of multiple levels and the individual sensemaking of customer relationships, this chapter discusses the global account management literature, as it offers one organizational solution for managing global customer relationship and notes the central role of a specific individual (i.e., the global account manager) in that process. The chapter (and the theoretical part of the study) concludes with the introduction of the theoretical framework.

The fourth chapter, “Research design”, discusses the philosophical and methodological principles of the study and describes the process of the study. Here, the actual process of casing is described, as well as the empirical context of the study and the data collection and analysis phases.

Chapter 5 presents the analysis based on empirical data and further elaborates on the theoretical conceptualization of the MNC’s sensemaking of its global customer relationships. The chapter begins with an illustration of the development of the Supplier Company and the network MNC. The development of three customer relationships is described in three separate stories, followed by the description of the specific actions and meanings given to each event in the process of relationship development. In the empirical analysis, the primary
sensemakers and sensemaking types are also recognized, and the different sensemade views of each customer relationship are described.

In Chapter 6, the findings of the study are presented, first by introducing the organizational structure and internal MNC network and then by discussing the development of global customer relationships in which project-level and organizational-level relationships are connected. Finally, the creation of the MNC’s sensemade view of its global customer relationships is described.

This thesis ends with Chapter 7, “Conclusions”, which summarizes the findings of the study, presents the study’s contributions, and discusses and evaluates the study. The chapter concludes by presenting the limitations of the study and suggestions for future research avenues.
2 MNC as a network

As discussed in the introduction, this research focuses on an internal MNC network and especially on how the MNC makes sense of its relationships with customers within its own internal network. The MNC creates a context for this study. The use of an MNC as a research context is suggested by Roth and Kostova (2003), as it has the potential to provide novel insights and explanations regarding individual, organizational and contextual interactions.

This chapter thus discusses the MNC as a research context and defines the relevant literature concerning MNCs. The chapter begins by defining MNCs and describing the previous MNC literature to enable an understanding of the complexity of this research context. The chapter also introduces one special type of MNC, namely, project MNCs. The project context generates a set of specific challenges, which are then reflected to the customer relationships of the MNC.

Previous research on MNCs has heavily focused on headquarter–subsidiary relationships and particularly on the local networks of subsidiaries. This chapter directs the discussion to the MNC as a whole and defines it as a network. With the view of MNC as a network, it is easy to recognize the multilevel nature of the phenomenon. Therefore, this chapter also discusses previous research on levels of analyses. This chapter ends in discussing the previous sensemaking literature and providing a brief summary of the theories discussed.

2.1 Defining MNC

The question of “what is an MNC?” is not straightforward. MNCs have been a central focus of international business research (Piekkari & Welch 2010); however, despite the many theoretical and operational definitions of MNCs, none of them has become standard (Aggarwal et al. 2011). Terms such as multinational corporation (MNC) (e.g., Birkinshaw & Morrison 1995, Dörrenbächer & Gammelgaard 2010), multinational enterprise (e.g., Giroud & Scott-Kennel 2009, Manev 2003, Yamin & Forsgren 2006), global firm (Vahlne et al. 2012) and transnational corporation (Bartlett & Ghoshal 2002) are often used interchangeably by researchers (see also Aggarwal et al. 2011).

The thinking on MNCs evolved profoundly during the 1990s (see, e.g., Birkinshaw & Hood 1998), when the role and functions of different MNC units became better understood and headquarters were no longer regarded as merely a source of competitive advantage. However, the actual research stream focusing on

Definitions of MNCs have often been pragmatic (Aggarwal et al. 2011) and have concentrated, for example, on the amount of sales, the proportion of foreign assets or the number of foreign subsidiaries. MNCs have also been defined as complex multidimensional entities (Gupta & Govindarajan 2000) and identified as networks of different units in which knowledge and competencies are accumulated from different parts of the world to achieve a competitive advantage (Holm & Sharma 2006). An MNC has also been conceptualized as a social community (Kogut & Zander 1993, Piekari & Welch 2010) that specializes in the creation and internal transfer of knowledge. Studies on knowledge transfers have been fairly common in MNC research. It has been stated that the primary reason for the existence of MNCs is their ability to share and exploit knowledge more effectively within an intra-corporate network of differentiated units than through external market mechanisms (see, e.g., Adenfelt & Lagerström 2006, Andersson et al. 2002, Gupta & Govindarajan 2000). MNCs are confronting the need for better mechanisms to share know-how within organizations and to facilitate learning and the international dissemination of best practices (Campbell 2003, Millman 1996). In most corporations, there is internal competition among business activities, from both existing and new businesses and responsibilities (Birkinshaw et al. 1998). Multinational companies are aware that conducting business together with different organizational units in the international market generates additional complexity in their operations, although there are compensating opportunities and benefits to be gained by being connected via a global network of relationships (Millman 1996).

MNCs constitute an important and versatile research area, although Doz and Prahalad (2005: 21) describe diversified MNCs as a specific type of MNC that offers significant challenges for both practitioners and researchers. According to Doz and Prahalad (2005: 21), diversified MNCs cover multiple geographical markets with multiple product lines and thus differ from simpler forms of organizations in their multidimensionality and heterogeneity. This heterogeneity results from the differences between various businesses, countries, functions, and tasks among countries, and it affects individual businesses and tasks in varied
ways (Doz & Prahalad 2005: 21). This definition is more realistic because it provides a better reflection of reality than other definitions and addresses the overlapping functions within MNCs. The traditional hierarchical definition of MNC involves individual country-based subsidiaries each focusing on their own customer relationships. The challenges with MNCs lie in structuring interfaces between multiple integral dimensions. In diversified MNCs, there is a need to handle multiple perspectives on choices and decisions as well as multiple internal and external stakeholders (Doz & Prahalad 2005: 21).

2.1.1 Project business MNCs

MNCs offer a challenging research context, as noted previously, and such challenges are multiplied in the context of project business MNCs. Today’s business environment is quite dynamic, and project-oriented business can be viewed as one approach to managing the turbulent business environment (Suikki et al. 2006). In this research, a global multi-project organization is viewed as representing a specific type of MNC in which the projectified nature creates additional challenges. By its very nature, a global project organization is also an MNC, as the projects are global and involve multiple different business units inside of the project organization. Some researchers (Söderlund 2004b) have suggested that project management can be regarded as a core for understanding modern firms, and it offers a valuable context for this study. A project business is viewed as a relevant research context because it is one of the dominating modes of international business (Skaates et al. 2002, Skaates & Tikkanen 2003), and periodical purchasing is a reality in global projects (Hadjikhani 1996). Globalization and the development of information technologies have changed the fundamentals of project management during recent decades (Evaristo & van Fenema 1999). Projects do not exist in isolation; rather, they are embedded into wider organizational networks (see Lindkvist 2004). Hence, all previous relationships and projects affect the potential future projects and relationships (Hadjikhani 1996). Projects thus have a great influence on how customer relationships function and how individuals perceive them as well as on how internal networks can be managed.

A project can be defined as “a complex transaction covering a discrete package of products, services and other actions designed to create assets for the buyer over a certain period of time” (Cova & Ghauri 1996 via Skaates et al. 2002). In other words, projects are packages that are developed by a seller over a
certain period of time to meet a buyer’s requirements (Cova, Ghauri & Salle 2002 via Welch 2005). There are a few universal elements of the project context, and project business is often defined based on its common characteristics and challenges. Typically, projects are described through a DUC (discontinuity, uniqueness and complexity) framework (see, e.g., Cova & Hoskins 1997, Söderlund 2004a). For example, Tikkanen, Kujala and Arto (2007) describe the central features of project business as the uniqueness of individual projects, the complexity of the business network and project offering, the discontinuity of demand and relationships between projects, and the significant amount of financial commitment of the parties involved. Projects are typically characterized by a high rate of uncertainty because they involve the marketing of an idea rather than a finished product (Welch 2005). Projects are initiated to solve different tasks of almost any type or size in almost any type of business (Engwall 2003). In a project business organization, the knowledge and capabilities that the firm possesses are built through the execution of major projects (Hobday 2000). It has been suggested (see Engwall 2003) that Western economies are heading toward a “projectified society” in which project management and time-limited organizational structures represent an increasingly larger share of the overall operations of organizations.

Project business organizations are fractured and discontinuous by nature (see, e.g., Hellström & Wikström 2005, Skaates et al. 2002), and in a multinational context, projects also involve numerous business units within project organizations. Lindkvist (2004) states that using projects as forms of operating means that projects have great autonomy and that decision power is largely concentrated in lower organizational levels. Thus, projects can easily be disconnected from one another, and company-wide development and learning as well as linking projects to business-level processes may pose challenges. In a project business organization, the knowledge and capabilities of the organization are created in its major projects (Hobday 2000). Every project is embedded in its own environment that is composed of other projects and permanent organizations (Jensen et al. 2006). Some authors (see Jensen et al. 2006) view a project as a “designed organization whose performance cannot be distinguished from the environment in which it acts”. The influence of the environment to an organization is treated as a classical issue in organizational theory, in which the idea that external factors strongly influence the inner life of an organization is completely accepted (Engwall 2003). The perspective in discussing embeddedness in the environment is not bound exclusively to the outside of
organizations but also includes consideration of the organizational actions within a complex societal web of structures, resources, values, and players (Engwall 2003). Projects are linked to their environment through different types of relationships that are used to gain information, knowledge and other resources (Jensen et al. 2006). Previous research has also shown that environmental factors, such as uncertainty, complexity and the availability of resources, influence the internal behavior of organizations (Engwall 2003).

Working in a project environment also means that customer relationships in a project business contain periods of discontinuity or sleeping periods (Hadjikhani 1996), which further complicates such relationships. The previous interaction between parties can be regarded as generating a positive experience after a project is completed, which is necessary for future selling (Hadjikhani 1996). A seller may have several ongoing business logics (such as projects, services, and product deliveries) with a buyer simultaneously (see Leminen 2001). A relationship continues as services and product deliveries after a project is finished. Moreover, all of these business logics can exist simultaneously. Projects are undertaken by individuals with different competencies belonging to different groups; thus, the creation of a shared understanding or common knowledge base is difficult (Lindkvist 2004).

With respect to project businesses and management, discussions have traditionally concentrated on managing individual projects (i.e., project management) and have had a strong technical emphasis (see Alajoutsijärvi et al. 2012, Engwall 2003, Söderlund 2004a), and the unit of analysis – the project – has been treated as a “lonely phenomenon”. According to Engwall (2003), the main interest has been in the dynamics of individual projects, especially from the project manager’s perspective, and the project has been conceptualized without the connection to its environment or context. One research stream that discusses project management from a wider perspective is multi-project research, in which the multi-project phenomenon is defined as multiple project management functions within a single firm or as the relationships between projects in that specific firm (see Söderlund 2004a). The level of research differs in research on multi-projects and project management. In the research on multi-project organizations, the most frequently used perspective has involved executive-level management (Alajoutsijärvi et al. 2012). The multi-project phenomenon is regarded as an intra-organizational issue in which projects are not considered series of isolated activities; rather, they are embedded into a mutual resource dependence system of social relationships (Jensen et al. 2006). The multi-project
environment has a high degree of uncertainty because the presence of multiple projects indicates that projects must compete for scarce resources (Jensen et al. 2006).

In most contexts, managing customer relationships is easily treated as obviousness, but according to Cova and Salle (2000), the issue is not that simple in project businesses. Rather, such companies must cope with great discontinuity in their economic relationships with customers. In global multi-project organizations, the supplier and customer are involved in multiple projects simultaneously. These projects are also in different development phases, and at the organizational level, relationships with customers can be regarded as continuous, despite the discontinuous phases in which such relationships may be viewed at the project, production unit or business unit levels.

As a project is created, relationships with other actors can be understood only if these actors and the environment are considered (Jensen et al. 2006). With respect to global customer relationships in a project business context, the important question raised by the previous literature involves “how to manage the relationship outside any project opportunity” (Cova & Salle 2000). It can also be noted that in previous literature, the actions of individuals within project business organizations have been researched from the perspective of the project manager within a single project rather than from the perspective of the entire organization or the effects of individual actions on the overall development of global customer relationships. As relationships with customers evolve, personal bonds between individuals in supplier and customer organizations are increasingly developed. In addition, the successful development of business relationships is associated with increasing commitment and mutual adaptation involving an increasing number of individuals and departments on both sides of the relationship (Andersen & Kumar 2006).

2.1.2 Headquarter-subsidiary relationship

In the previous MNC literature, one central discussion has involved the headquarter-subsidiary relationship (e.g., Birkinshaw et al. 2000, Holm et al. 1995), especially the strategic role of subsidiaries within MNCs (Andersson et al. 2002, Gnyawali et al. 2009). Subsidiaries have been the unit of analysis (see Nell et al. 2011) in these studies, as they have been regarded as the key players within MNC networks (Gnyawali et al. 2009). Previous research has primarily focused on the embeddedness of subsidiaries in their local environments (Nell et al. 2011)
rather than on headquarter linkages to the local context or the existence of multiple subsidiaries within the same market.

The subsidiaries of an MNC are internally differentiated in their products, business conditions, structure and coordination process because of the differences in their economic, social and cultural environments (Forsgren 2008: 86, Ghoshal et al. 1994). Coherent worldwide management in these organizations requires extensive interunit coordination and integration (Ghoshal et al. 1994). Ghoshal, Korine and Szulanski (1994) distinguish between two interunit linkages in MNCs: horizontal linkages between subunits and the vertical linkage between each subunit and the headquarters. The headquarters has the ultimate responsibility of strategic direction, decision making and overall coordination (Ghoshal et al. 1994).

One traditional discussion of headquarter-subsidiary relationships is the “local responsiveness - global integration” discussion. The discussion has been captured into phrase “Think Global, Act Local” (Millman 1996). The foreign subunits of MNC must be sufficiently differentiated to ensure successful encounters with cultures, markets and business practices in each location (Luo 2001). However, there is a need for a structure that ensures that this flexibility provides a maximum contribution to corporate performance (Luo 2001). Integration refers to the degree to which the operations of various units of an MNC are dependent on one another (Sambharya et al. 2005). Local responsiveness is defined to the extent to which subsidiaries respond to local differences in customer preferences (Sambharya et al. 2005). The dilemma confronting multinationals involves how to reconcile the global role of operating subsidiaries with the need for cross-divisional communication and coordination at the corporate, continent and country levels. This dilemma involves trade-offs that have far-reaching implications for managing organizational complexity (Millman 1996). Because of the increased globalization in the competitive environment, the balance between global integration and local responsiveness remains critical for the survival and growth of MNCs (Birkinshaw et al. 2000, Luo 2001).

Organizational dynamics (such as strategic capabilities and administrative heritages) are becoming increasingly important to the coordination of geographically dispersed businesses and to the achievement of strategic benefits from integration (Luo 2002). Because local organizational units are becoming increasingly aware of the local dynamics and conditions, their opinions must be considered when attempting to find an optimal balance between global integration and local responsiveness (Holm & Sharma 2006, Luo 2001).
MNCs can benefit from both location-specific advantages and competitive advantages if they allow foreign subsidiaries the necessary flexibility to adapt to their particular environment and maintain a system of integration and internalization (Andersson et al. 2002, Luo 2001). Local responsiveness often originates from the complex, dynamic market conditions as well as from the sociopolitical and macroeconomic host country environments (Millman 1996). By maintaining the necessary local responsiveness, the initiative of subsidiaries and the proactive pursuit of new business opportunities can be maximized in a manner that is consistent with an MNC’s strategic goals (Andersson et al. 2002). This environment motivates subsidiary managers to establish enduring relationships with local customers, suppliers, distributors, competitors, and governmental authorities, which then create more competitive opportunities or reduce contextual risks for the subsidiary and headquarters (Andersson et al. 2002, Luo 2001).

Organizations do not exist in isolation. When discussing the relationship between an organization and the environment, the fundamental question according to Forsgren (2008) is how to determine what is inside and what is outside of the organization and how these elements can be conceptualized. The development of MNCs is based on the development of its different units. Different units develop in different and inconsistent directions, which have been regarded as creating the need for headquarters-level coordination of these developments (Holm et al. 1995). To be able to control these developments, an MNC requires knowledge of the networks of its units (Andersson et al. 2002). Frequently, headquarters do not have sufficient knowledge of the networks and actions of subsidiaries (Vahlne et al. 2012). Figure 2 illustrates how an MNC is affected not only by the different units that it contains but also by the different networks of relationships in which its different subsidiaries are involved. The figure is based on a hierarchical MNC approach but acknowledges the subsidiary’s network context, thus revealing some of the complexity that is inherent to real-life MNCs.
According to Evaristo and van Fenema (1999), globalization requires global management and business processes as well as the cooperation of organizational teams on an international scale, which thus requires intensive cooperation among organizations, projects and professionals. Therefore, the cooperation between different internal sites of an MNC around the world enables the organization to benefit from, for example, time zone differences. Thus, the coordination of multiple locations demands the coordination of activities. MNCs can also take advantage of local competence and leverage this knowledge on a global scale. Global projects facilitate the realization of those benefits and thus increase corporate performance.

The local environment determines organizational action (see, e.g., Andersson et al. 2002). The operating conditions of an organization’s global or local units are unique, and there is a need to adapt to this environment to ensure effectiveness (Birkinshaw et al. 1998). The local environment consists of customers,
competitors, suppliers and government bodies and has a great influence on activities in the local marketplace (Andersson et al. 2002, Birkintahw et al. 1998.). Organizational units develop in interaction with their counterparts, and the development of MNCs is based on this development (see Holm et al. 1995). These developing routes and directions can be inconsistent, which creates the need for headquarters to coordinate these developments. To be able to control these developments, an MNC requires knowledge of its global network as a whole. Forsgren (2008: 123) notes that an MNC consists of several business actors rather than a single entity; therefore, the relationships of each subsidiary should be analyzed. Therefore, we recognize the need to discuss MNCs as networks.

2.2 The MNC as an internal network

According to Piekkari and Welch (2010), the network perspective was first applied to the MNC context by Swedish scholars in the mid-1980s, and their view was inspired by IMP theories. Forsgren (2008) refers to this tradition as the business network perspective. Business network theory has been viewed as focusing on networks of business relationships in which business actors are embedded (Forsgren 2008: 108). According to Forsgren (2008: 121–122), a fundamental characteristic of MNCs in the context of business network theory is that the headquarters is an outsider in the subsidiary network and is considered to be a single player among many within an organization.

A business network is a complex web of interdependent relationships within which individuals are embedded and operating (Forsgren 2008: 108, Henneberg et al. 2010). Networks have been the topic of a prominent research stream for decades and have been heavily discussed in relation to globalization and rapid technology development. However, Ford and Redwood (2005) note that many of these supposedly modern phenomena (i.e., rapid technological change, globalization, network position and networking) may actually be intrinsic to the nature of business. The previous literature (e.g., Andersson et al. 2002) has studied subsidiaries in relation to business network theories and focused on the specific external networks of subsidiaries, their embeddedness in local environments and the effect on the overall functioning of MNCs or, for example, on internal competition or charters in MNCs (Dörrenbächer & Gammelgaard 2010). Each subsidiary is embedded in its own specific network of relationships, which may differ from the networks of other subsidiaries (Forsgren 2008: 123). In
the network perspective, a subsidiary is regarded as a quasi-autonomous entity within a differentiated system (Manev 2003). According to Forsgren (2008: 123), business network theory posits that MNCs feature struggles between headquarters and subsidiaries as well as between different subsidiaries. In MNCs, different internal units are naturally dependent on one another, which creates the need for the coordination and integration of activities. Therefore, a network-based MNC relies heavily on both vertical (i.e., headquarters–subsidiary) and lateral (i.e., subsidiary–subsidiary) connections (Manev 2003). The external networks of subsidiaries discussed in the previous literature are regarded as a relevant approach in this study; however, these theories do not focus on the internal networks of MNCs. The current study approaches internal networks as “cooperative” arrangements with a focus on internal processes.

Discussing organizations as networks is a relevant approach because the network perspective concentrates on relations and patterns of interactions and thus differs from the traditional perspectives in organizational studies, which have focused on isolated actors and attributes (Brass et al. 2004). Ritter, Wilkinson and Johnston (2004) note that it is also important to consider intra-firm relations and thus to extend the current network view to include internal networks. Thus, given the multinational and dispersed nature of MNCs, it is natural to include the internal networks of MNCs in such discussions. For example, Ritter and Gemünden (2003) discuss multinationals as networks of quite independent players, as they resemble hierarchical networks more than organizations. According to Ritter, Wilkinson and Johnston (2004), an organization is “embedded in a network of ongoing business and nonbusiness relationships, which both enable and constrain its performance” and can thus be defined as a “corporate network” (see Holm & Sharma 2006). Large multinational corporations have been perceived as networks of independent players (see Ritter & Gemünden 2003) or depicted as having “markets” within them (Forsgren 2008: 121). In addition, MNCs have been conceptualized as differentiated networks that are in turn embedded in external networks (Andersson et al. 2002, Nell et al. 2011). Manev (2003) states that MNCs must be organized internally as a differentiated network in which resources are distributed through internal relationships. According to Forsgren (2008: 86), the concept of a differentiated network is used to emphasize that the structure of MNCs can be understood through different linkages: (1) local linkages within each national subsidiary, (2) linkages between headquarters and the subsidiaries, and (3) linkages between various subsidiaries. A complex network structure can thus be formed, and
according to Nohria and Ghoshal (1997), MNCs should be discussed as complex structures. Previous literature (see Forsgren 2008, Nohria & Ghoshal 1997) has also discussed networking within organizations and defines networking as consisting of all types of vertical and horizontal contacts between units (such as the time spent on inter-unit committees, teams, task forces, meetings and conferences).

In business network theory, MNCs are less hierarchical than in other research streams (Forsgren 2008: 122) and are viewed as heterogeneous and loosely coupled organizations with a focus on external networks, such as customer relationships (Piekkari & Welch 2010). Therefore, it has been shown that the major catalyst for change in an organization’s internal network is the process of evaluating and managing important customer relationships (Campbell 2003). As Geiger and Finch (2010) note, “researchers and practitioners agree that a throughout understanding of a firm’s position in its network is vital for its survival and success”. The same observation can be made in terms of how we understand the role and position of customer relationships with respect to an organization’s internal network.

An MNC network should be studied as a multilevel phenomenon (Gnyawali et al. 2009), as Nell et al. (2011) state that an “MNC as an organization is connected to external networks in multiple ways and on multiple levels”. The business network perspective on MNCs has preferred to concentrate on the unit level of analysis (subsidiaries and their relationships) rather than on the individual level (Piekkari & Welch 2010). Next, these different levels of analysis in MNC networks are discussed.

2.3 Different levels of MNC networks

MNCs consist of multiple levels of analysis; therefore, when researching MNC as a network, one should discuss previous literature related to the levels of analysis and to network management levels. According to Holm, Johansson and Thilenius (1995), to properly understand the dynamics of MNCs, there is a reason to study the operations of different units. In this research, an MNC is defined as consisting of multiple units or subsidiaries that can be divided based on geographical locations or technological solutions and that differ in their autonomy.

If we proceed further in the discussion, the social world itself can actually be viewed as a layered system in which different levels of management can be identified (Järvensivu & Möller 2009). Järvensivu and Möller (2009) also connect
basic levels of management to ideas pertaining to networks and their management. The interconnected and embedded nature of networks makes it possible to distinguish different levels of analysis, as recognized in the previous literature (see, e.g., Järvensivu & Möller 2009, Möller & Halinen 1999, Provan et al. 2007, Ritter & Gemünden 2003).

Klein et al. (1994) argue that every researcher should recognize the level of theory and match it to the level of measurement (data collection) and the level of analysis. Previous research on relationships, networks and organizations has identified different means of distinguishing and categorizing these levels and recognized the need to research these issues on different levels of analysis. As Klein, Danserau and Hall (1994) state, “by their very nature, organizations are multilevel”. Every construct is tied to one or more organizational levels, such as individuals, dyads, groups, organizations, industries, and markets. Therefore, when examining organizational phenomena, one naturally encounters level-related issues. The industrial network literature has researched multiple levels within a network (Rampersad et al. 2010). For example, Möller and Halinen (1999) discuss the relationship, portfolio net and network levels of management. Ritter and Gemünden (2003) differentiate between the inter-organizational (i.e., interactions, individual relationships, similar relationships, nets and networks) and management (i.e., individual, group, organization and cluster) levels of analysis, whereas Ritter, Wilkinson and Johnston (2004) discuss management in networks at the individual, group, or business unit and firm levels and view these levels as interrelated. In organizational research, for example, Brass et al. (2004) identify interpersonal, interunit and inter-organizational levels of analysis for analyzing organization. The numerous classifications are connected to the objective of each study and thus naturally include both differences and similarities. Hence, by focusing on only a single firm, one cannot gain a significant understanding of business processes (Johnston 1981, Ritter et al. 2004). This research shows that treating an MNC as consisting of multiple different global units acting as a single firm fails to reveal the underlying complexity and is thus likely to lead to simple conclusions.

As networks and organizations can be approached through multiple levels of analysis, the same can also be observed in relationships. Relationships are also formed from smaller components (see Holmlund 2004). For example, Leminen (2001) claims that relationships consist of various projects that can be further divided into episodes and acts; thus, each relationship can be analyzed on all of these levels. Each individual relationship is connected to other relationships and
can affect them both positively and negatively; therefore, according to Ritter (1999), these connections should be considered when a company is developing and using its network. Because of the two-way interactions between different levels of analysis, it is important to recognize how relationships are built.

Each level of relationship is also embedded into its surrounding environment. As firms are confronted with the management of internal and external relationships, they are seldom in total control of all of these relationships and are therefore subject to the control and influence of others within and around the relationship (Ritter et al. 2004). This tendency applies not only to inter-organizational relationships but also to intra-organizational relationships. One illustration of the challenges confronted by organizations is described by Leminen (2001), who observes both intra- and inter-organizational knowledge gaps, inside of and between organizations. These gaps exist between different organizational levels both within and between companies, which leads to a situation in which multiple gaps complicate the buyer-seller relationship. Researching the multinational context involves multiple units and actors, thus constituting a multilevel phenomenon. As relationships can be analyzed at different levels, Leminen (2001) discusses buyer-seller relationships at the level of a company, between companies (relationships) and inside of a network. Organizing internal knowledge sharing not only benefits suppliers by enhancing organizational learning but also benefits customers by offering them a unified interface in which to act (see Gibbert et al. 2002).

Manev (2003) describes an MNC as a network functioning on two levels: a network of organizational units (headquarters and subsidiaries) and a network of managers. According to this author, networks of organizational units consist of capital, resource and knowledge flows between the units, whereas MNCs consist of interactions among managers who are located in different organizational units. In organizations, individuals operate at different managerial levels and in different functions; thus, no single person has a complete picture of what is occurring in a specific relationship (Leek & Mason 2010). Therefore, if individuals at the same organizational level have different experiences of their relationships and thus a different network picture, it is also likely that individuals in different organizational and managerial levels have different understandings of the networks in which they are embedded (see Leek & Mason 2010). This notion leads us to the sensemaking discussion. The sensemaking perspective enriches the levels of analysis perspective by considering the cross-level, systematic and
embedded effects that may arise from different interpretations (Drazin et al. 1999).

2.4 Sensemaking in MNCs

In the changing world of MNCs and other organizations, the need to understand – or make sense of – the market and the changes that are occurring is crucial for success. Sense refers to the idea that the social world is constructed of how people view and speak of the world (Gephart et al. 2010: 281). Sensemaking activities are especially critical in dynamic environments, “where the need to create and maintain coherent understandings that sustain relationships and enable collective action is especially important” (Maitlis 2005).

The sensemaking literature has been heavily affected by the work of Weick (1995), who divides sensemaking in organizations into seven properties. This division can also be useful when describing the sensemaking process in MNCs, in which individuals frequently find themselves encountering novel circumstances with dynamic complexity (Colville et al. 2012) and struggle to make sense of their surrounding environments. According to Weick’s classification (1995), sensemaking is a process that is (1) grounded in identity construction, which means that sensemaking begins with the sensemaker, who is an individual; (2) retrospective, meaning that people make sense of past events; (3) enactive of sensible environments, which means that in organizations, people contribute to producing the environment that they encounter; (4) social, implying that sensemaking includes both individual- and organizational-level activities; (5) ongoing, which indicates that the process never ceases, as people constantly encounter new situations; (6) focused on and by the extracted cues, which means that sensemaking is dependent on past meanings; and (7) driven by plausibility rather than accuracy, which means that people are seeking an interesting, attractive, appealing, and plausible definition and that the criterion of accuracy is only secondary. Based on Weick’s division, sensemaking can be approached as both organizational- and individual-level activity. Among other definitions, organizational sensemaking has been defined as the ongoing process of creating an inter-subjective sense of shared meanings (Gephart et al. 2010: 284–285) or as a collaborative activity used to create and sustain organizational practices (Cunliffe & Coupland 2012). In this chapter, sensemaking is approached on the organizational level, and the next chapter discusses sensemaking on the individual level. It has been observed that multiple individual sensemaking processes within
an organization create the overall organizational sensemaking through a collective social process (Maitlis 2005).

Organizational sensemaking has been of interest to researchers (e.g., Maitlis 2005) because it is regarded as a critical organizational activity and as a strategic capability in organizations (Neill et al. 2007). Previous research has primarily focused on sensemaking in organizations rather than organizational sensemaking (Neill et al. 2007). Neill et al. (2007) approach organizations as sensemaking units and connects the concept to previous research on organizational learning, thus regarding sensemaking as organizational-level activity. Weick et al. (2005) discuss sensemaking by seeking an answer to the question “what is the story?” The answer is sought the ongoing, unknowable, and unpredictable stream of experience. To make sense of organizational events, actors tell stories about events and assign meanings to these events (Näslund & Pemer 2012). However, sensemaking is viewed as a wider term than stories, as the former refers to the process through which people interpret the world and construct meaning (Weick 2012). Stories and narratives are still used by organizations to construct and re-construct themselves (Näslund & Pemer 2012).

Sensemaking is the means by which we enact – make real – our surrounding environment (Cunliffe & Coupland 2012). Organizational sensemaking pertains to meaning and action as well as the interplay between them. (Neill et al. 2007, Weick et al. 2005). With respect to customer relationships, history and the development of history are created through the actions of participants. The various actors involved interpret past events in relationships and thus affect future events. Among other researchers, Maitlis (2005) approaches organizational sensemaking as a fundamentally social process in which organizational members interpret their environment and, by interacting with others, collectively construct meanings of the world in which they act. Groups within an organization use sensemaking to serve their own purposes, which can lead to power struggles, and as a result, certain views may become the dominant, commonly accepted views (Näslund & Pemer 2012). These dominant views can both restrict and enable the operations of and inside organizations.

Customer relationships are most often depicted as continuous, but certain critical events can guide such relationships and affect their development. Sensemaking can thus be considered both episodic and continuous, which creates an interesting tension (Weick 2012) and the need to portray sensemaking through both of these visions. This view is also consistent with the work of Maitlis (2005), who argues that sensemaking can be viewed as both preceding and following
decision making. In addition, networks are formed by the views of the actors involved in them (Ellis & Hopkinson 2010).

In a corporate network, some organizational units emerge as independent sources of knowledge for specific business actions and functions (Holm & Sharma 2006). Knowledge can be defined as relevant and actionable information that is at least partially based on experience in the business context (Lin et al. 2006). However, knowledge can be viewed as more than simply information and as actually encompassing action (Kalkan 2008). Gibbert, Leibold and Probst (2002) consider customer knowledge to be socially constructed through the interaction of customers with members of an organization. In this research, customer knowledge is simply defined as the different perspectives and sensemaking of a customer in and between different units and individuals, and the concept is used to create understanding of the sensemaking in the internal MNC network. Customer knowledge is a salient competitive factor in global competition but, according to Gibbert, Leibold and Probst (2002), may be overlooked by corporations. However, knowledge sharing across nations and organizational units is central for the survival and success of an MNC (see Holm & Sharma 2006). Open-minded culture helps to break down functional silos and foster an environment in which individuals share thoughts and ideas, which is needed to develop a broader understanding of the global customer relationships (Neill et al. 2007). In organizations, individuals’ understanding of the overall customer relationships is limited because of the complex nature that may be beyond their individual level of information processing capacity. Therefore, teams and groups with multiple specialties increase exposure to different types of experience and knowledge, leading to the formation of a more complete and accurate representation of the environment, thus improving organizational sensemaking capabilities (Neill et al. 2007).

In relation to sensemaking, previous researchers have also approached similar but not identical topics, such as sensegiving (see Gioia & Chittipeddi 1991, Maitlis 2005), network pictures (see Colville & Pye 2010, Ford & Redwood 2005, Leek & Mason 2009, Leek & Mason 2010, Ramos & Ford 2011), network insight (see Mouzas et al. 2008), network horizon (Leek & Mason 2010), organizing (see Colville et al. 2012, Wilson 1995) and storytelling (see Cunliffe & Coupland 2012, Maclean et al. 2012, Näslund & Pemer 2012). In addition, Mason (2012) divides Weick’s sensemaking into sensing, sensemaking, framing and reflecting and identifies different types market sensing practices. The use of numerous concepts reveals the need to address the multidimensional phenomenon
of sensemaking and to provide explanations on how and why individuals and groups create, share and use the meanings that they give to certain actions. From these concepts, network pictures will be discussed in greater detail, as sensemaking and network pictures (i.e., views of networks held by participants of that network) and relationships have been linked in recent IMP studies (see, e.g., Abrahamsen et al. 2012a). Sensemaking and network pictures have been regarded as similar and closely connected, but not identical, concepts (Colville & Pye 2010; see also Industrial Marketing Management, Special Issue: Sense-Making and Management in Business Networks 2010).

The literature on network pictures in the IMP tradition has recently received increasing attention (see, e.g., Abrahamsen et al. 2012a, Colville & Pye 2010, Leek & Mason 2009, Leek & Mason 2010, Ramos et al. 2012). For example, Ford and Redwood (2005) use network pictures to make sense of network dynamics, thus linking sensemaking and network pictures, whereas Abrahamsen et al. (2012a) combine these two concepts to understand how individuals in a network make sense of the changes in their industry. A network picture provides a picture of a company’s position within a network (Leek & Mason 2010). Colville and Pye (2010) propose that network pictures can be viewed as “exercises in sensemaking”. Research on network pictures has focused on drawing actual pictures (even organizational charts) of the networks in question. A network picture has been defined as the subjective sensemaking of managers with regard to what is occurring around them in a complex environment; network pictures are the network theories of managers, representing what they perceive as important as well as guiding their decision making and influencing their behavior (Abrahamsen et al. 2012a).

Leek and Mason (2010) approach network pictures by focusing on the employee perspective on a specific supplier relationship inside of a single company. The authors (Leek & Mason 2010) observe that network pictures may act as a useful sensemaking tool for developing and sharing internally relationship information. These researchers note that individual network pictures of relationships could be used in academia to construct a more comprehensive understanding of various aspects of relationships, such as an understanding of how network pictures of individuals involved in the same relationship differ. Organizations attempt to affect the networks in which they operate, depending on their views of the complex inter-dependencies existing in such networks; Ford and Redwood (2005) refer to this concept as a “network picture”. Leek and Mason (2010) utilize the concept of network pictures in their research to focus on
the relationship between two companies and to examine how individuals within one company perceive the relationship. The strength of this study is that the authors utilized a network-level concept to approach a relationship-level phenomenon, and they also noted the levels of analysis in their research.

Abrahamsen et al. (2012a) divide the definitions of network pictures that have been used in the previous literature into narrow and broad definitions. According to the narrow definition, a network picture is viewed as a snapshot in time by a single manager, whereas in the wide definition, it is observed that these different individual pictures can be combined into a more collective understanding. This classification also resembles the division into individual and MNC-level sensemaking. Network pictures and sensemaking are treated as parallel concepts in this study. A network picture refers to the individual or organizational sensemaking of the surrounding network, although sensemaking in this research is also discussed in relation to customer relationships.

2.5 Individual-level sensemaking

Sensemaking is also an individual process (see Näslund & Pemer 2012, Weick 1995: 5–6) that occurs in organizations when members confront surprising or confusing events, issues and actions (Maitlis 2005). In the sensemaking literature, the basis of managerial action is not the objective view of the world but rather the world as people understand it (Ellis & Hopkinson 2010). The organization has been viewed both as socially constructed and as a social construction, in which the sensemaking of the members of organizations occupies a central role (Maitlis 2005, Taylor & Lerner 1996). “For top managers, sensemaking activities such as environmental scanning and issue interpretation are key tasks that significantly influence organizational decisions and strategic change” (Maitlis 2005). Managers’ sensemaking is needed in a world in which organizations are confronting a wide set of possibilities that are not in a specific and transparent form but are instead dispersed and perceived by the managers embedded in their surrounding networks (see Mouzas et al. 2008). Actors create their own understanding through sensemaking (Möller 2010). Managers who make sense in a “business network are able to mobilize other actors and create competitive advantage for their organization that is crucial” (Mouzas et al. 2008) for functioning customer relationships.

When individuals are confronted by ambiguous events, they attempt to make sense of them. As sense develops with respect to a situation, it allows individual
to act in a rational fashion – hence, sensemaking is the primary generator of individual action (Drazin et al. 1999, Weick et al. 2005). Abrahmsen et al. (2012b) focus on actors’ sensemaking in business networks in exploring network dynamics. The authors observe that “actors' attempts to change their position or role in the network are directed by their subjective sensemaking or perceptions of their surrounding network.” Individual sensemaking is shaped by interactions with others who are engaged in similar situations, and in multidimensional situations, individuals seek the interpretations of others, through which group-level categorizations emerge (Drazin et al. 1999). Although shared group-level frames may develop, they can also differ across organizations – two actors may share similar experiences, and both their sensemaking and the resulting action may differ (Drazin et al. 1999). Drazin, Glynn and Kazanjian (1999) state that although sensemaking may not be completely shared in an organization, political compromise between opposing groups will nonetheless guide the behavior in the organization.

The sensemaking perspective has been connected to different levels of analysis in previous research (see Drazin et al. 1999, Weick 1995). Henneberg et al. (2010) indicate that sensemaking in the network context still needs further research, including studies connecting individual sensemaking to different levels of analysis. The choice of levels of analysis is central to the development of any model; it affects the conceptual framework, research methods and locus of interest (Drazin et al. 1999, Klein et al. 1994).

Individual sensemaking in MNCs is important, which can be observed in customer relationships, as knowledge of customers is difficult to combine into organization-wide understanding in fractured organizations. In network MNCs, relevant pieces of customer knowledge are decentralized into multiple local settings and to various individual actors (see Lindkvist 2004). When making sense in this context, one must recognize an organization’s dependence on the knowledge of individuals and the challenges of integrating and generating knowledge. As Henneberg, Naudé and Mouzas (2010) state, “from the IMP perspective, a core requirement to understand any network is to understand the interaction of the parties within the network”.

Sensemaking has been regarded as consisting of three dimensions: communicative, interpretative and analytical (Neill et al. 2007). It is best described as a developing set of ideas with explanatory possibilities rather than as a body of knowledge; hence, the topic exists in the form of an ongoing conversation (Weick 1995: p.xi).
Individual managers confront the challenge of making sense of customers in relation to their own organizational levels, as customers can be observed and understood in multiple ways at different levels, depending on whether one concentrates on the individual, group or organizational levels. A network picture from one individual can provide useful information, but combining the pictures of multiple individuals involved in a relationship can yield a more comprehensive understanding (Leek & Mason 2010). Based on the previous theoretical discussions, organizational- and individual-level sensemaking are connected in the internal network of MNCs and observed as guiding the global customer relationships of MNCs.

2.6 Summary

In Chapter 2, MNC is first defined as an internal network of relationships, actors and activities. By widening the definition of MNC, this study notes the complexity that is inherent in these organization forms and uses it as a context for this research. Business network theory does not treat the local environment of a subsidiary as a faceless entity; rather, it strives to identify the actors in subsidiaries’ networks (Forsgren 2008).

As the previous literature shows, the headquarter-subsidiary relationship and the relationship between subsidiaries are central in the operations of MNCs. The multitude of such relationships entails multiple customer contact points because different subsidiaries have their own individual projects with their multinational customers.

In this research, an MNC is also defined as a project business MNC, referring to the nature of how relationships with customers are built in the project context. Project operations guide the actions and historical development of customer relationships, and because of the intrinsic discontinuity, the task of managing customer relationships outside of a current project is not straightforward (Cova & Salle 2000). Such a relationship is defined differently, depending on whether it is approached from the project, unit or organizational levels, and at each of these levels, individuals make sense of their own experiences in different ways (see Lindkvist 2004).

In addition of regarded MNC as a network, it is viewed as consisting of multiple organizational levels and units. These organizational levels and organizational structures guide the sensemaking of the MNC. Individuals in MNCs operate at different organizational levels and units, and their sensemaking
depends on the experiences that they have encountered. The organizational level may restrict individual’s experiences, as individuals may operate with respect to only one part of a customer organization and within only one subsidiary’s projects.

Abrahamsen et al. (2012a) state that as the actions of managers are based on how they subjectively make sense of their surrounding networks, changes in such networks must be researched in relation to how individuals actually perceive them. In this research, the same logic is observed. As customer relationships can be interpreted in multiple ways, the starting point of the research should involve considering who the customer is and how individuals perceive the customer relationship in question. These discussions offer theoretical concepts and background for this study and create the basis for the customer relationships that are discussed in the next chapter.
3 Making sense of customer relationships in network MNCs

It has been commonly stated that relationships between companies have become increasingly significant during the past 30 years, and the network-like features of the business landscape have thus had considerable effects on businesses (Håkansson et al. 2009, Wilson 1995). Network research focuses on relationships among actors, whether they are individuals, units or organizations (Brass et al. 2004).

This chapter discusses global customer relationships and begins by reviewing the literature on buyer-seller relationships. Hence, the IMP approach to relationships and networks is utilized (see, e.g., Ford et al. 2003, Ford & McDowell 1999, Håkansson & Snehota 1995, Håkansson 1982). As noted previously, the development of customer relationship affects the sensemaking of MNCs at both the individual and organizational levels; therefore, after a review of the relevant literature on such relationships, specific focus is placed on the relationship development discussion.

In discussing multiple levels of analysis and relationship development, it is important to note that certain individuals may have a central role in such relationships. One research stream that has focused on crucial customer relationships and on the central role of certain individuals is the global account management literature, which considers global account managers to be key individuals in these relationships. The global account management literature offers one organizational solution to managing customer relationships (see, e.g., Guenzi et al. 2009, Madill et al. 2007, Millman 1996, Wilson & Millman 2003, Wilson & Weibaker 2004) and considers customer relationships from an organizational perspective. Also the level of individual action has been considered, and the literature in question has emphasized the meaning of global account managers. Global account management strives to offer a point of contact to customer organizations (Montgomery & Yip 2000, Yip & Madsen 1996), and individuals may have a strong influence in this process (Millman 1996). Certain individuals have been regarded as serving a central role in global customer relationships, regardless of whether they are concentrating, for example, on the unit level (i.e., project managers) or the organizational level (i.e., global account managers). Global account managers may have substantial effects on the organizational sensemaking in MNCs and are therefore also discussed in this
chapter. This chapter concludes with a theoretical framework describing the MNC’s sensemaking of global customer relationships in its internal network.

3.1 Background: buyer-seller relationships

The concentration on buyer-seller relationships has been the focus of multiple research traditions over several decades. This chapter will provide an introductory background on relationships and describe some of the research traditions in marketing that have considered buyer-seller relationships to be a focus of interest. Among others, the service marketing, relationship marketing and industrial network approaches (introduced by the Industrial Marketing and Purchasing Group – IMP Group) have placed relationships at the center of attention. These different research traditions have recognized the importance of customer relationships as a research phenomenon. As each of these traditions has a slightly different focus, the multidimensional nature and complexity of customer relationships can be revealed.

Services marketing and its extension into service management and service quality have their roots in the 1970s (Gummesson 1996). An integral part of service marketing is that the focus is on the process rather than merely on the outcome (Grönroos 2004). According to Mattsson (1997), scholars such as Berry, Grönroos and Gummesson, who were subsequently in the forefront of contributions to relationship marketing, all specialized in service marketing already in the late 1970s. Service marketing began with the discovery that the marketing of services required a different approach than the marketing of products (Mattsson 1997). A distinct characteristic in service marketing is that service usage occurs simultaneously with production, which thus requires direct contact with customers (Grönroos 2004).

The second approach discussed here is the network approach to industrial marketing and the contributions from the IMP Group. IMP has its roots in Sweden with contributions from Finland and many other European countries as well as from Australia and the USA (Ford et al. 2003, Gummesson 1996). The industrial network approach has been developed systematically in Europe through the IMP Group during approximately the same period as service marketing (Gummesson 1994). The network approach shifted the focus to industrial relationships, thus differing from the more dominant consumer approach (Håkansson 1982). The network approach was developed to study the industrial (or business-to-business) markets, which are based on relationships between sellers and buyers and which
have a broader theoretical background than the marketing approach; in fact, the early research was more concerned with purchasing than with selling (Mattsson 1997). According to this approach, to understand industrial marketing, it is necessary to examine the interaction between individual buying and selling firms in which either firm may be assuming a more active part in a transaction (Håkansson 1982).

The third approach, relationship marketing, predominantly originated from the service marketing and network approaches and has been influenced by traditional marketing management and quality management (Grönroos 2004, Gummesson 1994, Gummesson 1996, Mattsson 1997). The term relationship marketing was not used as a concept until the late 1980s and the early 1990s (Gummesson 1996), and this development was influenced by general business practice trends that were emphasizing relationships and partnerships (Mattsson 1997). Relationship marketing focuses primarily on direct market relationships between suppliers and customers (Grönroos 2004, Gummesson 1994) and is perceived differently by various authors and thought leaders (Gummesson 1996).

Gummesson (1994, 1996) defines relationship marketing as “marketing seen as relationships, networks and interaction”, whereas Grönroos (1994) defines it as identifying, establishing, maintaining, enhancing and – if necessary – terminating relationships with customers and other stakeholders at a profit, such that the objectives of all parties involved are met. The basic idea behind relationship marketing is to “manage the firm's market relationships” (Grönroos 1996). The focal relationship is that between a supplier or provider of goods or services and the buyers and users of these goods or services. Relationship marketing is first and foremost geared toward the management of the focal relationship between buyer and seller (Grönroos 2004).

Relationship marketing is a process that includes several actors who interact in their internal and external networks of relationships (Grönroos 2004, Grönroos 1994). Both the customer and the seller can be active, and they should consider one another to be partners in a win-win relationship (Gummesson 1994). According to this approach, everyone is a part-time marketer, and the marketing is not a separate function performed by marketing and sales departments (Grönroos 2004, Gummesson 1994). The relationship marketing perspective emphasizes value creation, interaction and communication between customers and suppliers or service providers (Grönroos 2004).

Among these research traditions, service marketing and relationship marketing have the closest connection. According to Grönroos (1996),
relationship marketing defines a firm as a service business. Thus, these traditions have a closer connection with one another than with network approach. The industrial network approach emphasizes industrial buyer-seller relationships, which do not exist alone but are all influencing and being influenced in a network. The network approach focuses on relationships as they are and describes market processes as interactions within relationships and market structures as network structures, whereas relationship marketing is more management oriented (Mattsson 1997).

Although service marketing and industrial marketing do not overlap substantially, both have developed some common ideas related to interaction and marketing as a holistic concept (Mattsson 1997). These three views share the basic belief that long-term customer relationships often form a base for profitable business (Grönroos 2004). These customer relationships cover multiple tasks and thus require an extensive knowledge base as well as specific skills and abilities from suppliers (Helfert & Vith 1999). When analyzing customer relationships, one can also include the behavior of actors, interactions and relationships in a specific market context as well as managerial decisions and actions (Grönroos 1994). As this study seeks to contribute to the IMP research stream, the next chapter will more closely examine the IMP approach.

3.1.1 IMP approach to customer relationships

The IMP Group was formed in 1976 to focus on the nature of continuing dyadic relationships between industrial buyers and suppliers (Ford et al. 2003). As an outcome of the research process, a dynamic model of buyer-supplier relationships, known as the interaction model, was created. This model led to the publication of book “International Marketing and Purchasing of Goods”, edited by Håkansson (1982). This initial IMP research was more focused on interaction than being network oriented (Mattsson 1997). The latter research project within the IMP Group shifted the focus toward interconnected business relationships, thus focusing on industrial networks. The industrial network approach, which refers to the theoretical development of relationships and networks and is built on an interaction approach, was briefly discussed in the previous chapter when describing different approaches to buyer-seller relationships. The original interaction model focused generally on a two-party relationship (Håkansson 1982), whereas the industrial network approach broadened the horizon to include networks of actors (Håkansson 1987).
The IMP group is currently a large, informal network of researchers throughout the world (Ford et al. 2003). The most well-known frameworks created within the IMP Group are likely the interaction approach (see Håkansson 1982) and the ARA model (see, e.g., Håkansson & Snehota 1995, Håkansson 1987). At the core of IMP research is the interaction approach, which has inspired subsequent research on marketing and purchasing (Ford et al. 2003: 1). Some of the basic beliefs of the interaction approach and the IMP approach in general are listed below (according to Ford et al. 2003: 3–10, Håkansson 1982):

- Both the customer and the supplier are active, and numerous individuals and functions of both companies are involved in the process of developing and fulfilling the offerings. Sales are not isolated events but are components of continuing relationship development.
- Many of these relationships are close, complex and long term, and each relationship is part of a network of relationships. Both the customer and the supplier are interdependent, which indicates that the management of supplier–customer relationships is similarly important to both companies involved.
- The links between the buyer and the seller become institutionalized into a set of roles that each party expects the other to perform, which may require mutual adaptations and may thus involve both conflict and cooperation.
- Companies have a restricted view of the surrounding network and limited knowledge of the aims and intentions of their counterparts.
- Relationships are assets in strategy development and are therefore at the core of a company’s actions.
- Technologies are developed interactively.

Håkansson (1982) states that in the interaction model, the units of analysis are relationships rather than single transactions, which shifts the attention toward long-term relationships. This view relies on the assumption that most purchases are not individual events and therefore cannot be understood if examined alone. The interaction model describes the short-term and long-term aspects of interactions between buying and selling companies, both of which are influenced by the characteristics of the organizations and individuals involved.

The IMP approach has defined relationships based on three aspects: actor bonds, activity links and resource ties (Ford et al. 2003: 39, Håkansson & Snehota 1995: 26). Actors are individuals, groups of individuals, division within a company, companies or groups of companies who control activities or resources;
thus, in an industrial network, actors can act on multiple organizational levels (Håkansson 1987: 14–15, Håkansson & Johanson 1992: 28). An activity is performed by several actors who create, develop, combine or exchange resources by utilizing other resources (Håkansson 1987: 15–16, Håkansson & Johanson 1992: 30). Resources can refer to human, financial or physical assets, which are heterogeneous and mutually dependent and are controlled by one or more actors and linked to each through activities (Håkansson 1987: 16, Håkansson & Johanson 1992).

According to Håkansson and Snehota (1995: 26), *activity links* refer to the activities of a company that can be connected to another company in different ways as the relationship develops. *Resource ties* connect various resource elements of two companies and result from prior relationship development; such ties are themselves resources. *Actor bonds* connect actors and influence how two actors perceive one another. These three layers combine to form a relationship, which affects and is affected by different parties and other relationships (Håkansson & Snehota 1995: 27–28).

Ford and McDowell (1999) state that the actions in each relationship are of great importance to the overall portfolio of relationships and to competitive success. This statement is especially true in a more complex context of project business MNCs, in which the individual dyadic relationships between suppliers and customer representatives are more intertwined and together create a dynamic relationship portfolio that may be viewed as constituting the interorganizational relationship between organizations. Actions within relationships have effects on multiple relationship levels, some of which are planned and expected and others that are not (Ford & McDowell 1999). Ford and McDowell (1999) divide these effects into four levels: effects in the relationship, on the relationship, on the portfolio of relationships and on the network.

Taking care of customer relationships is a critical task in organizations, and the complexity of this task reflects the complexity of the relationships themselves and the resulting network structures (Ford et al. 2003). Therefore, in an MNC context in which the identification of customers is not self-evident, the task of managing these relationships first requires clarification of the sensemaking of MNCs and individuals acting in such relationships. Because the customer relationships in this context are global, a supplier company must address both the local and global needs of customers. In addition, the supplier company itself has needs at both the global headquarters and local production unit levels. To respond to increasing customer needs, a supplier company must adjust its own
organization structure, involve people in the process and strengthen the company’s organizational culture (Yip & Madsen 1996).

### 3.1.2 Definition of global customer relationships

Relationships are important empirical phenomena that have a considerable influence on business enterprises, but as Håkansson and Snehota (1995: 6,26) note, the concept of relationship is difficult to define, as it cannot be considered merely as a single relationship. Rather, such a relationship is a result of an interaction process in which multiple connections exist between the parties, creating mutual commitment. Therefore, the authors note that researching relationships requires a focus on the elements of relationships and the effects that those connections have. To achieve this objective, descriptive and explanatory models as well as maps of connections are needed.

The concept of customer relationship is used to describe the pattern of interactions and behaviors between a company and a customer over time (Ford et al. 2003: 38). These relationships are often close and long term and may involve a complex pattern of interaction between two organizations (Håkansson 1982). Relationships are based on repeated interactions that may cover a wide range of functions, activities and actors in an organization (Holmlund 2004). Thus, customer relationships consist of diversified interorganizational contacts that can involve multiple organizational levels (Holm et al. 1995). In a supplier organization, more than one person is typically involved in the management of a specific customer relationship (Helfert & Vith 1999). Over time, interactions between organizations accumulate to become an inter-organizational relationship (Ritter & Gemünden 2003).

Håkansson and Snehota (1995) define customer relationships as having structural characteristics and process characteristics. The structural characteristics are evident for all observers and can be defined in terms of continuity, complexity (i.e., how often involved individuals are in contact and the type of contact) and informality (Håkansson & Snehota 1995: 7–8). The process characteristics describe the typical features of relationships, such as numerous adaptations on either side referring to the modifications and adaptations of products, routines and rules; cooperation and conflict; and the social interaction, personal bonds and individuals involved as well as the routinization that occurs as relationships tend to become institutionalized over time (Håkansson & Snehota 1995: 9–10).
Buyer-seller or customer relationships exist between organizations but are conducted by individuals; social and psychological factors have important effects on these relationships (Håkansson 1982). Relationships are built from social exchange episodes, and these communications and contact patterns contribute to constructing the overall inter-organizational relationship in which different individuals and groups may have different roles, work in different functional departments and communicate different technological, commercial or reputational messages (Håkansson 1982).

Among other researchers, Håkansson (1982) states that at least two individuals (i.e., one from each organization) are involved in a relationship; however, it is more common for numerous individuals from different organizational units or levels with different tasks to be involved in personal inter-organizational interactions. It is recognized in the previous literature (see, e.g., Andersen & Kumar 2006) and in practice that these personal relationships play an important role in business-to-business marketing. Customer relationships can be defined as repeated personal interaction among individuals from both buying and selling organizations, and these relationships provide companies with opportunities for joint value creation through rationalization and/or learning (Andersen & Kumar 2006). In discussions of global customer relationships, the importance of personal relationships to a customer is also embraced. The involved individuals exchange information, develop relationships and build strong social ties, which in turn influence the decisions that are made in each organization with respect to the relationship in question. Customer relationships are also affected by the different personalities, experiences and motivations of the individuals involved, and their reactions to different events may affect the current state and future development of these relationships (Håkansson 1982, Wilson 1995). According to Håkansson (1982), a specific relationship can be researched by focusing, for example, on the history of the relationship and reason for its existence, the development of the relationship, crises, technological changes, characteristics of the products and patterns of contact between individuals. Relationships can fail to develop or be sustainable if there is a lack of social relationships and trust. A lack of personal chemistry can either prolong trust building or terminate the relationship (Andersen & Kumar 2006).

In this research (and in relation to the empirical data), the customer relationships are identified between Supplier Company and Customer A, between Supplier Company and Customer B, between Supplier Company and Customer C, and between different organizational levels and units of these organizations. It is
observed that customer relationships consist of different organizational levels and units, and the global customer relationship is the relationship between two organizations, consisting of multiple relationships between different subsidiaries, units, organizational levels and individuals. As Håkansson (1982) notes, the international nature of industrial markets indicates that the international dimension of customer relationships must be included in research. Another central feature of industrial markets is that they are strongly influenced by the technological features in the markets. Therefore, the relationships that are discussed in this research are considered to be global relationships centered on technological solutions. These global customer relationships become relationship networks because of their complex and intertwined nature. These relationship networks may already exist already within an organization, as an MNC itself is described as a network, as discussed previously in Chapter 2.2.

3.2 Development of global customer relationships in MNCs

As sensemaking is a retrospective process (see Weick 1995), the history and development of customer relationships affect the manner in which an MNC makes sense of each global customer relationship in question. Therefore, it is necessary to discuss the process of customer relationship development. The development of good working relationships with customers is needed to ensure that organization can understand and serve customer needs as well as co-develop new products and services (Ritter et al. 2004). Next, different relationship development theories and a view of relationship development as events in networks are discussed.

3.2.1 Background: relationship development theories

Relationship development has been the focus of multiple studies and has historically been explained using theories such as stage theories. Stage theories (e.g., Andersen & Kumar 2006, Dwyer et al. 1987, Ford 1980, Larson 1992, Wilson 1995) propose that relationships develop or grow over a long period through different sequential stages. Batonda and Perry (2003) also discuss state theories, in which the state of the development process is merely one of several possible conditions, in contrast to the stage theory perspective. The idea in state theories is that the development of inter-organizational relationship networks is
overly complex and thus cannot be regarded as developing in the structured manner as stage theories appear to imply.

Ford (1980) states that the industrial buyer-seller relationship develops through five stages: the pre-relationship, early, development, long-term and final stages. In the pre-relationship stage, a new potential supplier is evaluated; in the second stage, the parties negotiate; and the contract is signed or the delivery is made in the development stage. The long-term stage is reached after several large purchases or deliveries, and the relationship is in its final stage when the market is stable and long established. During the development of such a relationship, uncertainty and social and cultural distance diminish, and experience and commitment increase. Dwyer et al. (1987) views relationships as evolving through awareness, exploration, development, commitment and dissolution, and each of these phases represents a major transition in how parties regard one another. The awareness phase refers to an organization’s recognition that a customer may be a feasible partner, whereas the exploration phase includes communication and bargaining between parties. In the developing stage, both parties learn intensively from one another and build mutual trust through different joint activities. Commitment refers to a more stable stage, with routines and continuity in the relationship. According to Wilson (1995), relationships develop through partner selection, the definition of purpose, the establishment of relationship boundaries, the creation of relationship value and the maintenance of such relationships. Moreover, the author lists various relationship variables (e.g., commitment, trust, cooperation, mutual goals, interdependence, satisfaction, adaptation, shared technology, and social and structural bonds) that may be active at certain stages and that become latent in other stages.

Based on different stage models, Batonda and Perry (2003) propose their own synthesis of relationship development and provide a classification of five stages: relationship search, relationship initiation, relationship development, relationship maintenance and relationship termination. All of these models perceive that as the relationship with a customer evolves, an increasing number of personal bonds between individuals in the supplier and customer organizations are developed. In addition, the successful development of business relationships is associated with increasing commitment and mutual adaptation involving an increasing number of individuals and departments on both sides of the relationship; hence, the personnel groupings that are indirectly involved in the beginning may become directly involved as the relationship evolves (see Andersen & Kumar 2006). As relationships evolve through different phases, they can also be studied on
different levels in those development phases by concentrating on interpersonal, intergroup or inter-organizational levels (Andersen & Kumar 2006). In each of these levels, individuals can affect or be affected by the relationship. Inside of an organization, individuals can be differentiated based on whether they are directly involved in the relationship (so-called boundary spanners) or only indirectly involved (Andersen & Kumar 2006). As Wilson and Millman (2003) note, at the interpersonal level, changes in merely a handful of key personnel on either side of the relationship can dramatically alter the network of personal relationships, and many years of relationships building and commercial arrangements can thus be damaged. However, with respect to customer relationships, the level of analysis is often on the organizational level, or by contrast, the research is focused on the relationship between two individuals. Zaheer et al. (1998) raise an important question as to how an interpersonal-level phenomenon can be extended to additionally include the organizational level. Furthermore, Guenzi et al. (2009) discuss the meaning and importance of individual behaviors for the depth of strategic customer relationships in their research. Moreover, there exists a notable difference between interpersonal and inter-organizational phenomena (Zaheer et al. 1998). An interpersonal phenomenon does not automatically guarantee an inter-organizational phenomenon, and interpersonal relationships cannot necessarily be translated to the inter-organizational level. Hence, the movement of relationships from one organizational level to another should be observed carefully.

Håkansson and Snehota (1995) note that the development of buyer-seller relationships should not be viewed as an isolated phenomenon; rather, this development occurs in the context of a network of interdependent relationships. The authors view relationships as developing through the previously mentioned ARA model (see Chapter 3.1.1). These links (namely, activity links, resource ties and actor bonds) are formed between two companies as their relationship develops. The authors (Håkansson & Snehota 1995: 42) also note that the development of a relationship between two companies cannot be unilateral; in fact, it requires the co-alignment of both parties. Therefore, relationship development is not the decision of a single company choosing a potential supplier; rather, such relationships are developed within a network.
3.2.2 The development of customer relationships as events in a network

According to Håkansson (1982), the relationships between supplier and customer organizations are dynamic and are affected by the individual episodes that occur within them. Håkansson and Snehota (1995) state that these relationships involve a complex knitting of episodes and interactions and that relationships are formed from these episodes and processes, which may be beyond the control of the individuals acting in organizations. It is also observed that different episodes in relationships affect the technical, knowledge, social, administrative and legal aspects of the relationships and of the organizations involved.

Relationships between actors are regarded as a basic concept for understanding networks (Hedaa & Törnroos 2008). Some of the recent research (e.g., Hedaa & Törnroos 2008, Kamp 2005, Schurr et al. 2008, Tidström & Hagberg-Andersson 2012) describes relationships developing through certain events that occur in relationship networks.

Hedaa and Törnroos (2008) define events as changes caused by nature or as an outcome of human acts, which may be intended or unintended. These events can be regional, local or global in scope. The characteristics of events are listed below (see Hedaa & Törnroos 2008):

- Events can be intensive or extensive, with respect to the effect that such events have in relationships.
- Events can appear frequently or infrequently.
- Events can act as stimuli for action, or the absence of events may stimulate actors to be proactive.
- Events may confirm or disconfirm previous perceptions of a relationship.
- Events may occur, exist or arise at precisely the same time, or they may follow one another.
- Events may be perceived and interpreted by actors in a different manner, and multiple meanings may be given to the cause of the events. Several different interpretations may exist simultaneously.
- Events may overlap or be separate and may be more or less related to one another.
- An event that occurs is connected to previous events and may be influenced by future expectations.
Relationships have life courses; they either emerge and develop or fade away (Hedaa & Törnroos 2008). Thus, to understand these relationships, researchers must consider how and why they develop (Tidström & Hagberg-Andersson 2012). It is suggested (see Ford & Håkansson 2006, Tidström & Hagberg-Andersson 2012) that researchers should not merely focus on current interaction but instead should note what precedes the current situation and frames the evolution. Relationships can thus be analyzed through events, which can be connected in the past, present and future and can together influence the development of a relationship (Hedaa & Törnroos 2008, Tidström & Hagberg-Andersson 2012). These events act as engines for relationship change and development as well as for change in relationship networks (Hedaa & Törnroos 2008, Kamp 2005, Schurr 2007). In addition, Hedaa and Törnroos (2008) state that in practical research, detecting and following event-based change processes enables researchers to follow the development of relationships and networks.

Hedaa and Törnroos (2008) propose the concept of event network, which embraces the idea that events do not follow one another in chronological order but instead form an event network in which different events may or may not be connected (see also Tidström & Hagberg-Andersson 2012). The authors classify the methods of studying these event networks and suggest retrospective studies with a focus on event history and/or critical events or the use of sensemaking as possible methods (Hedaa & Törnroos 2008).

Business relationships evolve through different events, and actors are key mediators as they create such events and react to them (Hedaa & Törnroos 2008, Schurr 2007, Tidström & Hagberg-Andersson 2012). Events are perceived by actors based on their previous experiences (Arthur 2001); therefore, events are perceived as socially constructed (Halinen et al. 2012, Tidström & Hagberg-Andersson 2012). The outcomes of events (i.e., the actions within them) depend on how actors have interpreted these events and given meanings to them and how willing the actors are to respond to the stimuli (Halinen et al. 2012, Hedaa & Törnroos 2008). These responses to stimuli can be proactive (creating actions and new events), reactive or neglecting with no intention to act (Hedaa & Törnroos 2008).

### 3.3 Global account management in MNCs

Researchers have only recently attempted to precisely define global customers and global account management in the literature (Wilson & Weilbaker 2004). In
the business context, the notion of organizations investing greater efforts in their most important customers is not new, whether they are referred to as key accounts, strategic accounts, national accounts or global accounts. This research chooses to use the concept of global account because it reflects the global nature that is often encountered with MNCs’ customers. Global accounts are multinational customers who, according to the definition provided by Wilson and Weilbaker (2004), operate internationally, have strategic importance to suppliers, expect to be serviced and supplied consistently worldwide (see also Yip & Madsen 1996), and begin to buy on a coordinated basis or at least select vendors centrally.

Simply stated, global account management is a process that helps a company to meet the global and local needs of its customers (Wilson & Weilbaker 2004). One of the major issues concerning the management of customer relationships is the reconciliation of the need for global coordination and control with the local needs of customers in the context of increased levels of organizational complexity and cultural diversity (Luo 2001, Luo 2002, Millman 1996, Wilson & Weilbaker 2004). Birkinshaw, Toulan and Arnold (2001) define global account management as “the co-ordination of activities involved in serving a single customer in multiple countries”. The ultimate goal is to build a strong relationship to secure the long-term loyalty of global customers (Millman 1996, Wilson & Weilbaker 2004). Global account management offers a means of operationalizing coherent strategies to ensure that individual multinational customers will be treated as a single entity (Millman 1996).

Companies have always been engaged in exchange relations, and some of those relationships can develop into more close long-term relationships. Both managers and academics have become aware of the growing need to develop close long-term relationships with key customers (Guenzi et al. 2009). These relationships have complex inter-firm contact patterns, and the contact structures inside of organizations involve several organizational levels (Holm et al. 1995). The mutual interests between the parties involved enable the creation of a favorable atmosphere to maintain the relationship over time (Cova & Salle 2000). It is important to recognize that relationships differ and that some may require more intensive interaction than others (Madill et al. 2007). The most important customer relationships from a supplier perspective are often called key accounts or, in a multinational context, global accounts. Global account management views the customer relationship as a single unified entity, and global account management can thus be regarded as more of an organizational-level issue.
One method of coordinating these contacts and consistently handling global
customer relationships is to introduce a global account management program. As
stated above, global account management is not a new phenomenon. However,
the new development is the emergence of this type of management as one of the
major strategic issues confronting multinational, globally active companies
(Wilson & Weilbaker 2004). Growth has been observed in cooperative global
arrangements between suppliers and customers, as customers are increasingly
requiring their suppliers to serve their global needs. Suppliers perceive these
global account management programs as a means of developing long-term
relationships with key customers and thus hinder the progress of the competition
(Harvey et al. 2003).

Although global account management is an important strategic issue, it has
received only limited research interest (see Birkinshaw et al. 2001, Hui Shi et al.
2004). The implementation of global account management from a supplier’s
perspective is problematic (Birkinshaw et al. 2001) because it involves numerous
challenges. For example, cooperation between different units, locations and
projects is needed (Evaristo & van Fenema 1999), and the aspects of local
responsiveness and global integration must be considered. The organizational
complexity that is inherent to global account management requires a balance
between local responsiveness and global integration. Therefore, strategic
approaches and organizational structures must be reoriented to address both local
and global issues (Bartlett & Ghoshal 2002, Millman & Wilson 1998, Prahalad &

Global account management is a critical task for industrial sales organizations
(Madill et al. 2007), and some researchers (Cova & Salle 2000) believe that a
company’s very existence depends on this task. Global account management is a
simple concept from the customer perspective, but implementation in a supplier
organization is problematic. A key driver of global account management
programs is the demand that arises from the rapidly globalizing procurement
functions of customers (Birkinshaw et al. 2001). Global customer relationships
have a multitude of benefits for global customer organizations; for example, such
relationships help to improve the two-way communication with key suppliers and
thus to increase the knowledge base to improve the quality of goods. Moreover,
global account management provides consistent policies throughout the world and
makes management more centralized and effective (Harvey et al. 2003). For
suppliers, the challenges that are involved in global account management are
greater, and there are different questions that must be answered. For example,
what are the benefits of global account management? Who should be responsible for global accounts, and how should the effectiveness of the global strategy, manager or team be monitored? Global account management has multidimensional effects on firm performance and should be viewed beyond the context of profitability to include such performance dimensions as customer retention, share and revenues (Harvey et al. 2003).

Guenzi, Georges and Pardo (2009) state that despite the widespread interest in managing strategic customer relationships, individual-level behaviors remain an underdeveloped topic. The authors propose that various behaviors should be adopted by those who are responsible for managing customer relationships. The key individuals who are involved in managing global customer relationships are global account managers (Madill et al. 2007), and the role of these individuals is notable when creating trust in business relationships (Guenzi et al. 2009). A global account manager may have multiple roles both inside and outside of his or her own organization. Wilson and Weilbaker (2004) identify the roles of political entrepreneur, communicator, team leadership, relationship management, strategic planning, problem solving and internal selling, among others. Global account managers can be regarded as boundary spanners because they are positioned between headquarters’ customer relationship management personnel and local offices’ customer relationship management personnel as well as between the selling company and its various activities (Madill et al. 2007).

In network MNCs, global account management is simultaneously a customer contact activity and a segmentation strategy (based on customers) that addresses different organizational units and levels (Millman 1996). Finding a proper position for global account management systems in existing organizational structures, including matrix configurations, may not be straightforward. According to Millman (1996), merely assigning global account responsibility to functional units (e.g., to sales) does not offer the potential benefits of coordination and integration, which are often viewed as differentiating factors from the customer perspective.

3.4 MNC sensemaking of global customer relationships

This dissertation focuses on how MNCs make sense of their global customer relationships. An MNC is defined here as an internal network, as the nature of a multinational organization is more accurately depicted through networks of relationships rather than, for example, as a hierarchy. Therefore, the customer
relationships of MNCs are considered to be built through internal networks of relationships. These relationships contain multiple levels, organizational units and individuals. When an MNC is defined as a network, it consists of interactions and is more than simply a structure; thus, the MNC can be approached as a process rather than as an entity (see Näslund & Pemer 2012). Thus, the sensemaking of MNCs is also considered a process. Previous research asserts that organizations interact with other organizations through their own internal network of interpersonal and cross-functional relationships (see Ritter, Wilkinson & Johnston 2004). Therefore, the sensemaking of MNCs is regarded as consisting of the sensemaking of individuals at different levels and different times. The previous literature has approached sensemaking as both an individual activity (e.g., Drazin et al. 1999, Mouzas et al. 2008, Näslund & Pemer 2012) and an organizational-level activity (e.g., Maitlis 2005, Neill et al. 2007). In individual sensemaking, the focus is on individuals’ subjective creation of understanding, whereas in organizational sensemaking, shared views are created through social process (Maitlis 2005). Sensemaking refers to a cognitive process of an individual, but it is dependent on and influenced by collectively constructed frames; thus, in addition to individual sensemaking, MNC sensemaking must also be discussed (Näslund & Pemer 2012). The collective frames or views are constructed in interactions and form the basis for MNC sensemaking. Sensemaking is an ongoing process of creating an intersubjective sense of shared meaning through conversation and interaction, in which people seek to produce, negotiate and sustain these meanings (Gephart et al. 2010: 284–285).

The customer relationships that are discussed in this research are long-term and multinational by nature. Throughout history, companies have been engaged in exchange relations, and some of those relationships can be developed into more close long-term relationships. The focus on customer relationships has been perceived as important by both managers and academics, who have noted the growing need to develop these relationships with key customers (Guenzi et al. 2009). The customer relationships that are discussed here develop through relationship-specific events. The need for sensemaking stems from the fragmented and conflicting nature of organizational events, as sensemaking can bring order, give meaning and connect events (Näslund & Pemer 2012) to generate creative and timely marketing strategies and thus to enhance customer-based performance (Neill et al. 2007). Relationships involve repeated interactions that may cover a wide range of functions, activities and actors in an organization (Helfert & Vith 1999, Holmlund 2004). The relationship between a supplier and
buyer MNC is bound to have complex inter-firm contact patterns, and these contact structures within both organizations involve several organizational levels (Holm et al. 1995). Events in each relationship as well as the actions that individuals take and the meanings that they give to these events and actions affect the relationship portfolio as a whole and the competitive success that a supplier may or may not experience in this relationship (see, e.g., Ford & McDowell 1999). Such effects are especially apparent in the more complex context of an MNC, in which the individual dyadic relationships between a supplier and a customer representative are more intertwined with one another and together create a dynamic relationship portfolio, which comprises the inter-organizational relationships. The network perspective is employed as a starting point because, as the previous literature (see, e.g., Ritter 1999) states, customer relationships are not managed in isolation.

Why do organizations and individuals in organizations then need to make sense of customer relationships? Sensemaking has been defined in previous literature (Weick 1995: 4–5) as attempts to structure the unknown, enabling individuals to comprehend, understand, explain, attribute and predict events and actions. The sensemaking of individuals differs based on the different experiences and environment in which they act; such differences can complicate the actions of an organization, especially when organizations confront situations that are marked by ambiguity and complexity (Neill et al. 2007). In these complex situations, organizations with a developed sensemaking capability can make strategic changes, be flexible and respond better to market needs (Neill et al. 2007).

Making sense of the customer relationship enables individuals to better understand both the customer and the relationship. In a fractured MNC context, individual understandings of customer relationships are difficult to combine into organization-wide understanding. At the organizational level, the sensemaking of customer relationships may include procurement, production, synthesis, manipulation and diffusion of information in a way that gives meaning, purpose and direction to the development of the relationship. In the discussion above, MNC has been described as a context in which relationship development occurs. The figure below describes sensemaking in MNCs and how it is created.
Sensemaking is based on past experiences (see Weick 1995); therefore, relationship history and development have a strong effect on how individuals in MNCs perceive customer relationships. When an individual makes sense, he gives a certain meaning to the events that he confronts, and based on the given meanings, the individual thus decides to act in certain manner, which will further affect the relationship development. A central belief in sensemaking is seeing what one believes is true and not seeing that which one does not believe (see Weick 1995: 87). The actions of individuals are triggered by the events that occur in a relationship. Thus, the perceptions of events, rather than the events themselves, lead to actions in events (see Abrahamsen et al. 2012a). Enactment, in which part of the environment is created by the individuals acting in it, is a central part of sensemaking (see Weick 1995). The creation of meaning is an intentional process (Weick 1995: 25), and the past experiences of individuals affect their sensemaking. Individuals give meanings to events occurring in their relationships, and these meanings are then communicated to others (Näslund & Pemer 2012). The actions in the events that are the focus of this research can be either directly or indirectly connected to relationship development.

The organizational structure of an MNC affects the sensemaking process because it affects the individuals working in the MNC. The organizational level

Fig. 3. MNC sensemaking of global customer relationships.
(referring to subsidiaries and technological and geographical units) in which individuals act restricts their understanding of the overall relationship. Individuals observe only parts of the relationship and may act with only one part of the customer organization. Furthermore, the position of a specific individual in an organization (referring to, for example, whether an individual belongs to top management versus project management) influences the level of customer contact and whether the individual is primarily involved in strategic level negotiations or practical project operations.

Figure 3 illustrates that multiple individual sensemaking creates the MNC views of global customer relationship. It is thus noted that the sensemaking of individual managers varies across the MNC network and are unique to each individual (see, e.g., Abrahamsen et al. 2012a). However, as individuals make sense of the same customer relationship and events and as individual sensemaking is tied to the organizational structure and organizational level in which they operate, individuals affect one another and their sensemaking processes by acting together. Certain individuals, such as managers, can have relatively greater influence on MNC sensemaking (Neill et al. 2007). An individual’s sensemaking is shaped by interactions with others engaged in similar situations, and in multidimensional situations, the individual seeks the interpretations of others; through these interactions, group-level categorizations emerge (Drazin et al. 1999). Through negotiated social construction activities, the understanding of the group emerges and thus affects the further sensemaking of individuals (Neill et al. 2007). Different business communities have multiple perspectives on reality (Järvensivu & Törnroos 2010), and MNCs are thus bound to have multiple perspectives or views of global customer relationships.

Individual sensemaking pictures and the individual views and experiences of customers form the overall organizational-level views of global customer relationships. Because of the continuous nature of sensemaking, an MNC’s view of a global customer relationship is merely a cross-section of the state of the customer relationship at one point of time. It is also necessary to note that although shared group-level views do develop, they can also differ across organizations – despite the possibility that two actors may share similar experiences with a customer, their sensemaking and the resulting action may differ (Drazin et al. 1999). Even when a sensemade view is not completely shared in an organization, political compromise between opposing groups will nonetheless guide the behavior in the organization (Drazin et al. 1999). As sensemaking is also an individual process, it leads to multiple narratives, as
everyone constructs their own views of events and customer relationships, resulting in a number of different sensemade views of the global customer relationship (Näslund & Pemer 2012). Organizational sensemaking can lead to dominant views through the social process (Neill et al. 2007, Näslund & Pemer 2012). These views never become absolute and finite but rather become part of an ongoing process whereby the meaning that is given to past and present events is defined and redefined (Näslund & Pemer 2012). Dominant views may both enable and restrict future sensemaking, but the existence of these views shows that at least partially shared views are created in organizations (Näslund & Pemer 2012). This research focuses on sensemaking in an MNC and describes the MNC’s views of customer relationships.
4 Research design

Three cornerstones of any research are theory, method and the empirical phenomenon (Dubois & Gibbert 2010). Therefore, in this research, the chosen methodology and underlying research philosophy are discussed. In this chapter, the research philosophy, the chosen methodology and the execution of the empirical study are described. In addition, the data gathering and analysis strategies that are utilized in creating an understanding of how an MNC can make sense of its global customer relationships are presented.

4.1 Research philosophy

When conducting research, one important aspect is to be able to understand the underlying philosophical issues, as such comprehension can help to specify overall research design and strategies and can give directions to the entire research process (Eriksson & Kovalainen 2008: 10). The guiding principles for all qualitative researchers link beliefs from ontology, epistemology and methodology, which affect the manner in which the qualitative researcher views the world and acts in it (Denzin & Lincoln 2000: 19–21, Guba 1990: 18, Guba & Lincoln 1994: 107).

Ontology, epistemology and methodology are related to one another and form a framework or paradigm (Eriksson & Kovalainen 2008: 13), which can be defined as a basic set of beliefs that guide action and form a framework for the research (Denzin & Lincoln 2000: 157). The adopted paradigm in this research follows moderate constructionism (see, e.g., Guba & Lincoln 1994: 109, Järvensivu & Törnroos 2010). The concepts of constructionism and constructivism are often used together and are almost synonymous. The existing terminology for constructionism and constructivism is not consistent (Crotty 1998: 57), but both of these views view reality as constructed by individuals (either individually or socially). One means of differentiating between constructionism and constructivism is suggested by Crotty (1998: 58), who notes that constructivism refers to the meaning making of the individual mind and that constructionism refers the collective creation and transmission of meaning. Thus, the social dimension of meaning is central to constructionism, whereas with constructivism, it is not.

Constructionism is interested in how people, as individuals or as groups, interpret and understand social events and settings (Crotty 1998: 43, Eriksson &
Kovalainen 2008: 19). The aim of inquiry in constructionism is to understand the constructions that people hold (Guba & Lincoln 1994: 112–113) or, as in this research, to focus on the sensemaking of individuals. In its most extreme form, constructionism recognizes that reality exists only for subjects and that all knowledge and understandings of the truth are equally good (Järvensivu & Törnroos 2010). In the moderate form of constructionism that is utilized in this research, the truth exists as dialogue, critique and consensus in different communities, and the aim of the research is to create new, usable knowledge through these multiple perspectives of the truth (Järvensivu & Törnroos 2010). Moderate constructionism is closely connected to critical realism, and in some cases, the underlying ontological and epistemological assumptions may be the same (see Järvensivu & Törnroos 2010). Järvensivu and Törnroos (2010) note that both of the approaches propose that research should strive to find local, community-bounded, interacting forms of truth that is created and validated through dialogue in different communities. The difference is that in moderate constructionism, there may be multiple truths, and critical realism is concerned with moving closer to one universal truth. In moderate constructionism, the multiple perspectives of reality that different communities have are considered. The theoretical framework in this research suggests that the MNC’s view of its global customer relationships is a cross-section of the state of the customer relationships at one point of time and that this view may actually consist of multiple views inside of the organization.

The qualitative research process is defined through various activities: first, the researcher approaches the world with certain ideas; with a framework (theory, ontology) that specifies a set of questions (epistemology), which are then examined in a chosen manner (methodology analysis) (Denzin & Lincoln 2000: 18). The ontological assumption that is often connected to constructionism is relativism (Guba & Lincoln 1994: 109). This research exploits the idea of relativism, which claims that realities are understandable in the form of socially and experientially based mental constructions and that the elements of realities are shared among individuals and even across cultures (Guba & Lincoln 1994: 110). The underlying assumption here is that there are multiple, sometimes conflicting social realities based on human experience and that the form and content of reality are thus dependent on individual persons or groups holding the constructions (Guba & Lincoln 1994: 110–111). These mental models may change as their constructors become more informed and sophisticated (Guba &
The idea of relativism can thus be connected to the sensemaking discussion.

The epistemology in this research follows a subjectivist assumption that views knowledge as personal and dependent on individuals (Guba & Lincoln 1994: 111). According to subjective epistemology, researchers and interviewees create understanding together (Denzin & Lincoln 2000: 21, Lincoln & Guba 1985: 334), which reveals an additional link to the sensemaking discussion (see also Järvensivu & Törnroos 2010). Previous research (see Langley 1999) has approached sensemaking by discussing how researchers make sense when conducting process research. The sensemaking of researchers is a central component when moving from overwhelming and rich data to obtaining a theoretical understanding that “does not betray the richness, dynamism and complexity of the data but that is understandable and potentially useful for others”. Hence, in addition to this research’s focus on sensemaking in an MNC at different levels, it is also noted that the researcher herself makes sense of this phenomenon. This sensemaking is presented in Chapter 5.5, in which the creation of the sensemade views of each customer is affected by the researcher’s own sensemaking. This notion is consistent with the constructionism view of epistemology, in which knowledge is created in interactions between investigators and respondents (Guba & Lincoln 1994: 111).

When conducting qualitative business research, the researcher has the opportunity to focus on the complexity of the organizational phenomenon in its own context (Eriksson & Kovalainen 2008: 3). Qualitative research produces new knowledge of how and why things work in their own context and how we can make sense of them (Eriksson & Kovalainen 2008: 3). In constructionism, the nature of knowledge lies in individual reconstructions combined on the basis of consensus (Guba & Lincoln 1994: 112), which has guided the data collection in this research. In this research, historical data that have been collected through the analysis of documents and retrospective interviews are combined with data collected in real time to create an understanding of relationship development over time (see Langley 1999).

This research follows the process research strategy in the sense that it strives to understand how things evolve and why they evolve in this manner; therefore, process data largely consist of stories about what occurred and who did what – events, activities and choices over time (Langley 1999). Van de Ven (1992) defines a process as a sequence of events that describe how things change over time. The time perspective that is used in this research is retrospective,
stemming from the retrospective nature of sensemaking. Although process data focuses on events, they are composed of not only descriptions of discrete events but also a variety of other types of information, which naturally increases the complexity of the analysis and interpretation (Langley 1999). The process data used in this research have been collected in an MNC context. The data collected pertain to sequences of conceptual entities (events), involve multiple levels and units of analysis and are eclectic in addressing relationship development (see Langley 1999). The complexity of process data is a reflection of the complexity of the organizational phenomenon (Langley 1999).

4.2 Case study design

In this research, the case study method is applied to use qualitative data to create an understanding of the phenomenon. According to the abstract definition by Miles and Huberman (1994: 25), a case is a phenomenon that occurs in a bounded context. The case study method has been chosen because it can offer a valuable means of gaining knowledge in a complicated, cross-cultural research setting (Marschan-Piekkari & Welch 2004: 7–8) and it thus relevant for this research. Advantages of case studies include the inherent flexibility of the method, which is suitable for the study of complex, evolving relationships and interactions in industrial markets (Beverland & Lindgreen 2010). Therefore, industrial marketing research is characterized by the use of qualitative case studies to build theory (Beverland & Lindgreen 2010, Dubois & Gadde 2002). A case study can be regarded as both the process of learning and the product of learning (Ghauri 2004: 109). Case studies provide unique means of developing theory by utilizing in-depth insights of empirical phenomena and their context (Dubois & Gadde 2002). In social sciences and especially in research focusing on international contexts, in which theories are sensitive to diverse national contexts, researchers confront the epistemological dilemma of how to develop robust explanations for phenomena in a social context (Welch et al. 2011). Welch et al. (2011) argue that instead of the inductive theory building that is traditionally used in case studies, other methods of theorizing would enhance the explanatory power of case studies and their potential for contextualization. Based on their classification, this research relies on interpretive sensemaking, which is based on a constructionist philosophical orientation, and the case study outcome is used to understand the subjective experiences of various actors. A case study consists of detailed descriptions, and contextual descriptions are necessary for understanding. One characteristic of a
case is that it focuses on a bounded system (bounded by time and place) through detailed data collection involving multiple sources of information (Beverland & Lindgreen 2010). Qualitative research is also suitable for cross-cultural research, as it offers deeper understanding and is less likely to have cultural bias or ethnocentric assumptions compared with traditional surveys. Furthermore, qualitative research attempts to understand the meanings and beliefs behind actions and can thus offer answers to complex and tricky problems that are especially typical in international management research (Marschan-Piekkari & Welch 2004: 7–8).

4.2.1 Single case study

The case study method can involve either single or multiple case studies (Yin 1994: 14) and can include different levels of analysis. Case studies are always discussed in relation to contextual issues, and the boundaries between case and context are not always clear (Yin 1994: 39–40). The current study employs a single case study setting with three embedded units of analysis and qualitative empirical data to create a deeper understanding of how an MNC can make sense of its global customer relationships. In this research, the case studied is the sensemaking of an MNC (i.e., the Supplier Company) in relation to specific customer relationships. As the sensemaking of the MNC varies between different customer relationships, this research refers to those different customers as embedded subunits. Each of these subunits creates a unique understanding of the different views that the MNC may have of its customer relationships. Multiple case studies should not be favored over a single case study simply because some researchers believe that multiple case studies to create some degree of statistical significance (Dubois & Gadde 2002). Learning from a specific case (conditioned by the environmental context) should be considered a strength rather than a weakness (Dubois & Gadde 2002). The interaction between a phenomenon and its context is best understood through in-depth case studies. As this research also recognizes the benefits of deep single case studies, a single case study with three embedded units of analysis has been chosen for the purpose of this study rather than discussing a study of three cases. In the selection of a case with multiple units of analysis, defining these units is important. Moreover, attention must be devoted to the holistic aspects of the case rather than simply to individual aspects of its embedded units. By involving multiple units of analysis in a single case study, this study develops a more complex design than is used in traditional single
cases. The advantage of involving subunits lies in the opportunities and enhanced insights that can be offered in the single case.

4.2.2 The process of casing

The inherent flexibility of case research should be not only accepted but also encouraged and actively pursued (Dubois & Araujo 2007). In reality, case research is not a linear process, and a standardized conceptualization of the research process consisting of a number of planned subsequent “phases” does not reflect the potential uses and advantages of case research (Dubois & Gadde 2002). Moreover, Welch et al. (2011) argue that case research is not only suited to inductive theory building. Actually, the process of casing may be the primary and most important finding of the investigation (Dubois & Araujo 2007, Stake 1995). Casing can be defined as a process of making something into case and can be viewed as a methodological step that can occur at any phase of the research process (but typically at the beginning and end of the project) (Ragin 1992: 218). Case selection is needed at the beginning of the research process, but as the understanding of the phenomenon increases, the framing of the case can change (Dubois & Araujo 2007). The justification for case selection and an explanation of why it deserves the attention of readers are necessary (Dubois & Araujo 2007, Ragin 1992: 217). However, the relevance of a case may not necessarily known prior to the study, and cases may be revealed to be relevant for reasons that could not have been foreseen (Dubois & Araujo 2007). Here also lies a contradiction: for example, journals may require linear narratives that are not consistent with the actual disorganized research procedure (Dubois & Araujo 2007).

Casing requires an iterative process between theoretical and empirical choices, including reconsideration of the focus of the case study as the focus changes during the study (Dubois & Araujo 2007). The notion of alternating between theory and empirical phenomena is a recurring theme of qualitative methods (Dubois & Gibbert 2010). By constantly shifting attention from one type of research activity to another and between empirical observations and theory, a researcher is able to expand his or her understanding of both theory and empirical phenomena (Dubois & Gadde 2002).

Thus, casing is closely connected to the abductive approach. In this study, the chosen methodology follows abductive research logic, which means that the theoretical framework evolves simultaneously and interactively with empirical observations, which combine to develop theory (Dubois & Gibbert 2010). The
redirecting of the case study is also part of the research process. Pure induction or pure deduction is not sufficient when focusing on in-depth case studies; rather, understanding is created by combining these two perspectives (Langley 1999, Perry 1998). The abductive approach is particularly useful for the development of new theories (Dubois & Gadde 2002). However, merely referring to a research process as abductive or discussing the meaning of casing is not sufficient. Researchers confront the need to be more precise in terms of how a research process is abductive and to depict the different phases of the research process (Dubois & Gibbert 2010).

This dissertation process began in 2008 with the preliminary idea of the research topic. The basic idea was to study how to manage customer relationships in project organizations when there are discontinuities and inconsistencies at the project level. Project business logic occupied a central role. In the initial stage, there were no clear research questions or research framework. The first interviews were conducted in December 2008 (see Chapter 4.4 Data collection), and the case was defined as a customer relationship, where each relationship represented an embedded subunit. The study aimed to focus on the challenges of managing global customers, and defining the global and local requirements of large global customers was regarded as an interesting research approach. The global-local discussion shifted the focus on the multinational nature of the customer relationships. Global account management occupied a more central role, as the focus of the research was then viewed as more related to customer relationships than to project business.

In the summer of 2009, the study was again slightly reoriented, and project business was again regarded as a central theme. In May 2010, it was observed that the concept of managing did not depict the phenomenon; thus, the concept of organizing arose. It was also observed that the case in question was not a customer relationship; rather, the case was how the Supplier Company internally organizes these relationships. The project business was viewed as a context for the study, and interest in MNC literature increased. In December 2010, the Supplier Company was defined as an internal network. Therefore, the definition of the case evolved to an internal MNC network in relation to customer relationships. However, focusing on organizing did not solve the actual problem. The research phenomenon did not focus on how an organization can manage or organize its relationships but focused more on creating understanding who the customer actually is and how the organization can create understanding of its customers in a multinational context. Thus, in May 2011, the focus began to shift
toward making sense of global customers in an internal MNC network. Sensemaking was considered to have an important role in the research, but the definition of research questions momentarily returned to relationship management. In February 2012, the role of sensemaking became more central, and the focus shifted from sensemaking in MNCs to MNC sensemaking.

In the process of casing, the research questions are always related to constructing and solving the case (Eriksson & Kovalainen 2008: 115). The table below depicts the reorientations of study, the process of casing and the changing nature of the research focus as explained above.

Table 1. The reorientations of the study.

<table>
<thead>
<tr>
<th>Timing</th>
<th>Research title</th>
<th>Key concepts</th>
<th>Research question</th>
<th>Definition of case</th>
<th>Data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early 2008</td>
<td>Managing global customers in international project business</td>
<td>Relationship management, project business</td>
<td>How are global customers managed in project-oriented organizations?</td>
<td>Customer</td>
<td>None, supporting interviews</td>
</tr>
<tr>
<td>December 2008</td>
<td>Managing global customers – challenges of global versus local practices</td>
<td>Global account management, Global-local</td>
<td>How to manage dynamic global customers in international project business organizations?</td>
<td>Customer relationship (with three embedded subunits)</td>
<td>First interview round completed</td>
</tr>
<tr>
<td>July 2009</td>
<td>Managing global customer relationships in diversified project business organizations</td>
<td>Global account management, challenges, project business</td>
<td>How to manage dynamic global customer relationships in dispersed project business organizations?</td>
<td>Customer relationship (with three embedded subunits)</td>
<td>Second interview round completed</td>
</tr>
<tr>
<td>May 2010</td>
<td>Internal organizing of global customer relationships in a multinational project business organization</td>
<td>Organizing, global customers</td>
<td>How customer relationships are seen and understood at different organizational levels of a dispersed project business organization, and what are the consequences of this view?</td>
<td>Internal organizing of global customer relationship (with three embedded subunits)</td>
<td>Third and fourth interview rounds completed</td>
</tr>
</tbody>
</table>
### Timing | Research title | Key concepts | Research question | Definition of case | Data collection
--- | --- | --- | --- | --- | ---
December 2010 | Organizing global customer relationships in a network MNC | Organizing, network MNC | How is the network MNC organized in relation to specific customers? | Internal MNC network in relation to customer relationship (with three embedded subunits) | All data collected
May 2011 | Making sense of global customers in an internal MNC network | Sensemaking, MNC, customer relationships | How to manage global customer relationships in an internal MNC network? | Sensemaking in MNC of global customer relationship (with three embedded subunits) | All data collected
February 2012 | MNC making sense of global customer relationships | Sensemaking, MNC, customer relationships | How do MNCs make sense of global customer relationships? | MNC sensemaking of global customer relationship (with three embedded subunits) | All data collected

The focus of the research has thus evolved during the research process. The changes have been connected to data collection rounds, feedback received from research presentations and the additional understanding gained from an in-depth literature review.

### 4.3 Description of the empirical context

The case company in this dissertation is a global consolidated company (subsequently referred to as the Supplier Company). The company is a provider of process technologies for the mining and metal industry. The company in question can provide technology to an entire value chain of processing minerals to metals. This multi-project organization has deliveries from single equipment to turnkey plants and comprehensive services. The company also has multiple simultaneous projects with different subsidiaries and customer units around the globe, but there are also sleeping periods in these relationships. The company is a multinational corporation with three separate business units or subsidiaries.
Subsidiary I is geographically divided and offers primarily smaller projects, and it is thus regarded by other subsidiaries mainly as an equipment supplier. Subsidiary II is a product-based business unit that is internally divided based on the technologies used. Subsidiary III offers more comprehensive services; thus, its projects are larger and more long-term. Subsidiary III is located primarily in Germany. Subsidiary III was bought to the company in 2001 and remains quite fragmented; therefore, this subsidiary operates quite individually. Each of these subsidiaries has multiple geographical units that are typically located near the company’s main customers.

This research focuses on three customer relationships of the above-mentioned supplier, namely, relationships with Indian, Canadian and Mexican customer companies. Top management defines all of these customers as important to the Supplier Company. Customers differ in their nature and therefore offer varying challenges for the supplier. All of the customers have multiple production units and can have projects with all of the subsidiaries. All of the customers are senior mining houses and steady customers for the Supplier Company. Customer A primarily works in India, Zambia and Australia. The relationship with Customer A actively began in 2003, and the customer has been experiencing high growth and rapid expansion, especially in 2003–2006. Customer B is focused on North and South America, the Australia Pacific and Africa. This customer has had a long, steady relationship (since the 1990s) with Subsidiary I of the Supplier Company and offers great potential for Subsidiary II (a relationship that began in 2006). Customer C is concentrated on South and Central America. The projects with this customer are not massive, but they are constant and steady. Subsidiary I has had a relationship with Customer C since the 1980s and with Subsidiary II since 2003.

Both the customer and supplier companies are global and consist of multiple independent units and geographical locations. Not all supplier subsidiaries have equal relationships with customers. Instead, some subsidiaries are more important to certain customers than to others, and by contrast, some customers are more important to certain subsidiaries than to others. In either case, multiple units or subsidiaries from both the customer and supplier sides are involved in the relationships, each of which is embedded in its own cultural surroundings. Hence, there is a need to consider the special characters of these customers.
4.4 Data collection

The present study uses interviews, documentation, and sketches and presentations provided by the interviewees as a primary empirical data. MNC sensemaking of global customer relationships is analyzed on the basis of three selected global customer relationships (namely, Customers A, B and C). The MNC’s corporate management was asked to choose three customers that they felt were interesting and important to them. The chosen companies were large metal-producing companies that have strategic importance to the Supplier Company. The Supplier Company had already established relationships with these customers.

The primary empirical data collected consist of 21 interviews conducted with the managers of a mining technology company in multiple organizational units and levels. The interviewed persons have been working closely with some or all of the customers inside of the different subsidiaries of the Supplier Company. By systematically gathering and analyzing empirical data, this research aims to create a holistic understanding of the phenomenon under study. Four interviews within the mining company were conducted in November 2008, three were conducted in February 2009, four were conducted in September 2009, and a total of nine interviews were conducted in October/November 2009. In addition, a concluding interview was conducted in May 2013. These interviews ranged from one hour to two and a half hours and were all tape-recorded. Together, these interviews consist of 25 hours and 31 minutes of recording (see table 2). The examination period ends in 2009, when the last primary interviews were conducted. The concluding interview conducted in May 2013 is not included into the actual analysis; however, it is used to reflect the current situation of the customer relationships and to validate the analysis. The interviews were focused on the specific customer relationships or the internal events and actions of the Supplier Company. The themes for these interviews were centered on the history and development of the customer relationships, the features of the relationships and completed projects, cooperation between the companies and various internal units.
### Table 2. Primary empirical data: interviews.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Date</th>
<th>Duration</th>
<th>Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First interview round</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>President of Market Area India</td>
<td>Nov 08</td>
<td>2 h 40 min</td>
<td>Customer A</td>
</tr>
<tr>
<td>Vice President, Business Development, Subsidiary II</td>
<td>Nov 08</td>
<td>1 h 48 min</td>
<td>Customer B, C</td>
</tr>
<tr>
<td>Senior Vice President of Marketing Development</td>
<td>Nov 08</td>
<td>59 min</td>
<td>Customer A, B, C</td>
</tr>
<tr>
<td>Senior Manager of Marketing Development</td>
<td>Nov 08</td>
<td>1 h 2 min</td>
<td>Customer A, B, C</td>
</tr>
<tr>
<td><strong>Second interview round</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Director of geographical unit in Mexico</td>
<td>Mar 09</td>
<td>1 h 6 min</td>
<td>Customer C</td>
</tr>
<tr>
<td>President of Subsidiary I, North America</td>
<td>Mar 09</td>
<td>1 h 23 min</td>
<td>Customer B</td>
</tr>
<tr>
<td>Managing Director of Subsidiary II, North America</td>
<td>Mar 09</td>
<td>1 h 29 min</td>
<td>Customer B</td>
</tr>
<tr>
<td><strong>Third interview round</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Manager of Marketing Development</td>
<td>Sep 09</td>
<td>1 h 28 min</td>
<td>Internal network, CRM process</td>
</tr>
<tr>
<td>Senior Vice President of Marketing Development</td>
<td>Sep 09</td>
<td>1 h 16 min</td>
<td>Internal network, history of the organization</td>
</tr>
<tr>
<td>Senior Manager II, Marketing Development</td>
<td>Sep 09</td>
<td>1 h</td>
<td>GAM process in the organization</td>
</tr>
<tr>
<td>President of Market Area India</td>
<td>Sep 09</td>
<td>1 h 33 min</td>
<td>Customer A</td>
</tr>
<tr>
<td><strong>Fourth interview round</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vice President - Business Development, Subsidiary I</td>
<td>Oct 09</td>
<td>1 h 29 min</td>
<td>Customer B</td>
</tr>
<tr>
<td>Head of Proposal Management, Subsidiary III</td>
<td>Oct 09</td>
<td>1 h 26 min</td>
<td>Customer A</td>
</tr>
<tr>
<td>Sales Manager, Subsidiary II</td>
<td>Oct 09</td>
<td>1 h 56 min</td>
<td>Customer A</td>
</tr>
<tr>
<td>Technology Sales Manager, Subsidiary II</td>
<td>Oct 09</td>
<td>1 h 45 min</td>
<td>Customer A</td>
</tr>
<tr>
<td>Vice President, Subsidiary III</td>
<td>Oct 09</td>
<td>1 h 3 min</td>
<td>Customer A</td>
</tr>
<tr>
<td>President, Subsidiary I</td>
<td>Oct 09</td>
<td>1 h 11 min</td>
<td>Customer A, B, C</td>
</tr>
<tr>
<td>Vice President, Subsidiary I</td>
<td>Oct 09</td>
<td>1 h 15 min</td>
<td>Customer A</td>
</tr>
<tr>
<td>Vice President Marketing and Sales/After sales, Subsidiary III</td>
<td>Nov 09</td>
<td>1 h 33 min</td>
<td>Subsidiary III, internal organizing, GAM</td>
</tr>
<tr>
<td>President, Subsidiary III</td>
<td>Dec 09</td>
<td>1 h 12 min</td>
<td>Subsidiary III, Customer A</td>
</tr>
<tr>
<td><strong>Concluding interview</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Vice President of Marketing Development, Senior Manager of Marketing Development</td>
<td>May 13</td>
<td>57 min</td>
<td>Customer A, B, C, current situation in Supplier Company</td>
</tr>
</tbody>
</table>

The multilevel approach can also be employed in interviews. Interviewees describe their own personal relationships (individual level) within their own unit (unit level), and these relationships combine to form an overall relationship with
the customer (organizational level). Most of the interviewees work in management-level positions; thus, they have an extensive amount of experience in operating within the Supplier Company and in dealing with specific customers.

This research also utilized a multitude of complementary data. The dissertation process was partly connected to a larger research project that focused on different aspects of project-based business. During the project, 15 other interviews were conducted within the case company by other researchers. To ensure the best possible fit between reality and the studied aspects, data were also collected from written sources. In addition, the complementary data included the web pages of the firm and its customers, brochures, project memos, workshop materials and case-specific seminars. The supporting interviews were utilized before the first interview round to gain an understanding of the company, its operation logics and its customer relationships. The complementary data offered an important supplement and were used extensively during the research process, especially before the following round of interviews, to create a comprehensive understanding of the context and the actual phenomenon. The following table represents different types of complementary data utilized during the research process. The timing listed in the table illustrates when the data were first obtained. Most of the complementary data have been utilized numerous times during various phases of the research process.
Table 3. Complementary data utilized in this research.

<table>
<thead>
<tr>
<th>Timing</th>
<th>Type of data</th>
<th>Role in research process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of 2008</td>
<td>15 supporting interviews conducted earlier in the research project</td>
<td>Becoming acquainted with previous data, first draft for research focus, direction for future interviews</td>
</tr>
<tr>
<td>January 2008</td>
<td>Web pages of Supplier Company</td>
<td>Basic information on the Supplier Company</td>
</tr>
<tr>
<td>February 2008</td>
<td>Research workshop including presentations and discussions</td>
<td>Presenting research topic in project workshop, securing involvement of the Supplier Company</td>
</tr>
<tr>
<td>May 2008</td>
<td>Second research workshop including presentations and discussions</td>
<td>Decision to focus on 1–3 customer relationships, internal discussion of the Supplier Company on which customer relationships to choose</td>
</tr>
<tr>
<td>August 2008</td>
<td>Web pages of the customers</td>
<td>Creating understanding of the business, organizational structure and technological requirements of customers</td>
</tr>
<tr>
<td>November 2008</td>
<td>Additional material/brochures collected during the interviews</td>
<td>Added information on the Supplier Company’s value chain</td>
</tr>
<tr>
<td>April 2009</td>
<td>Offering circular 2006</td>
<td>Increased understanding of the history of the company, technological solutions and mining processes as well as the professional vocabulary used</td>
</tr>
<tr>
<td>September 2009</td>
<td>Drawings and sketches done by Senior Vice President of Marketing Development during the interview</td>
<td>Deeper understanding of the historical development and organizational structure of the Supplier Company</td>
</tr>
<tr>
<td>September 2009</td>
<td>Internal organizational charts (PDF presentations) including structures/manager listings of subsidiaries and technological and geographical units</td>
<td>Deeper and detailed understanding the organizational structure of the Supplier Company (including which units work with each customer)</td>
</tr>
<tr>
<td>April 2011</td>
<td>17 supporting interviews conducted in another research project (interviews within the Supplier Company)</td>
<td>Creating an understanding of the marketing coordination and knowledge sharing in the Supplier Company as well as of the independence of different geographical units</td>
</tr>
</tbody>
</table>
4.5 Data analysis

The aim of data analysis is to process empirical data to answer a research problem. The data analysis in this research has been conducted along with the data collection, literature review and casing process; hence, the analysis has involved various phases. The iterative nature of data collection and analysis makes it difficult to separate these processes (Dubois & Gadde 2002, Zalan & Lewis 2004). As conducting qualitative research is not a linear process, the connectedness of different processes of data collection and analysis allow theory to develop simultaneously with the formulation and reformulation of the research problem (see Ghauri 2004) – a process that was detailed in Chapter 4.2.2. Although much of the original analysis is not included in the thesis, it has still served as a valuable means of building understanding of the research phenomenon.

From the beginning of the data collection, the qualitative analysis is used to determine what things mean, noting regularities, patterns, explanations, possible configurations and causal flows (Miles & Huberman 1994: 11). Although data analysis is not a separate process, it has been regarded as consisting of certain stages (see, e.g., Ghauri 2004: 117–118). The first step in the data analysis is to construct a case description and explanation to aid our understanding of how things are developing and why events occur in certain ways. One approach is to begin with “story telling” of the situation and progress in chronological order; this approach was utilized in this research. Another method of proceeding involves coding, which refers to sorting the data according to concepts and themes. Furthermore, the use of computer software in data analysis has become more frequent because of the benefits that it offers in data processing (Lindsay 2004, Miles & Huberman 1994). The QSR Nivo program has been used to assist in analyzing the data: the program was used to store and code the data – especially during the early phases, the coding helped the researcher to categorize and manage the vast amount of data. The program also offers an opportunity to write reflective commentaries on the data and a means of classifying different types of data, which can be helpful to create an overall picture and understanding of all available data. The second step of the data analysis is a sifting process in which the data are broken down, conceptualized, grouped and presented in an understandable manner (Ghauri 2004: 119). In this stage, the researcher searches for common or conflicting themes in the data as well as themes and trends related to research questions.
In analyzing qualitative data, authenticity is a key issue; thus, the researcher should present a reliable understanding of individual experiences (Ghauri 2004: 117). In this process, it is necessary to understand the perspectives of individuals and groups as well the context in which individuals create their understanding. Therefore, in this research, special interest is devoted to understanding the organizational levels in which individuals operate and the manner in which this level restricts and enables their sensemaking.

After the first interview round (see table 2), the stories of relationships were written based on the experiences of key individuals. Ghauri (2004: 117–118) states that story-telling can be performed by writing chronologies or biographical histories of the organization or individuals under study, which is particularly important when the researcher attempts to develop longitudinal explanations that track phenomena over time. Summaries of the interviews were used in the early stages of the analysis and were also reviewed by the interviewees. These summaries are not included in the actual analysis, but they were important in ensuring that the sensemaking of the researcher reflected the actual experiences and impressions of the interviewees.

One important task for a researcher is to gain a proper understanding of the empirical context, which is the mining industry in this research. Complementary data provided an important source of understanding the industry and the Supplier Company’s operations, as stated in table 3. By reading supporting interviews and other documents, such as an offering circular, the researcher was able to gain a proper understanding of the key concept, and operation logic was created. This procedure also helped in the following interview rounds, and after each round, the context became better understood.

As the initial objective was to understand the context and thus to depict the actual phenomenon, figure 4 describing the network-like customer relationships in the MNC was created. In this phase of the analysis, the focus was on the context and complexity of the phenomenon as well as on the multiple organizational levels in which the customer relationships can occur.

In the early phases, the understanding of the differences and similarities of each customer relationship was also a central notion. Although the orientation of the study was not yet stabilized in this phase (see table 1, Reorientations of the study), an initial outline of the similarities and differences among the customer relationships were created and presented to Supplier Company representatives to ensure that the created understanding reflected reality. The result of this phase of the analysis in presented in table 6.
As shown in Chapter 4.2.2, the research process was truly abductive, as the data analysis proceeded simultaneously with the process of casing. Therefore, one phase of the analysis focused on project business and internal organizing processes in the multi-unit project organization. The results of this analysis are not included in the thesis, as the focus of the research evolved away from the project business.

The interviews were classified based on the topic and customer relationship in which they were concentrated, and some of the interviews focused on multiple customers, as shown in Table 4.

**Table 4. Classification of the interviews.**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Customer A</th>
<th>Customer B</th>
<th>Customer C</th>
<th>HQ, subsidiaries, internal network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary I</td>
<td>President – Subl</td>
<td>President of Subl, North America,</td>
<td>President – Subl</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vice President, Subl</td>
<td>Vice President – Business Development, Subl</td>
<td>Subl</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>President – Subl</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiary II</td>
<td>Technology Sales Manager, Subl (unit 2)</td>
<td>Managing Director of Subl, North America,</td>
<td>Vice President – Business Development, Subl</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales Manager, Subl (unit 1)</td>
<td>Vice President – Business Development, Subl</td>
<td>General Director of geographical unit in Mexico</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subl</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiary III</td>
<td>Head of Proposal Management, SubIII</td>
<td>Vice President Marketing and Sales/After sales,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(unit 1)</td>
<td>SubIII</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vice President, Subl (unit 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>President – Subl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HQ</td>
<td>President of Market Area India</td>
<td>Senior Vice President of Marketing Development,</td>
<td>Senior Vice President of Marketing Development,</td>
<td>Senior Manager,</td>
</tr>
<tr>
<td></td>
<td>Senior Vice President of Marketing Development,</td>
<td>Senior Manager of Marketing Development,</td>
<td>Senior Manager of Marketing Development,</td>
<td>Senior Vice</td>
</tr>
<tr>
<td></td>
<td>Senior Manager of Marketing Development</td>
<td>Senior Manager of Marketing Development</td>
<td></td>
<td>President of Marketing Development,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Senior Manager of Marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Development</td>
</tr>
</tbody>
</table>

83
From each interview, individual views of relationship development and key events were formed. These different views were then combined into stories of the development of the customer relationships (see Chapter 5.2). In situations in which one interviewee discussed multiple relationships, the interview was processed separately by focusing on only one customer relationship at a time. This method was adopted for all three customer relationships.

Subsequently, the focus shifted to events. Interviews were again analyzed from a customer-centric perspective. The goal of each interview was to gain information on the actions that occurred in events and the meanings that individuals give to each event. The result for this phase of analysis is shown in Chapter 5.3.

Based on the previous two analysis phases, the interviews were then analyzed based on the different types of sensemaking used in events and actions. The data were coded based on these different types of sensemaking, and the primary sensemakers from each relationship were identified. In this chapter, the conducting of the empirical part of the study was described. In the next chapter, the actual analysis is presented.
5 Analysis of MNC sensemaking

In this chapter, the analysis that was conducted using the empirical data is presented. The empirical part was used to develop the theoretical framework of MNC sensemaking of global customer relationships. The MNC in question is described as a network consisting of different subsidiaries and their geographical and technological units.

First, the history of the Supplier Company and the complexity of the customer relationships in the network MNC are illustrated. Next, the development of the customer relationships is described through customer-specific stories, and the chapter continues by describing the different actions and meanings given to the specific events in the relationship development process. In Chapter 5.4, the types of sensemaking related to different events in each customer relationship and the primary sensemakers in these events are shown, followed by a brief analysis of the role of the key account manager. In the last section, the different sensemade views of each customer relationship are described.

5.1 Customer relationships in the network MNC

The history of the Supplier Company dates back to the early 1900s, when the former parent company began as a mining company. Mining technologies developed over the years, and during the 1970s and 1980s, the technological breakthroughs led to the establishment of overseas sales offices in North, Central and South America. In 1985, the subsequent Supplier Company was organized under the unit of process technology. The company experienced significant growth and internationalization through acquisitions between the 1980s and 1990s. During these early years, the basic structure of Subsidiary I and Subsidiary II already existed. In 1992, the official technology group was formed inside of the parent company. The acquisition of Subsidiary III in 2001 had a major effect on the Supplier Company’s technology portfolio. The original parent company of Subsidiary III was founded in 1897. Subsidiary I and Subsidiary II were originally formed as one unit, but they remained detached with respect to one another and were connected only in organizational charts. The year 2005 is described as the beginning of a new history. The final form of the three subsidiaries was created, and Subsidiary I and Subsidiary II were separated. In 2006, the Supplier Company was organized as a legal consolidated group and was listed as an independent company on the stock market.
In its current form, the MNC in question consists of three subsidiaries, each of which include multiple geographical and technological units, and they differ in their historical backgrounds and areas of specializations. The subsidiaries also differ from one another in their independence; for example, the earlier acquisition of Subsidiary III means that its cooperation with the other two subsidiaries is less substantial. The Supplier Company’s sales are organized through projects. The definition of a project varies among subsidiaries. Subsidiary I defines a project as a relatively significant equipment sale with a value ranging from less than 1 million euros to a few million euros. In Subsidiary II, the value of projects varies between 10 million and 50 million euros, and the value of the projects in Subsidiary III ranges from 10 million to 100 million euros. Because of the size of the projects, the number of projects executed per year also differs. Subsidiary III has only approximately 10 sales each year, whereas Subsidiary I has hundreds of sales per year, and Subsidiary II’s sales are located somewhere in between. Different projects are often implemented independently from one another, and the project personnel are not a stable group of people. One or more supplier units may have simultaneous projects with one customer unit, indicating that the individuals interacting with customers change depending on the unit involved and the project in question. These relationships become networks because of the global subsidiary-based operating of both the supplier and its customers and because of the involvement of various third parties in the projects. The various geographical and product-based supplier units have relationships with numerous units of globally operating customers.

The diversity of project business multiplies the diversity of customer relationships. The customer relationship as a whole can consist of multiple different relationships between the customer’s and supplier’s units, and these relationships can overlap, as stated previously. Even when all customers are multinationals, they may need to be handled in completely different ways. Depending on the culture and geographical location, a customer may need a traditional global account manager or may be easily contacted by any supplier’s employee. The role of social relationships and the need to use engineering offices as intermediaries vary. Customers may be more active with one subsidiary than with others; therefore, one subsidiary may have plenty of tacit knowledge on how to address customers successfully, although this knowledge is not communicated to others effectively. Furthermore, if a relationship exists, for example, between a local production unit and a local customer, then this relationship and trust are not automatically transferred to another country or to another production/business
unit. Projects may also involve multiple different units inside of the supplier’s organization. One successful project (local or global) is not yet sufficient to ensure a comprehensive, solid relationship with a customer, but one failed project can hinder the development of the overall relationship.

Creating a comprehensive understanding of complex customer relationships is challenging, and an individual’s sensemaking in the MNC is restricted by the organizational level in which he operates. Relationships with customers consist of multiple different units and subsidiaries on both the customer and supplier sides. As organizational sense is formed from the interplay between the development of relationships and individuals’ sensemaking, there is a need to understand the uniqueness of each customer and the embeddedness of each relationship in its own cultural surroundings and development history to understand how the MNC makes sense of its global customer relationships. The following figure illustrates the network-like customer relationships in the MNC.

**Fig. 4. Illustration of network-like customer relationships in the MNC.**

Relationship levels:

Organizational level:
- Relationships between organizations

Unit level:
- Subsidiary-level relationships
- Technological/geographical unit-level relationships
- Project-level relationships

Individual level:
- Relationships between individuals

Possible relationships between units/persons
Relationship between companies
Customer relationships are embedded in the global environment of MNCs and in different cultural environments. MNCs are involved in multiple countries and work with numerous global projects. The internal network in the Supplier Company consists of headquarters, various subsidiaries, geographical and technological units, projects and various individuals. The internal network in relation to a customer consists of all of the units and individuals who work with the customer either directly or indirectly. Cooperation between subsidiaries varies, and their working methods differ. This cooperation has improved over time, but the subsidiaries’ own interests still dominate over the benefit of the organization as a whole. Created organizational structure sometimes functions as an obstacle for internal networking and creates boundaries for cooperation.

“And we are divided as we are now, we have been placed with different subsidiaries to take care of different offices. We have created the problem ourselves.” (Senior Vice President of Marketing Development)

Conflicts in relation to customers and between business units exist. Cooperation between a customer and a subsidiary may work well, but problems may occur in relation to another subsidiary. A conflict clearly occurs if the equipment that is supplied by one subsidiary does not work, despite numerous attempts. This conflict naturally affects the operations of other subsidiaries with the customer. In these situations, top management or a key account manager assumes the lead. Different subsidiaries must also prioritize customers because of limited resources; thus, not all customers are equally important to different subsidiaries. In this research, making sense of global customer relationships in a diversified MNC requires considering the MNC as a network to create a wider and more profound understanding of the customer relationships in this context.

5.2 The development of the customer relationships

The empirical analysis focuses on three global customer relationship of the Supplier Company. Those three customers were chosen by Senior Vice President of Marketing Development and the Senior Manager of Marketing Development who work at the headquarters. The customers have contacts with all of the subsidiaries at multiple levels. These customers are typical examples each in their own way. The task of classifying and defining “what is a good customer” is viewed as difficult at the headquarters level. Because the relative importance of customers varies based on existing or potential projects, classifying the
importance of customer relationships merely based on historical data is not sufficient. The common feature in all three relationships is the variation of project phases from more active negotiation and execution to quiet maintenance and sleeping periods.

Customer A operates with all of the subsidiaries but is most active with Subsidiary III. The activities of Customer B are currently divided between Subsidiary I and Subsidiary II. Customer C has the most active cooperation with Subsidiary II; although this cooperation is not exclusive, its largest projects are executed with Subsidiary II. The relationship with Customer B is primarily attended from the local office in North America, whereas the local unit in Central America has the closest relationship with Customer C. The coordination of contacts is a challenge for the MNC and the headquarters, as contacts are often made by subsidiaries; thus, local units are not always informed. From the customer perspective, this communication context appears to be illogical.

Because sensemaking differs depending on who the customer is and on which organizational units are involved, it is natural to begin the discussion of sensemaking with the development of each customer relationship. Therefore, an understanding of the dynamic phenomenon is sought through examination of the evolution of the relationships over time. Sensemaking is a retrospective process and includes historical understanding of the development of customer relationships. Table 5 lists the basic differences between each subsidiary’s relationship with customers, which in turn affect the sensemaking in the MNC in relation to each of its customer relationships.
<table>
<thead>
<tr>
<th>Unit</th>
<th>Relationship commenced</th>
<th>Importance</th>
<th>Relationship management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relationship with Customer A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub I</td>
<td>2003</td>
<td>Low</td>
<td>Through key account manager</td>
</tr>
<tr>
<td>Sub II</td>
<td>2005</td>
<td>High, more</td>
<td>Local office in Finland, also through India office and key account manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td>important to Sub II unit 1 than to Sub II unit 2</td>
<td></td>
</tr>
<tr>
<td>Sub III</td>
<td>Relationship between previous supplier and previous customer units since the 1970s</td>
<td>High</td>
<td>Local office in Germany, role of India office growing, also through key account manager</td>
</tr>
<tr>
<td><strong>Relationship with Customer B</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub I</td>
<td>1990s, first contact through the companies that the customer bought</td>
<td>High</td>
<td>Decentralized in local offices: North America, South America (unit 1 and unit 2), Australia</td>
</tr>
<tr>
<td>Sub II</td>
<td>2006</td>
<td>Medium</td>
<td>Centralized in local office in Finland</td>
</tr>
<tr>
<td>Sub III</td>
<td>Sales with former supplier unit</td>
<td>Low</td>
<td>Not active, through Sub I if needed</td>
</tr>
<tr>
<td><strong>Relationship with Customer C</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub I</td>
<td>1980s</td>
<td>High</td>
<td>Local office in North America, through local office in Central America</td>
</tr>
<tr>
<td>Sub II</td>
<td>2003</td>
<td>High</td>
<td>Through local office in Central America and Finland</td>
</tr>
<tr>
<td>Sub III</td>
<td>Relationship with former supplier unit from 1980s</td>
<td>Low</td>
<td>Through local office in Central America</td>
</tr>
</tbody>
</table>

Relationships with customers differ between subsidiaries because they are working with different technologies, with variation in project size and with time frames. Some of the subsidiaries have a long relationship with their customers and perceive them as more important partners than others. There are differences not only between subsidiaries but also between the analyzed customers. The customers have different backgrounds; therefore, the actions in the relationships and thus the understanding of the customers – or sensemaking – vary between customers. The sensemaking that is tied to each customer is dependent on past events in the history of the relationship. The following table categorizes some of the differences and similarities between the three analyzed customer relationships.
<table>
<thead>
<tr>
<th>Feature</th>
<th>Customer A</th>
<th>Customer B</th>
<th>Customer C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal features in the relationship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The establishment of relationships</td>
<td>Relationship was created originally through one contact person</td>
<td>Created quite individually for different subsidiaries, but cooperation exists</td>
<td>Contacts originally created through top management</td>
</tr>
<tr>
<td>The need to share customer contacts inside of the supplier organization</td>
<td>Relationships needed, subsidiaries attempt to work separately, customer may require KAM</td>
<td>Easy access to the customer, subsidiaries work separately, risk of not sharing the contacts</td>
<td>Subsidiaries can work quite separately, Mexico unit attempts to coordinate the contacts</td>
</tr>
<tr>
<td>The coordination of the relationship</td>
<td>Finland, from head office (local subsidiary established recently)</td>
<td>Subsidiary I: Canada, Subsidiary II: Finland, (Greece)</td>
<td>Subsidiary I: North America, Subsidiary II, III: Mexico</td>
</tr>
<tr>
<td>Supplier’s units that work with the customer</td>
<td>Finland, Germany (India also in the future)</td>
<td>Canada, North America, Finland</td>
<td>Finland, Mexico, North America, Germany</td>
</tr>
<tr>
<td>Communication between different units and the customer</td>
<td>Some units wishes to work independently</td>
<td>Sometimes hiding the information, local office not always informed</td>
<td>Overlaps exist, local office not always informed</td>
</tr>
<tr>
<td>Subsidiaries of the supplier involved</td>
<td>All, mainly Subsidiary III</td>
<td>50 % Subsidiary I, 50 % Subsidiary II</td>
<td>All, mainly Subsidiary II</td>
</tr>
<tr>
<td><strong>Specific features in the relationship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typical features of the customer organization</td>
<td>Family business, few persons managing the entire company</td>
<td>Global, commercialized company, hierarchical, clear roles</td>
<td>Family business, social responsibility, open, low hierarchy, patriarchal</td>
</tr>
<tr>
<td>Revenue logic of the customer</td>
<td>Low production costs, producing metals as inexpensively as possible, abundance of projects</td>
<td>Search for challenging and inexpensive mines where advanced technology is needed</td>
<td>Strong focus on Mexico (and South America)</td>
</tr>
<tr>
<td>Creating contact with the customer</td>
<td>Title important to obtain the contact</td>
<td>Easy access to the customer</td>
<td>Quite easy to obtain contact with the customer</td>
</tr>
<tr>
<td>Contact persons inside of the customer organization</td>
<td>Relationships with key persons are critical, power is centered on two brothers</td>
<td>One important key contact for all subsidiaries as well as multilevel contacts</td>
<td>Small organization, founder/manager in a key role</td>
</tr>
<tr>
<td>Key account management demanded</td>
<td>Yes</td>
<td>No, but a “trusted” person in the supplier organization exists</td>
<td>No, but the customer likes to work through the local company</td>
</tr>
</tbody>
</table>
In this chapter, the overall description of the global customers and the basic differences between them was provided, and the next three subchapters will illustrate three different stories of relationship development. The development of each customer relationship is discussed through events in the history of the relationships. These events do not depict all actions, contacts, sales or projects involved in the relationship. Rather, these stories are formed based on the most important events that the interviewees have mentioned. These stories will reveal how the relationship has evolved inside of the supplier organization and which supplier units have been active in relationship development.

**5.2.1 Story 1: Relationship with Customer A**

Customer A is an Indian metal producing company that invests both inside and outside of India and is a significant global player. Customer A has experienced rapid growth, which offers substantial opportunities for the Supplier Company.
Customer A strives to manage its production costs and attempts to find ways to conduct projects as inexpensively as possible. Customer A does not invest in research and development; rather, they leave that work to others and focus on producing metals at a low cost. Customer A consists of different subsidiaries and owns mines in India, Zambia and Australia. Customer A has grown by acquiring other organizations. Although Customer A is listed on the stock market and is a global company, it can still be defined as a family-owned company. The top management of the company consists of two brothers who ensure that information is shared between different units. The cooperation within Customer A is strong, and management is well informed with detailed information.

In the early stages, the relationship with Customer A consisted of a few equipment sales. During this time, the Supplier Company was using numerous agents, and each of the subsidiaries had their own agents (more than 10 in total). Personal contacts to the customer were scarce, and the relationship was distant. At that time, the Supplier Company did not regard the Indian market and Customer A as important as it does today. The coordination and maintenance of agent relationships was perceived as a challenge, and handling cultural differences was difficult. Subsidiary III has the longest relationship with this customer, beginning in the 1970s. The relationship began between one subsidiary of Customer A and the previous supplier unit. Subsequently, Subsidiary III has had multiple projects with the customer.

The second start for the customer relationship occurred in 2003. The President of Market Area India was appointed (subsequently, CustA KAM), and his role was to enhance the company’s involvement in the Indian market and with Customer A as well as to act as a global account manager for the relationship between the Supplier Company and Customer A. CustA KAM went to India in March 2003 and began to represent the entire Supplier Company in dealings with the customer. His goal was to explore the possibilities for different subsidiaries of the Supplier Company and to activate the relationship. The experience and knowledge of CustA KAM has grown, and his goal was to first create a personal relationship with the customer and thus to represent the entire Supplier Company. CustA KAM first created contacts at the lower organizational levels in the customer organization. The reputation of the Supplier Company helps to create relationships and open doors. However, having meetings does not guarantee actual sales.

In May 2003, the first negotiations of a large project between Customer A (unit A) and Subsidiary I commenced (subsequently, Project I). The Supplier
Company heard about the project through an agent, and CustA KAM was able to represent the Supplier Company to the customer. Subsequently, the Supplier Company was asked to place an offer. In the project negotiations, CustA KAM acted as a chair of a separate committee and did not belong to the project organization. The project negotiations lasted from May to December, and the longest individual negotiation lasted six weeks.

“They [unit A of Customer A] had a large project in spring 2003 that we ultimately won. Through that project, the relationship emerged. Such good, valuable, and meaningful relationships develop through joint actions; the best way is through a shared project.” (CustA KAM)

Four companies were involved in project negotiations, including the Supplier Company. At the end of 2003, there were two companies remaining in the negotiations, but price was an issue. The Supplier Company refused the project at the suggested price, but the contract was created the following night. The relationship with Customer A (unit A) was created through these negotiations. During Project I, the acting occurred with unit A, the contacts with the top management of the customer, were created solely through this project. Therefore, Project I can be viewed as a new start to the relationship with Customer A. The Supplier Company was the main contracting party in Project I, but it also had an Indian engineering office as a partner, and the Supplier Company supervised the partner’s actions. Customer A would have wanted the project to be turnkey project, but the Supplier Company felt that the risk would be too great to take action in an unknown country, especially with local tax issues. The duration of the project building and launching phase was a year and a half. The project ending included a great deal of clarification, for example, on financial issues and thus affected how the key individuals involved in the project subsequently viewed Customer A.

Since 2003, the Supplier Company has actively strived to create new relationships and to obtain knowledge of decision makers and ways of action. The relationship with unit A is created through Project I, but the relationship with other parts of customer organization did not yet exist. Customer A has been experiencing rapid growth and investment, especially in the 2003–2006 period. The Supplier Company is able to participate in these investments. The initial development of the relationship was more of a customer pull than a supplier push. Placing an order is easy, but making a sale is difficult. Customer A aggressively
strives to find the least expensive solution possible and emphasizes completion with different suppliers.

During the development of the relationship, the contacts at different levels and between different units have multiplied. CustA KAM acts as the global account manager and participates in the sales negotiations with the subsidiaries’ sales teams. Internal marketing in the Supplier Company is also a key task of CustA KAM. Since 2004, CustA KAM has focused on internal marketing and attempted to ensure his access to project negotiations. Internal marketing is needed to justify the role of key account management to different subsidiaries and geographical units. Customer A assists in this work, and CustA KAM is sometimes called to the negotiations by request from Customer A. Customer A regards CustA KAM as a channel to obtain additional discounts. CustA KAM perceives his own role as being the neutral party that mediates when negotiations are halted. The threshold issue is often the price.

Project II occurred between Subsidiary II and Customer A (unit B). Project II is located in Zambia, where the local office of the Supplier Company is Subsidiary I’s office. When working in the area, Subsidiaries I and II cooperate. Subsidiary II can use the local office of Subsidiary I when acting with Customer A, and when Subsidiary I does not have direct contact with Customer A, Subsidiary II acts as a representative in the local market.

In the spring of 2005, a project manager from Customer A (unit B) contacted Subsidiary II, asked for a possible meeting and showed interest in the technology. In the meeting, the project manager asked for references and information package. The requested information was provided with a rough cost estimate. Negotiations lasted until the end of 2005 and included many meetings, misunderstandings and debates. In December 2005, Subsidiary II was invited to return to negotiations, and CustA KAM was also involved. The technology used by the Supplier Company was better than that of its competitors, but price remained an issue. Subsequent negotiations occurred on Christmas Eve and then resumed between Christmas and New Year’s Eve. The representative from Customer A (unit A) and CustA KAM were invited to the negotiations because of their previous connection to Project I. The Customer A representative came from unit A and was later appointed as the CEO of unit A. These two individuals made the final negotiations together, and the representative from Customer A (unit A) ultimately asked CustA KAM to make the final decision because he perceived CustA KAM as fair. Subsequently, the CEO of unit B stated that he would have never agreed to the project with that price. The contract was finally signed on
January 3, 2006. Project II also included a significant supplementary agreement that was signed in the fall of 2006. The supplementary agreement also contained technical support for design, installation and implementation.

Project II was technically demanding because the raw material used was not typical for the chosen technology. The project consisted of the sale of a technology package involving a certain process. The Supplier Company provided a guarantee for the end result. The process selling also included informing the customer on how the process was progressing and what was needed. The Supplier Company provided specifications on the equipment needed, but customer was able to decide how strictly it wanted to follow the instructions.

"It depends on how the customer has read the specifications and where they take shortcuts. So, the problem is often that the customer does not have qualified personnel, and when they choose an engineering office that does not have expertise on this specific area, they might not want to believe and listen to us." (Sales Manager, Sub II, unit 1)

In addition to Project II with Subsidiary II, Subsidiary III has had multiple projects with Customer A.

As the contacts, business operations and events with Customer A has increased, the cooperation has also grown and diversified. Therefore, the technological management of the Supplier Company made the decision to establish a local unit in India. In the summer of 2007, the geographical unit was established, and a local managing director is hired in the fall of 2008. The Indian unit was designed to be a local full-service unit because local operations were deemed necessary in India. The unit would include sales, engineering, manufacturing and service. The local personnel were recruited later in 2009 with the goal of making the unit a working part of the Supplier Company. The establishment of the local unit led to the termination of the remaining agent relationships.

In the fall of 2008, Subsidiary III and CustA KAM met with Customer A’s top management. Customer A’s managers expressed their desire to develop the relationship to the next level with closer and more long-term cooperation to strive for a strategic partnership. The request was viewed as a positive development in the relationship. However, for Subsidiary III, the revenue logic in the arrangement remained a question, as the customer would still want to invite many companies to bid. Therefore, the Supplier Company decided to contemplate the answer to this question.
The execution phase of Project II began in the spring of 2007. The customer hoped that the plant would be operational in February 2008, but the Supplier Company foresaw that the plant would be operational in the summer of 2008 at the earliest. After many changes, the plant commenced operations in October. Launching was not easy and included several problems.

On Christmas Eve in 2008, the first serious problem emerged in the plant. A technical problem disrupted the operations of the plant, and there was also a risk of a great accident, although it was fortunately avoided. CustA KAM was informed of the problems on Christmas Eve, and prior to that, the local office in Zambia and Subsidiary II in Finland had also been contacted. After the first incident, two more technical problems emerged. The problems in February and April 2009 also affected the operating of the plant. Each of the problems caused more than a week of downtime and was manifested in the production numbers of the customer. The problems were reported in news all over the globe, and the customer was not satisfied on how the initial problems in December were addressed.

“The incident in April was taken care of in a smart and professional manner, but the incident in December was clearly a practice run. The next one was handled a little better but not ideally, and in the last incident, the customer stated that this is how these things should be taken care of.” (CustA KAM)

Because the technical problems lowered production volumes in the customer plant and the customer was not pleased with how the problems were managed, the status of the Supplier Company in the eyes of the customer changed at least temporarily.

“We had been the golden boys who fix everything and who have an amazing technology. The latter impression that they have not given – that is to say, we have an amazing technology – but they have given the impression that we take care of things quickly and professionally. They have the impression that we don’t take care of things well. And that naturally puts a strain on the relationship, so that I heard about it rather directly. It shouldn’t have gone how it did, and the company didn’t take care of its duties properly.” (CustA KAM)

The operation method of Customer A is highly centralized, and all investment projects are handled on a centralized basis. If one field or one delivery has problems, then it will affect the overall relationship. The challenges with Project
II strained the relationship in the following six months, and because of the problems in Project II between Subsidiary II and Customer A (unit B), Subsidiary III lost a sale with Customer A (unit A). The lost project was located in India, and in a technological sense, the Supplier Company would have had strong know-how and previous references. The negotiations with Customer A progressed normally, but Customer A had an order from top management not to buy anything from the Supplier Company, which was subsequently told to CustA KAM directly. Furthermore, the negotiations in the fall of 2008 of the more strategic relationship ended, and all discussions with the different customer organizational levels centered on the problems of Project II.

Despite the loss of sale, there have been smaller deliveries in the relationship between the Supplier Company and Customer A. As CustA KAM states, “in other words, we were not on a corporate-wide black list.” There have also been improvements in the relationship after the problems were solved. The Supplier Company believes that the relationship with Customer A will remain active, as the company is important and valuable to the customer. However, regaining the same trust level as before the problems in December will require many years of work.

“I think I used the metaphor of sitting on the same bench and looking in the same direction. After April, both organizations finally realized that, hey, this is a shared problem, and only by working together can we make this right.”

(CustA KAM)

The greatest potential for a relationship with Customer A lies with Subsidiaries II and III. All of the subsidiaries have had sales during the development of the customer relationship. Subsidiary I has had a few sales, whereas Subsidiaries II and III have had multiple sales with greater monetary value. Subsidiary II has had the most actions with the customer, but the difference from Subsidiary III is not large; furthermore, monetarily, Subsidiary III has had the largest sales. The importance of the customer also varies inside of the subsidiary; thus, Customer A is notably more important to Subsidiary II unit 1 than to unit 2. Subsidiary III has the closest relationship with Customer A, which is also the longest relationship with the greatest potential.

The table below summarizes the development of the relationship with Customer A. The events presented in the table are gathered from the interviews. The table also shows the importance of each event to the development of the relationship, the timing of the event and the organizational units involved from the Supplier Company mentioned in the interviews.
Table 7. Development of the relationship with Customer A.

<table>
<thead>
<tr>
<th>Events in relationship</th>
<th>Importance</th>
<th>Timing</th>
<th>Organizational units involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Few equipment sales</td>
<td>Start of the relationship, using agents</td>
<td>Beginning in the 1970s</td>
<td>All</td>
</tr>
<tr>
<td>Activating the relationship</td>
<td>Defining the current stage and possibilities of the relationship, creating contacts</td>
<td>Early 2003</td>
<td>HQ (CustA KAM)</td>
</tr>
<tr>
<td>Project I</td>
<td>Growing market share, closer relationship, contact with top management, role of CustA KAM is strengthened</td>
<td>2003</td>
<td>Sub I Finland, HQ (CustA KAM)</td>
</tr>
<tr>
<td>Internal marketing</td>
<td>Creating unified ways of actions and one point of contact to the customer</td>
<td>2004 onwards</td>
<td>HQ (CustA KAM), Sub I Finland, Sub II Finland, Sub III Germany</td>
</tr>
<tr>
<td>Project II</td>
<td>Having a wider relationship to the customer</td>
<td>2006</td>
<td>Sub II Finland (unit 2), Sub I Southern Africa, HQ (CustA KAM)</td>
</tr>
<tr>
<td>New unit to India</td>
<td>Creating a local presence</td>
<td>2007</td>
<td>HQ, Local office in India</td>
</tr>
<tr>
<td>Toward strategic relationship</td>
<td>Customer's desire to have a closer relationship</td>
<td>Fall 2008</td>
<td>HQ (CustA KAM), Sub III Germany</td>
</tr>
<tr>
<td>Problems in Project II</td>
<td>Customer plant suffered downtime, which affected production numbers</td>
<td>December 2008</td>
<td>Sub I Southern Africa, HQ</td>
</tr>
<tr>
<td>Loss of sale</td>
<td>Sub III loses a sale because of problems in Project II with Sub II</td>
<td>Spring 2009</td>
<td>Sub III Germany, HQ (CustA KAM)</td>
</tr>
<tr>
<td>Improving relations</td>
<td>Working together and building the trust that was lost</td>
<td>Summer 2009</td>
<td>Sub II Finland, Sub III Germany, HQ (CustA KAM)</td>
</tr>
</tbody>
</table>

5.2.2 Story 2: Relationship with Customer B

Customer B originates from North America and has its headquarters in Canada. It operates in all continents and is a leading company in its field. Customer B has ongoing operations in North America, South America, Australia and Africa. Local offices are in charge of customer operations and enjoy notable autonomy. Therefore, Customer B and the Supplier Company have contact in multiple
organizational levels, ranging from corporate level to the local unit and mine level.

“Our African office might have some problems with [Customer B’s] project in Africa, but it doesn’t affect projects elsewhere in the world because they have themselves decentralized their actions.” (President, Sub I)

Customer B has challenging projects all over the globe. The company performs its own technological development and therefore has a greater understanding of the requirements of technology in handling demanding materials. The technology development of Customer B may overlap with that of Supplier Company, but both companies understand the challenges of the technology. Customer B is known for its pursuit of difficult deposits, which can be acquired inexpensively and in which technology plays a central role. Thus, Customer B is interested in the Supplier Company, and Customer B is important to the Supplier Company.

The relationship with Customer B originated in the beginning of the 1990s. The initial sales with Customer B were smaller sales projects provided by Subsidiary I, which acted as an equipment supplier. The relationship did not experience a radical start; rather, it commenced from the sale of small components. Through these sales, the relationship network started to grow. During the 1980s and the beginning of the 1990s, Customer B was also in the early stages of development. The company experienced significant growth during that period by acquiring other companies. Those acquired companies created the foundation for a relationship network inside of Customer B. As the customer grew by acquiring operative firms, many of the former contacts became part of Customer B. These contacts are now working at the management level inside of Customer B.

“Our customer contact has come, you could say, more through the acquired companies than directly through [Customer B] – these contacts are the core there even today.” (Vice President, Business Development, Sub I)

The relationship with Customer B also began through those earlier acquired companies. The local unit of the former Supplier Company and the later acquired company of Customer B together developed breakthrough technology. In this technological development, one key individual from Customer B was involved. He later became a technological manager within Customer B (subsequently referred to as the TECH manager) and has been an important point of contact to Subsidiary I. Moreover, the key account manager for Subsidiary I (subsequently,
Sub I KAM) was initially involved with the customer in the mid-1990s and met
the TECH manager during that time. During this period, one important factor
affecting the development of the relationship was the significant growth of
Customer B.

The relationship between the customer and Subsidiary I has been handled by
the local office of the Supplier Company in Canada. Based on the empirical data,
the relationship with Customer B experienced the most meaningful events in its
development beginning in 2005. In the beginning of March 2005, the newly
appointed research and development manager (subsequently referred to as the
R&D manager) contacted Sub I KAM as a result of a suggestion from the TECH
manager.

“Part of my mandate was to reach out to the most advanced equipment and
technology providers and seek means of cooperation.” (Email sent to the
President of Sub I, North America by the R&D Manager of Customer B)

At the end of March, Subsidiary I and Customer B had their first meetings, and at
the end of May, they had signed a non-disclosure agreement to develop new
technology. Sub I KAM had monthly meetings with the R&D manager of
Customer B. Sub I KAM also had the responsibility of leading the Canadian
office by acting as president of Subsidiary I in North America and thus has been
given the unofficial role of acting as the key account manager for Customer B.

Originally, Subsidiary II contacted Subsidiary I and explained that they
would like to give a presentation to the management of Customer B on how
Subsidiary II operates. Subsidiaries I and II differ from one another based on their
operational principles. Subsidiary II perceives itself as a provider of complete
processes but views Subsidiary I as an equipment supplier. Subsidiary II typically
uses license fees, delivers patented equipment and takes responsibility for
operations. The objective of the presentation was also to demonstrate the
technological know-how of the Supplier Company and to illuminate possible
after-project forms of cooperation in process and technology development. In the
meeting in Canada, representatives of Customer B and personnel from Subsidiary
I and II were present. After the meeting, contacts between Subsidiary II and
Customer B increased.

The actual relationship between Customer B and Subsidiary II began from
the customer contact eventually resulting from the presentation. The customer
first contacted Subsidiary I, which then contacted Subsidiary II. Subsidiary I had
existing projects and contacts with both the project organization and technical
management. This relationship enabled the development of a relationship with Subsidiary II. Therefore, the development of the relationship between Customer B and Subsidiary II was based on the existing contact network.

As a consequence of the customer contact, Subsidiary II began to engage in more active cooperation with Customer B at multiple organizational levels. The Subsidiary II started research activities related to the needed technological solutions. The development of the relationship included a significant amount of cooperation before the actual realization of the first deal.

“These relationships take a really long time before they actually go anywhere.” (Vice President, Business Development, Sub II)

The previous relationship of Subsidiary I enabled the development of Customer B’s relationship with Subsidiary II. Without the previous relationship, Subsidiary II likely would not have the relationship with the customer. From another perspective, Subsidiary I perceives that the involvement of Subsidiary II has deepened its existing relationship. Moreover, Subsidiary III has been involved in certain areas in which it has expertise. The involvement of another subsidiary altered the customer relationship and created the need to coordinate the relationship internally.

The first multiunit project (Project1) marked the actual beginning of the customer relationship for Subsidiary II, and also Subsidiary I viewed this project as a turning point in relationship development. Project1 demonstrated to the Supplier Company the potential benefits of internal cooperation in the best-case scenario. Project1 is located in South America, and the first sales consisted of the technology of Subsidiary I. The relationship was negotiated by a supplier office in North America, and the project management was subsequently handled by the unit in Australia, which had better resources. Geographical unit 2 in South America was responsible for project manufacturing. Profit was subsequently divided among these three units. For Subsidiary I, Project1 is a large project in terms of both money and time compared with its typical projects. Subsidiary II was also subsequently involved in Project1, primarily through contacts with Subsidiary I. The project relationship of Subsidiary II was primarily handled from Finland. For Subsidiary II, Project1 included process development together with the customer.

The second multiunit project (Project2) has been viewed as one of the best success stories between the Supplier Company and Customer B. Project2 was politically difficult, which caused delays on deliveries. Project2 was also
technically difficult because of the location of the mine. The project was located in South America, and geographical unit 1 in South America was active in the selling process of Project2. Because of insufficient technological competence, the unit in Australia was also involved in the sales process. Geographical units in Finland and North America were also involved because of their corporate-level connections to customers. This connection network was helpful in sales negotiation.

Project2 is a large project consisting of many smaller projects. The Supplier Company has been involved in two parts of the project, which are considered separate projects, as Customer B views them separately. The smaller projects focus on different ores. Thus, there are two separate contracts with the customer and two separate project teams working with the customer. Project2 has demanded cooperation between Subsidiaries I and II, as both subsidiaries are involved in one part of the project. Customer B typically uses the engineering office in its projects, which means that the project must be sold twice. Project1 and Project2 have acted as turning points in relationship development, with Project2 further deepening the existing relationship. The time frame in these projects is long. Project1 began in 2006, and Project2 began in 2007; in 2013, these projects are still ongoing. The long time frame is explained by the enormous size of the projects.

In the current state of the relationship, Subsidiaries I and II have the closest relationship with Customer B. The relationship with this customer includes multiple supplier units. For example, from Subsidiary I, geographical units from Canada, the USA, Chile, Peru, Australia and Finland are involved in the relationship with the customer, revealing the multinational nature of the operations. The challenges of the MNC are described as follows by the managing director:

"You are not only dealing with different subsidiaries, with different responsibilities, but also with different cultures and with different locations that are used to working independently. It takes a lot of relationship management internally as well to handle these multiunit customer relationships." (Managing Director of Sub II, North America)

The development of the relationship with Customer B is summarized in the table below. In the table, the relationship events, their importance, the timing and the organizational units involved are summarized.
Table 8. Development of the relationship with Customer B.

<table>
<thead>
<tr>
<th>Events in relationship</th>
<th>Importance</th>
<th>Timing</th>
<th>Organizational units involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early sales projects</td>
<td>Start of the relationship</td>
<td>The beginning of the 1990s</td>
<td>Sub I North America</td>
</tr>
<tr>
<td>Technological development with early units</td>
<td>First technological breakthrough, contacts to key individual</td>
<td>1994–1995</td>
<td>Sub I North America</td>
</tr>
<tr>
<td>Contact from Customer B</td>
<td>Toward a more active relationship and cooperation</td>
<td>2005</td>
<td>Sub I North America, Sub I Finland</td>
</tr>
<tr>
<td>Subsidiary II involved</td>
<td>Wider base for customer contacts, developing technology together</td>
<td>2005–2006</td>
<td>Sub I North America, Sub I Finland</td>
</tr>
<tr>
<td>First multiunit project</td>
<td>Actual start of the relationship with Sub II, turning point in the relationship development, potential benefits from internal cooperation</td>
<td>Starting in 2006</td>
<td>Sub I North America, Sub I Australia, Sub I South America (unit 1), Sub I South America (unit 2), Sub II Finland (unit 1)</td>
</tr>
<tr>
<td>Second multiunit project</td>
<td>One of the best success stories between the Supplier Company and Customer B</td>
<td>Starting in 2007</td>
<td>Sub I North America, Sub I Australia, Sub I South America (unit 1), Sub II Finland (unit 1)</td>
</tr>
</tbody>
</table>

5.2.3 Story 3: Relationship with Customer C

Customer C is a privately held family-owned company. It originates from Mexico and operates in Central and South America, but it engages in prospecting for ore throughout the world. The role of a strong, patriarchal CEO is apparent in the operations of Customer C. When acting with Customer C, relationship building and trust are emphasized. The relationship network serves a crucial role, in which one company must first sell itself before attempting to sell projects and present strategies. As a company, Customer C is described as open, and part of the corporate culture is to take a stand on affairs outside of one’s own jurisdiction. Tacit knowledge within the company is mediated in personal communication, and advice is given on matters such as how to communicate with different companies and individuals. Because of the corporate culture, the decision-making criteria also differ compared with that of Customer B. Customer C does not use engineering offices in the beginning states of project negotiation. Thus, the Supplier Company has direct negotiations with the customer, and the engineering office may be included when the decision has been made.
The relationship with Customer C commenced in the 1980s, and cooperation has been ongoing. Customer C is not the largest customer, but it is a steady customer. The cooperation varies from a single equipment sale to basic engineering or process entities. The size of Customer C enables continuous project deliveries. As a customer, Customer C is more interested in buying complete solutions than in investing in its own technological development. Customer C has mining and metallurgical processes that can and do involve all technologies from Subsidiaries I, II and III; hence, Customer C is important to the Supplier Company. In addition, from the customer side, the cooperation may include multiple organizational levels and plants. Customer C is a larger organization than the Supplier Company, but according to the Senior Vice President of Marketing Development, the coordination, communication and management of entities are better mastered in the customer organization. In Customer C, the decision making culminates in one person, whose signature is required; in Supplier Company, the decision making occurs in multiple countries and organizational units.

The relationship with Customer C commenced through technology sales to five customer mines. At that point, a relationship existed between Subsidiary I and Customer C. The local office in North America was in charge of relationship management, and Subsidiary I coordinated the customer relationship from their local office in North America. The relationship between Subsidiary I and Customer C has been more transaction based, and the delivered projects have been equipment sales; in such sales, the customer describes its needs, those needs are then discussed (the Supplier Company may comment on these needs or recommend other solutions) and the offer is subsequently made. These projects do not always include competitive bidding; rather, they are often clear orders. The relationship with Customer C also began through Subsidiary III during the same period as the relationship with Subsidiary I. At that time, Subsidiary III was not yet part of the Supplier Company, but the customer relationship and the relationship between the key individuals was been created through these initial contacts. The last large project between Customer C and Subsidiary III occurred in 1999, which was before the acquisition.

Contact with Customer C is created through the top management of the Supplier Company, which is still in charge of these relations together with the local office in Mexico. The CEO and Senior Vice President of Marketing Development have multiple group-level contacts with the top management of Customer C. The organizational structure of Customer C is lower and narrower;
therefore, the Supplier Company was able to operate on multiple organizational levels from the very beginning.

The role of Senior Vice President of Marketing Development has previously involved handling corporate connections and participating in project negotiations if problems arise. The CEO of the customer company meets with the Senior Vice President of Marketing Development twice a year, keeps him informed and gives him “a fatherly talking-to” and reminds him that the company is a good customer of the Supplier Company.

"Let’s say that it is more like a fatherly talking-to, where the same liturgy is always told, namely, that they are a good customer to us. Of course, we must always know what is happening and what we need to take care of, for a while ago, they were worried about delivery times, which needed to be faster and have more resources. If there is any problem, then the talk comes really fast to take care of this, as this is not allowed in our relationship.” (Senior Vice President of Marketing Development)

The local office in Mexico was founded in the middle of the 1990s. Because of the nature of the customer, Customer C prefers to operate through the local office. Customer regards the local office as coordinating the context and projects in certain project stages before the direct contact and cooperation between the supplier and customer project personnel are stabilized. Because the role of the local office is emphasized when challenges arise, the customer can feel that their problems are taken seriously.

“It is better to have some presence than no presence because having this presence, this small office in Mexico, when clients have faced issues -- they have somebody to call in their own country, in their own language, and they can tell us how they feel about our service, about our equipment, etc., and sometimes their stress is alleviated knowing that they have a local office, that we have a local office that they can call and then we can start from there -- trying to solve the problem, trying to help them, to give them better solutions. So that has been very important.” (General Director of geographical unit in Mexico)

All subsidiaries act with Customer C, and today, most contacts are coordinated through the local office in Mexico. The Spanish language is important in cooperation with the customer. Whereas Customer B is easily contacted by everyone, existing relationships are a prerequisite for contacting Customer C.
One of the critical events in the customer relationship occurred in 1997 with after-sales service. The equipment did not perform as expected, and the customer was not pleased with the results. During that time, the local office in Mexico did not have sufficient personnel to service the equipment in question. The customer felt that their problem was not taken seriously and that the problem was considered a minor issue. The problem continued until 2000. By itself, this small problem affected the remainder of the technology deliveries or projects with the customer, and at a certain point, the top management of Customer C stated that they would not buy any equipment from Supplier Company until the problem is solved. The problem was eventually settled when the Supplier Company devoted time and personnel from local units in Finland and North America, and the General Director of geographical unit in Mexico feels that the event actually strengthened the relationship.

Subsidiary I has had a relationship with Customer C since the 1980s, and the previous unit of Subsidiary III has had projects with the customer; however, the relationship with Subsidiary II commenced as a result of active marketing. Subsidiary II became acquainted with the top management of Customer C through the supplier’s sales agents. First, the discussion focused on possible cooperation, as the Vice President of Business Development was not selling a specific project; rather, the goal was to become personally acquainted with the company and the actors. This stage witnessed the creation and development of the relationship without projects being determined. Project negotiations were subsequently handled by the project organization.

“"There were many discussions on what we could do together -- then I made a conscious decision to step back from the actual project selling. You shouldn’t mix those two together because the risk is that if you go into a discussion and the other one would like to have a general discussion while you are seen as selling a specific project, they immediately say, ‘hey, you shouldn’t be talking with me, those things belong to other people.’ But with [Customer C], we really had social discussions.” (Vice President – Business Development, Sub II)

The relationship between Subsidiary II and Customer C has affected the relationship between Subsidiary I and the customer. The President of Subsidiary I believes that one of the strengths of the Supplier Company is that it can offer versatile high technology for diversified customer needs.
The first project (ProjectA) that occurred in cooperation between Subsidiary II and Customer C began in 2003. The previous relationship creation between the customer and Subsidiary II shifted to active bidding with the project organization. After negotiations, the CEO of Customer C first called the CEO of the Supplier Company and then called the Vice President of Business Development at Subsidiary II to confirm that they had decided to buy the project from them. The CEO of Customer C then asked the Vice President to communicate the decision to the customer’s project organization. The Vice President declined and asked the CEO to communicate the decision himself to his own organization. According to the Vice President of Business Development, the example aptly reflects the customer as an organization. There is no multilevel hierarchy, but the organization is highly patriarchal; there is one decision maker and one owner. When the CEO has considered his options and trusts the supplier, he makes a decision and assumes that others will negotiate the details.

The second project between Customer C and Subsidiary II (ProjectB) consisted of selling process entities and related equipment. The Supplier Company has a special technology that is needed in ProjectB; therefore, the customer viewed the supplier as a strong option. Moreover, the previous ProjectA enabled the execution of Project B. With ProjectA, because the customer lacked sufficient know-how, it needed start-up support in addition to technological solutions. The customer felt that the Supplier Company would be able to provide better support than, for example, engineering offices. Customer C has a relatively small project organization, and the same person who was responsible for ProjectA assumed the role of contact with the Supplier Company to negotiate on ProjectB. With ProjectB, Customer C contacted the Supplier Company and indicated that plant expansion was needed. The General Director of the geographical unit in Mexico indicated that the customer is well informed on different technologies and different methods of metallurgical processing. Customer C operates in a step-by-step manner and attempts to choose the best option by allowing sufficient time for plenty of internal meetings and discussions.

In addition to ProjectA and ProjectB, Subsidiary I has its own continuous projects with the customer. The Supplier Company has also been developing an after-sales service program with the customer.

“So, we are always, I would say, in bad times and in good times, we’re always working with [Customer C].” (General Director of geographical unit in Mexico)
At the current state, Customer C has the largest projects and therefore also has the closest relationship with Subsidiary II. The relationship is handled primarily through the local office in Mexico, but units from Finland, Germany and North America also work with the customer, which can cause challenges in the relationship.

“The best relationship to [Customer C] is through our own office in Mexico. Here, there is a dilemma when we have the frontline members taking care of the relationship, and then some guy from the subsidiary comes to the local office and goes straight to the customer. -- I don’t know how stupid the customer thinks we are, but I would at least like to think that when you are contacted from everywhere simultaneously.” (Senior Vice President of Marketing Development)

The table below summarizes the development of the relationship with Customer C. The table summarizes the relationship events, their importance, the timing and the organizational units involved.

<table>
<thead>
<tr>
<th>Events in relationship</th>
<th>Importance</th>
<th>Timing</th>
<th>Organizational units involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>First projects to customer mines</td>
<td>Start of the relationship</td>
<td>1980s</td>
<td>Sub I</td>
</tr>
<tr>
<td>Top management involvement</td>
<td>Closer relationship, corporate-level connections, acting as KAM if needed</td>
<td>Beginning in the 1980s and 1990s</td>
<td>HQ</td>
</tr>
<tr>
<td>Establishing a local office in Mexico</td>
<td>Customer prefers working through the local office</td>
<td>1996</td>
<td>HQ</td>
</tr>
<tr>
<td>After-sales challenges</td>
<td>Threat to the overall relationship, better relationship as a result</td>
<td>1997–2000</td>
<td>Sub I Finland, Sub I North America, Local office in Mexico</td>
</tr>
<tr>
<td>Sub II involved</td>
<td>Positive effect on the relationship of Sub I</td>
<td>2003</td>
<td>Sub II Finland, Local office in Mexico</td>
</tr>
<tr>
<td>First Sub II project (ProjectA)</td>
<td>Providing customer better support and special technology, enabled the creation of ProjectB</td>
<td>2003</td>
<td>Sub II Finland</td>
</tr>
<tr>
<td>Second Sub II project (ProjectB)</td>
<td>Easier access to projects</td>
<td>2007</td>
<td>Sub II Finland, Local office in Mexico</td>
</tr>
</tbody>
</table>
5.3 Given meanings and actions in events

Chapter 5.2 described the development of each customer relationship and listed the events through which the relationships developed. Each of those events listed in the previous chapter involve different actions, and different individuals give different meanings to – or make sense of – the customer relationship based on these actions. This chapter evaluates the given meanings and actions in the events related to the three development stories told in the previous chapter.

Previous experience is a strong indicator of the attitude toward customers, and individuals’ own experiences affect their views of the customer relationship in which they are engaged. As relationships are formed from projects, the success or failure of individual projects guides the sensemaking of the involved individuals, as revealed in the following three stories. Furthermore, the nature of each subsidiary affects how relationships are handled. Subsidiary I has many local customers and smaller projects, and its relationship is thus primarily handled by local offices, whereas more global actors require more centralized management.

A customer’s preference also affects how its relationship is managed. For example, Customer C prefers working through the local office, whereas the relationship with Customer B is handled on a more global scale and through multiple levels. In addition, the degree of informal versus formal interactions with a customer shapes an individual’s view of the relationship. The amount of informal contacts to customer representatives varies and is typically connected to the amount that the individual feels that he can influence the development of the relationship or project.

5.3.1 Relationship with Customer A

Before 2003, the Supplier Company had few equipment sales with Customer A. According to CustA KAM, Customer A was actually not the best-known company in the Indian market. The Supplier Company primarily knew the name of Customer A rather than its scope and actions. As the early relationships with Customer A emerged, each subsidiary had its own agents. With some of the partners, the Supplier Company has had contracts for twenty years, agents have had licenses, and equipment sales have been organized through them. Relationships with agents were often described as problematic and untrustworthy.
“The former owner was an old man with a lot of authority and power, and he kept his word -- but these guys working for him, they were sly as a fox -- we don't have an agreement with them anymore; the contract was discontinued this year, and the cooperation has ended.” (Vice President, Sub I)

The activation of the relationship in 2003 also meant that the remaining agent relationships ended, and the last contract was terminated in 2009. The commission of CustA KAM in 2003 included an evaluation of internal actions and was not centered on Customer A; rather, it involved the Indian market as a whole. The commission can be considered more of a coincidence than a carefully planned endeavor. Throughout the entire development of the relationship, CustA KAM has been actively involved in creating and developing the relationship, although he did not have prior experience in the Indian market. According to CustA KAM, the relationship evolved through personal meetings and working together. He regards India as a country in which large decisions are made and discussed between individuals, not organizations. CustA KAM observed that one tool for the Supplier Company’s success in the Indian market involved becoming acquainted with the company and its decision makers, which can occur through different events, sales and negotiations. Successful actions create possibilities for the relationship to evolve and to move to different levels. The projects of the Supplier Company are large (i.e., tens of millions of euros); therefore, successful relationships are even more important to ensure future profits.

“The needed relationship is built through personal meetings or by working together in the same location. I haven’t found any other way -- the main work is based on personal meetings with the different people in the customer organization.” (CustA KAM)

Contacts are first created at the lower organizational levels, which then introduce CustA KAM to other contacts. One of these contacts was subsequently appointed as the CEO of unit A of Customer A and has remained as the most important contact of CustA KAM. This contact also acted as a project manager for Project A. CustA KAM knows the family of unit A CEO and has, among other activities, participated on the CEO’s daughter’s wedding in India, thus revealing the closeness of the relationship. CustA KAM defines his role as a commercially oriented ambassador as a neutral party between the companies. Customer A has told the CEO of the Supplier Company that CustA KAM is their representative inside of the Supplier Company.
“My job could be compared to a commercially oriented ambassador except that I also make sales. I have negotiated contracts and signed them. Sometimes alone, sometimes as a leader of the team -- but when we are talking about the creation of relationships and the marketing of a company and its products, it has always been on the company level and has been important because it has created an impression and a real communication channel to Indian customers that there is at least one person who is representing the whole [Supplier Company].” (CustA KAM)

CustA KAM perceives that it is important to create for the customer a clear overall impression of the supply organization’s methods of action and to offer a single contact point. After a successful project or relationship experience, the relationship will ascend to the level of another project, production unit or business unit level, as the customer can trust that the other unit is capable of creating similar experiences.

The negotiations for Project I comprised many explanations, suspicions and misunderstandings. Power in the customer company is in the hands of two brothers, the CEO and his younger brother (the 2nd in command), who have a surprisingly detailed understanding of even the smallest details. Although the customer is a global organization, it is still a family organization. When the negotiations of the price in ProjectA did not reach the consensus, the 2nd in command called the representatives of Customer A and the Supplier Company to reprimand them. During those negotiations, the personal relationship between CustA KAM and the 2nd in command began to build, despite the unpleasant beginning. The project included two separate contracts in which the Supplier Company performed the basic engineering, process planning, equipment descriptions and core technology, and the partner (Indian engineering office) was in charge of detail planning and building. After the project ended, the President of Subsidiary I described the project as difficult. In Subsidiary I, cooperation with the customer was viewed as demanding, as previously made agreements were not maintained. This outcome was considered to be a consequence of cultural differences that caused difficulties in the relationship. This lack of clarity was first solved at the subsidiary level and later at the top management level.

“It wasn’t an easy project at all; if you want me to describe the customers, then this one is extremely difficult and demanding and sometimes uses questionable methods in negotiations; the world is not always fair. It is just their way of acting -- this is a company who makes everything as cheaply as
possible, and their etiquette with paying the bills is not the best. This creates quarrels quite often -- it is the culture of the company all the way up to top management.” (President, Sub I)

The project included problems that strained Customer A and Subsidiary I both financially and in their relationship; hence, the problems also affected the development of the relationship in later stages. Subsidiary I feels that the project went well in terms of some indicators; for instance, the plant was built and launched in record time. However, because of the lack of clarity, the project left a bad taste. The President of Subsidiary I noted that the customer’s actions are not typical in their industry.

“Here in [Sub I], many key individuals felt that they had burned their wings. It was like poorly aimed shots in hunting season; the poor bird didn’t die but got hurt badly -- this is the metaphor that comes to mind. Still the same persons have done business or tried to do business with [Customer A], but that project strained these relationships on a personal level in that many decent engineers felt that they got criticized without reason and too few compliments. This is what I mean when I said that they got their wings burned.” (CustA KAM)

Although the project did not proceed perfectly, CustA KAM felt that he did not lose the trust of the customer. ProjectA was also helpful in understanding the operating logic within Customer A; the entire corporation was aware of what occurs in each of its projects. During the negotiations, the representatives of the Supplier Company were invited to the Christmas party of Customer A, and at the party, the 2nd in command introduced CustA KAM to the CEO of Customer A (the first brother). ProjectA created personal relationships and increased knowledge of the customer. During this stage, the relationship with the customer was centered on a single project between a few individuals. As CustA KAM represents the entire Supplier Company, Customer A has at least one true communication channel and a sense that there is one person representing the entire supplier.

Since 2003, CustA KAM has created contacts on multiple organizational levels in the customer organization by visiting plants and solving equipment problems at lower organizational levels. The individual may act in multiple levels inside of the customer organization, which is important for the deepening of the relationship.
“I tried to operate on the whole scale. It is important to be friends in the lower levels, as that friend, for example, might need spare parts, and if you can help him personally, then the word gets around -- and then there is a possibility that some bigger things will also be taken care of. And when you represent the company at higher levels, you need to be invested with the full power of [Supplier Company].” (CustA KAM)

In addition to developing actions to manage the customer relationship, the Supplier Company must also manage the inner relationships and processes in its own organization. CustA KAM needed to work on this area as well. He ensured his access to negotiation teams of different units and projects and attempted to justify the necessity of his participation.

“I made inside of our subsidiaries negotiations teams. Some took me with willingly, and others arranged it so that I couldn’t come, as we don’t have a matrix organization or strict discipline, so I needed to sell myself also internally, which is understandable. Why would, for example, some Canadian team or German team want me to come with? What more do I bring? So I needed to make internal sales, and quite often, [Customer A] helped me in that by asking team members where I was. And then a few times I was called to participate. So they helped me because we had worked together at the higher levels. They also used me in assuming that when they called me they would get an extra five percent discount. Often, negotiation teams reach a point and then you can’t go any further -- then it is good if someone comes and finds the solution in between.” (CustA KAM)

After Project I with Subsidiary I, another project negotiation between Customer A Subsidiary III failed. CustA KAM explained that the sale was brought to them and that the failure had a negative effect. According to him, the failure was not caused by the price; rather, it stemmed from the lack of understanding on the Supplier Company’s side.

“The failure stemmed from the fact that these people and that [subsidiary] who were there making the sale, did not have a sufficient understanding of the Indian market, and the understanding that they had was completely wrong from my point of view. I say this because afterwards, I discussed with the big bosses about how this thing could fail when both parties wanted to do the sale and everything was almost done. It was a big surprise to me when they didn’t mention the price, but they were using figurative language that they
understood from the conversations and body language that you [i.e., the Supplier Company] were thirsty horses unwilling to drink water. This means that the negotiation team, which I wasn’t part of, did not have the understanding or courage to finish the negotiations even when the customer truly wanted to make the sale with us. I will remember for the rest of my life that metaphor of the thirsty horse unwilling to drink. In any case, this event greatly complicated our involvement in [specific metal].” (CustA KAM)

The representative of Subsidiary II does not describe Project II as a typical project. The price sensitiveness of the customer was regarded as a challenge because it led to bending the rules on the technological side. The technology sales manager also felt that when negotiating the additional project, Customer A was using them as a good source of information, and after they received all of the specifications from the Supplier Company, the customer turned to an Indian supplier and bought all of the needed equipment from India at a lower price. When Subsidiary II negotiated with Customer A’s business unit B in Zambia with respect to Project II, the negotiations did not progress after a certain point, and the customer called the Indian manager from Project I to negotiate with CustA KAM.

“I feel it was the key account manager’s job at its best; this is the kind of issues where you get involved -- if there is this kind of a dead end, then you certainly need a doctor or judge or priest or anyone who can try to somehow find a solution that doesn’t make anybody lose their face and is fair. To make that kind of settlement, you need a person who is known to be trustworthy and who will make a fair decision.” (CustA KAM)

As the relationship moves from a single project to the business unit level and simultaneously from one customer production unit to another, the importance of the single individual as a representative of all subsidiaries strengthens. The citation below describes how the actions of CustA KAM at the organizational level in India can help the project-level relationship in Zambia.

“He [CustA KAM] has mainly acted as a contact person; let’s say pouring oil on troubled waters on both sides and acting as a contact to the management level, owners, mainly to the management team of the Indian [company]. He has quite close friends with whom he can talk openly about problems and highlight them. Our view in, let’s say, in an Indian light. From there, we get information on those underlying factors -- it has somewhat increased the level of trust [from our side] that we have an information route to the
management level, and we can through that route distribute the information, the information that goes from us to the plants, we can also, through this other route, get information to the [customer’s] top management, [information] that might not otherwise go there. You have to have information routes to different levels. It might not always be like this, but in this case, it has been quite good.” (Technology Sales Manager, Sub II, unit 2)

The local unit in India enables the Supplier Company to offer new contact persons to the customer, and as the relationship evolves, it can also diminish the cultural differences. Building trust is an eternal challenge for expatriates. Recruiting local personnel, finding qualified individuals and thus building the new unit into a functional part of Supplier Company are challenging tasks.

“Recruiting employees is as challenging as success in a casino. No matter how many tests are done and how well we know the person, there is always a risk of how well it is going to go. In this case, they have succeeded extremely well.” (CustA KAM)

Establishing a new unit means that the number of personnel near the customer increase, but the quality of the work may not. Establishing a local unit indicates that the Supplier Company is willing to invest in the customer and in the Indian market in the long term. The Supplier Company considers the role of the local unit to be an important customer communication channel that it will build bridges between different cultures and understandings. The Supplier Company believes that it is important to give the new unit sufficient power and authority to act.

“It’s vital that our Indian setup grows in size and gains respect in the eyes of [Customer A] so that it can play an important role when dealing with the client. That respect and creditability of the company depend largely on how much we give from here in Europe. The minute the client realizes that this is just a small [office], it’s all over for us. We have to empower them. We have to allow them to make decisions on our behalf and to extend that client relationship and give them the ability to make decisions on their own. So they can play an extremely good role, but the image that they have is as good as the amount of freedom that we give to them.” (Head of Proposal Management, Sub III)

The meanings given to the problems in Project II beginning with Christmas Eve 2008 differ. CustA KAM is in charge of the overall customer relationship and felt
that the Supplier Company did not react to customer needs sufficiently quickly. In his story, the close relationship with the customer and the good personal contacts with key individuals affected the given meanings. CustA KAM feels that Subsidiary II act correctly in terms of engineering, but the management of the overall customer relationship did not succeed. CustA KAM perceives that the quality of the technology provider is assessed based on how well the problems are solved – how quickly and how professionally. In this incident, the Supplier Company acted well, but not well enough.

“It is understandable that a reaction cannot be really quick if a problem happens on the 24th of December in the afternoon. Even getting a hold of people is not easy thing -- I don’t want to say that [Subsidiary II] did not do anything; they surely did their best, engineering-wise -- but as an organization, we didn’t take care of the customer in a way that the customer would have felt that its problem is also our problem. There were few individuals who tried to be active, but as an organization -- the communication did not work. For example, it would have helped if our top management would have personally been in contact with the customer’s top management. It is, of course, easy to say afterwards that is how it should have been done.” (CustA KAM)

The representative of Subsidiary II describes Project II as highly technical and feels that the customer lacked sufficient expertise in plant operations. The belated launch of the project was caused, among other reasons, by the late deliveries of equipment that the customer had ordered. Because of these delays, there was an insufficient number of personnel to supervise and educate the customer. The subsidiary representatives also felt that the customer did not listen to them on how things should be done and that advices were accepted only when problems already existed. One possible cause of the Christmas Eve problems was the basic mistakes in measures and analysis on the customer side.

“If you drive a car with your eyes shut and you think you are driving in somewhere else, it is bound to go wrong, and you have no chance to succeed - - there was a small hiccup on Christmas Eve, and after a small fix, the running of the plant was continued -- it started to become clear that the real problem was that the basic principles were not right, and there was no chance to succeed, but now that this thing is being solved, they have started to listen to us quite well.” (Technology Sales Manager, Sub II, unit 2)
The relationship between Customer A and the Supplier Company grew tense after these problems, which also affected the actions of Subsidiary III. According to Subsidiary III, the customer was not satisfied with the technical support that the Supplier Company was giving, but Subsidiary II was viewing the situation differently – there were differences in opinions that, according to the head of proposal management at Subsidiary III, “left a bit of a bad taste.” Subsidiary III feels that it was blamed for something that were not their fault.

“I was in a meeting, and [the top manager] was shouting at me for things for which we were not responsible. He told me, ‘you’re in the [Supplier Company’s] management group. You have to tell that your people.’ So they were not happy about that.” (Vice President, Sub III)

According to CustA KAM, the project loss occurred because the top management of Customer A momentarily lost trust in the Supplier Company. Customer A had difficulties understanding why the attitude of the Supplier Company was so distant with respect to their massive problems. Because of the problems, Subsidiary III has defined the customer and the customer’s needs in more detailed manner.

“On the whole, [Customer A] is the kind of client that key people who meet them have to be extremely patient and quick and able to respond fast. Therefore, we need a key account manager for the company who is respected and who can get things done. Lastly, it needs very strong top management commitment, which means top bosses in [Customer A] have to be courted and romanced by our top bosses on a regular basis. We need to devote time.”

(Head of Proposal Management, Sub III)

According to CustA KAM, the problems in Project II damaged the previously positive developed relationship, which caused Customer A to reject the Supplier Company. The business and sales have not ended, and smaller contracts have been made, but the loss of the large project was the event that finally revealed to the Supplier Company the damage that had occurred in the relationship. However, the representative of Subsidiary II perceives that improvements in the relationship have occurred since then, as they have been able to educate the customer. The customer has listened to them and has begun to understand that the plant will work if they do things as they are supposed to do. This development has led good cooperation, and Subsidiary II believes that they now have a normal relationship again. Despite these problems, the project concluded in a satisfactory manner and
did not affect the sensemade view of the customer as negatively as the problems that occurred during the project.

The early cooperation between Subsidiary III and Customer A led the subsidiary to define the relationship as long and historical. However, the problems that have been experienced have clearly shaped the understanding of Subsidiaries I and II in different directions. Subsidiary I feels that its technologies do not currently match the needs of the customer.

5.3.2 Relationship with Customer B

An early relationship with Customer B developed through equipment sales. Today, operations with Customer B are project based (i.e., the relationship is defined through projects, as the Supplier Company sells equipment as projects because the customer treats them as projects). During the early cooperation phase, the relationship was defined based on sales, and the customer relationship was viewed as transactions.

“We didn’t understand anything on projects back then; they were sales, orders that came, and we supplied them – we didn’t think it so complicated, what is a project and what is a sale.” (Vice President, Business Development, Sub I)

During the early sales projects, contacts to customer mines and technical personnel were created. As the key interviewed individuals reflect on this part of the relationship development process, they use these events to describe how to act with Customer B. Early sales included cooperation in customer mines and the co-development of needed technologies. The sensemaking tied to this early cooperation showed that the customer was most effectively influenced through technical personnel. These technical experts inside of Customer B have the power to decide which supplier to choose. Headquarters gave autonomy to plants and mines to make decisions; therefore, these contacts were considered critical and valuable.

In the 1980s and 1990s, Customer B grew by acquiring other companies. These acquisitions were the starting point for many customer contacts that were subsequently regarded as the most crucial. Those individuals inside the Supplier Company who were already involved during the early sales projects came to define the customer relationship through these early contacts. To these individuals, these contacts equal a relationship with Customer B. Their sensemade
view of the customer is now created through the early individual-level relationships.

“**What needs to be kept in mind is -- that I kind of grew up with these guys; they are about the same age as I am, a bit younger; so the acquaintance has been there, more or less active during the years, but it has never vanished. When we look at these relationships, through which it is easy to take care of things, they are usually long-term relationships.**” (Vice President, Business Development, Sub I)

According to Weick (1995), sensemaking is both a retrospective and enactive process (see Chapter 2.4). Therefore, the sensemaking of the interviewed individuals is considerably affected by their long history with the customer. They have been producing the very relationship that they are now encountering. When SubI KAM reflects the early development of the relationship with Customer B, he uses it to define the future desired state of the relationship. The future relationship should include the active co-creation of new, innovative technologies that benefit both parties.

“**We always developed our products in mines or plants -- we have developed technology, which we have ourselves developed and tested; we have the know-how processes -- since we have the technology that can be applied, we need to have a partner whose plants [we can go to] and with whom we can take [the technology] forward and at the same time collect information for ourselves.**” (President, Sub I, North America)

The development of a technological breakthrough included growing cooperation and contacts with mines. SubI KAM personifies the development of the relationship with Customer B’s TECH manager, whom he considers the most influential person in the history of the relationship. The technological breakthrough created a foundation for forthcoming trust. Today, the TECH manager works at the customer headquarters. To SubI KAM, the current state of the relationship is dependent on these individuals and relationships with them.

**Critical incidents from the history of [Customer B] are connected to this person [Customer B TECH manager], he had amazingly good connections to my predecessors -- we have had good dialogue for a long time, but we have also taken new technology to [the field of the technology breakthrough]. After that, he was promoted in the organization to the level where he can affect**
what others do. The other [critical incident] is when [Customer B’s R&D manager] came in 2005 – and then [the TECH manager] made contact with us so that we could develop things together.” (President, Sub I, North America)

In 2005, the R&D manager made contact with Subl KAM upon the suggestion of the TECH manager. In the background was the aspiration of Customer B to transition from pure one metal mines to mines involving two or more ores. This development widened the sensemade view of the customer into a multiple metals house. As a result of this event, the relationship changed, including more deep cooperation and less pure sales projects. Previously created relationships were the preconditions for this development to occur.

As the increased cooperation began in 2005, Subl KAM felt that it was difficult for the customer to work with the supplier research center because of its bureaucracy. He felt that the supplier’s own organization needed to change to properly respond to the customers’ needs. Organizational change in the Supplier Company resulted in a more dynamic approach from the customer’s perspective, which in turn resulted in greater customer satisfaction. As a result, Customer B is now perceived by Subsidiary I as being satisfied with their common research projects.

The relationship with Customer B has shifted from one subsidiary relationship to additionally including other relationships. Cooperation with the customer has changed, becoming wider and more multidimensional, and such changes have not always been straightforward. In the beginning, knowledge sharing between units was highly problematic. As the relationship began to develop, the headquarters level felt the need to utilize the more explicit role of key account manager when acting with Customer B. The president of Subsidiary I in North America was given this role to act as a representative of all subsidiaries.

There were two reasons for the need for a key account manager. First, the customer was perceived as hierarchical. In the past, Customer B was more locally managed; each customer mine worked independently, and each investment project was viewed as an independent project. Subsequently, Customer B was observed to be changing, at least partly, toward a more centralized logic. It was viewed as problematic when some of the customer units were not informed of the actions of other units. According to the interpretation of the interviewees, because of the hierarchical nature of the customer, customer contacts to various key individuals are needed at multiple organizational levels to act efficiently with
Customer B. The technical manager was considered to be so high in the hierarchy that discussing details with him would not be worthwhile because he would seek the needed technical expertise from lower organizational levels. This understanding of the customer led the Supplier Company to adjustments in their own operations.

“Then we decided that the correct way to influence them [top management] is to go a bit lower in this situation. We need to go through project managers, research managers and purchasing managers, and through that find the consensus that they can further mediate to top management, who could then look to us favorably and agree to talk and build trust. This is a typical hierarchical organization.” (Vice President, Business Development, Sub II)

Another reason to organize the customer relationship through the key account manager arose inside of the Supplier Company’s own organization. The involvement of Subsidiary II increased cooperation with the customer. However, within the supplier organization, there were different perceptions of how to manage the relationship. One interviewee felt that the Vice President of Business Development of Subsidiary II, who was actively creating the relationship between Customer B and Subsidiary II, was the key account manager of the entire relationship, whereas headquarters and Subsidiary I considered the key account manager to be the President of Subsidiary I in North America.

When defining the customer, different subsidiaries define the relationship through their own perspectives, organizational levels and experiences. The customer is most often defined as “our customer”. As noted previously, the involvement of the second subsidiary altered this relationship. Subsidiary I felt that the involvement of Subsidiary II resulted in challenges because of their different operation logics. Subsidiary II does not have local offices near the customer’s headquarters; thus, the relationship management is scattered around the globe. Subsidiary I felt that there was insufficient communication inside of Subsidiary II in relation to who contacts the customer and what is promised to the customer. Subsidiary I perceived that Customer B contacted them to solve problems with Subsidiary II.

“I remember at least one or two incidents when the [Sub II] crew was in [Customer B’s] office and were negotiating non-disclosure agreements and some project progress, and I remember that the [TECH manager] called to me that could I help so they could make some progress because the
negotiations were not going anywhere. So if everything goes wrong, I think that the [TECH manager] will call me and ask what to do.” (President, Sub I, North America)

Subsidiary I believes that the operation logic of the customer is closer to its own logic; for this reason, the somewhat critical feedback of Subsidiary II is explained by the different ways of action and thinking. The customer is also regarded as being more important to Subsidiary I than to Subsidiary II because in a geographic sense, Subsidiary I has always acted with the customer. Subsidiary I has local offices with certain geographical areas in which they need to operate. By contrast, Subsidiary II regarded its own role with the customer as central and strategic, and the company felt it acted as a problem solver between Customer B and Subsidiary I.

“I think that a good example when this kind of strategic level is reached is that when [Customer B] has difficulties because of, for example, misunderstandings to get the deal with [Subsidiary I], the management turned to me so that could I help. And I see it as an indication that, hey, this is starting to work. And we did solve it; I wasn’t the one who solved it, but I did exert some pressure indicating that this needs to be solved.” (Vice President, Business Development, Sub II)

There is no reason to doubt the truth of either story. Instead, the example shows the differing sensemaking of two subsidiaries in relation to the customer. At the headquarters level, this challenge is known, and the Senior Vice President of Marketing Development defines Customer B as follows:

“a seemingly easy customer who is easily contacted, and it is easy for everybody to talk with them. It is another story whether or not it will actually lead to anything.” (Senior Vice President of Marketing Development)

The perceived importance of own role can be regarded when Subsidiary I defines Customer B as an easy customer to them, but not necessarily to Subsidiary II. However, there are benefits of having a multiunit relationship. Subsidiary II was able to exploit the existing relationship with Subsidiary I when negotiating the initial projects. Subsidiary I also benefitted from this development because after the involvement of Subsidiary II, its relationship with customer B deepened and became more strategic. Moreover, the customer can use the previously created relationship with one business unit to ensure the effectiveness of operations with
another business unit. Therefore, organizing between business units is needed to offer “one supplier” to the customer. Both subsidiaries recognize the benefits of the multilevel relationship and recognize that it has both deepened and facilitated their relationship. This event was interpreted as raising the relationship and communication to the next level and as facilitating the business and process development as well as the creation of a more strategic relationship.

Customer B uses large engineering offices to aid in its projects, which is perceived by the Supplier Company as changing the dyad relationship into a triad. This triad was defined as an eternal triangle. The engineering office acts as a caretaker for the owner or even as a representative of the owner and therefore has wide rights given by the customer. The relationship between the Supplier Company and the customer is compared to the relationship between the customer and the engineering office. Although the customer relationship is considered good, it is questioned whether the customer relationship is as close as the customer’s relationship to the engineering office.

“And as the technology supplier, we would like to be at least in the same position as this big engineering office.” (Vice President, Business Development, Sub II)

When the customer relationship is defined as a triad, a potential project must be sold twice. The use of engineering offices is viewed both as a part of corporate and industry culture and as distrust toward the technology of the Supplier Company. From one perspective, the Supplier Company regards the customer as too dependent on engineering offices, which interferes with the development of a close customer relationship. However, there is an understanding in the Supplier Company that the customer has the final authority and that sales activities should be direct toward both the customer and the engineering office.

In addition to defining the relationship as multilevel, the realized projects have led the Supplier Company to define the relationship with customer B as a network. Contacts at multiple levels have developed in time, and the customer organization is regarded as consisting of multiple relatively independent geographical locations, multiple organizational levels and headquarters deciding on new projects. As a consequence of Project1, the Supplier Company and Customer B began an “opportunity review”, which aimed to determine how process improvement could be used in the co-development of technologies. Another meaning of Project1 to the Supplier Company was that the progress of
the project showed the supplier organization how internal cooperation could work in an optimal manner.

Large projects have lead the Supplier Company to define the customer relationship primarily as a good and open relationship in which one can discuss potential problems. Such projects have also created hope for the future of the relationship.

“There is still a lot to do together. It's going to get better and deeper.”
(President, Sub I, North America)

The Vice President of Business Development in Subsidiary I believes that through common projects, Customer B has learned to view the Supplier Company in a different light, which has been important in the development of the relationship. The earlier collaboration created unofficial agreement to cooperate and a mutual understanding of how the technology should be developed. The relationship to Customer B is defined as consisting of these projects, and cooperation with the customer is observed through the lens of these executed projects. The relationship is thus handled through these projects. However, smaller projects within Project2 are addressed separately because of the long timeline. The customer invites suppliers to bid and orders all equipment separately and treats them as individual, year-long projects. For this reason, each project must be competed separately. Large projects have increased the contact network inside of the customer organization. Project2 was technologically challenging, but rather than defining it as a problem, the Supplier Company defined it as a useful approach to developing the relationship because it offered multiple points of contact to the customer and to the representatives of the customer. When working with large projects, such as Project1 or Project2, the Supplier Company must define whom to contact during the different project phases to aid in understanding how the customer has organized its own operations. The goal of the supplier is to identify how to most effectively act with the customer. The Supplier Company’s perception of the customer organization structure is that it is similar to its own organizational structure, and the organizational culture is believed to resemble its own culture. As the sensemade view of the customer suggests that Customer B resembles its own organization, it is natural to define the customer as easily approachable.
5.3.3 Relationship with Customer C

An early relationship with Customer C developed through equipment sales to customer mines. The projects of Subsidiary I are primarily technology and equipment sales and are therefore more transaction based. Subsidiary I handles these projects because the customer regards them as projects. Subsidiary I believes that its projects are tailored to customer needs and that it can react quickly to these needs; therefore, sometimes there is no competitive bidding, according to the President of Subsidiary I. As the customer has grown and invested in its mines and plants, Subsidiary I feels that they have been part of that development.

Although the customer relationship between the Supplier Company and Customer C is believed to have begun from the projects of Subsidiary I, the longest relationship to the customer is most likely that with Subsidiary III. However, this relationship is not currently active; thus, Subsidiary III feels that Customer C is not central to its organization. At the headquarters level, the Senior Vice President of Marketing Development believes that even one project can change this situation completely, as the projects of Subsidiary III are large in volume and relatively rarely involve all of the customers. Therefore, according to the headquarters perspective, Customer C also offers great potential to Subsidiary III in a technological sense.

Customer C is defined as a family-owned company by all of the subsidiaries. Customer works on one project at a time, and Subsidiary III thus perceives that the synergies of having multiple complementary relationships with this customer are difficult to obtain. Because Customer C primarily has consecutive projects, the role of relationship management is important for obtaining such synergies.

“The question, of course, is how do we approach them and how do we make sure we get synergy out of various portfolios. [The CEO of Customer C] is not investing in two different projects at the same time, which would involve both locations. So because he’s limited in his investments, in his money, in his equity, he’s also only doing one investment after the other. So where do we have this synergy? We don’t have synergies from doing something in parallel. The only synergy we do have is from our relationship management that you have just delivered something and now you know the guy -- [Customer C] is definitely something where key account management turns out to be key for the relationship to work.” (President, Sub III)
Exploiting a relationship portfolio is a challenge. For example, the relationship with Subsidiary III is old: it began before the acquisition and is thus not considered central by Subsidiaries I and II, although the individual relationships to the customer still exist.

As the cooperation with Customer C began, the CEO of the Supplier Company and the Senior Vice President of Marketing Development were able to act on multiple organizational levels of Customer C and handle corporate-level connections. Their ability to speak Spanish is considered both an advantage and a necessity. Customer C is defined by the Supplier Company as a Mexican customer, and the close relationships of top management are regarded as important because of the Mexican culture.

"I know [Customer C] well because of these early relationships; I know these people starting from the customer CEO – I took care of the corporate connections – there is an enormous relationship network, everybody is playing with these relationships, it is no use to go there with your laptop for the first time to introduce yourself and tell them great strategies on what we are selling. You need to first sell yourself to convince them that you may come also next time." (Senior Vice President of Marketing Development)

In addition, Subsidiary III regards the relationship network as an integral part of the customer’s organizational culture. Selling a project consists of two stages, according to Subsidiary III. First, you need to prequalify and perform solid work at the lower levels, and in the second stage, the actual project selling occurs.

All of the subsidiaries have sales with Customer C, and the non-active Subsidiary III has had smaller activities. The Senior Vice President of Marketing Development claims that the actions of the Supplier Company are well channeled through the local office in Mexico. The policy of the Supplier Company is that the local office must always be included when dealing with the customer. The issue is discussed in at management-level meetings and relayed to lower organizational levels. The General Director in Mexico still notes that the policy is not always followed; rather, colleagues from other subsidiaries or units have come to meet with the customer, and the local office has not been informed. These conceptions vary as the representatives of Subsidiaries II and III mention in their interviews that the local office is well informed.

The Senior Vice President of Marketing Development believes that the organizational structure of the Supplier Company is creating problems, as the company consists of different subsidiaries that are responsible for different
geographical units. As units have their own independent budgets, they also have the need to sell the project themselves. In addition, the personal bonus system is affecting individual behavior. The problem of who is in contact with the customer, when and how often is thus self-made. At headquarters, management believes that the customer should have a shared view of the supplier, and for this reason, the overlapping customer contacts are regarded as a challenge. Overlapping contacts may be irritating but may also result in problems. In Subsidiary II, the multiple contractual arrangements, conditions of sale and negotiation practices are viewed as causing challenges in their customer relationship. In many cases, the customer wants to work through the local office or has the closest relationship with the local unit. This situation also complicates the creation of a unified means of handling the customer. Although the customer is larger than the supplier organization, its organizational structure is lower, and it is viewed as better coordinated than the supplier. From the supplier side, many actors can be in contact with the customer, whereas from the customer side, the connections are centered on one individual.

Not knowing one another or one another’s projects is also a challenge. For example, in the relationship with Customer C, the customer had introduced two supplier’s representatives who were in the city meeting the customer at the same time without knowing one another. Relationships with the customer may consists of numerous sometimes overlapping relationships between different units.

“There is one service guy from [Subsidiary I] coming to visit [Customer C] -- and then there is another visit from a colleague from [Subsidiary III]. Both of them were there at the same time, and they don’t know each other. So one of the [Customer C] persons said when talking to me: ‘I introduced your colleagues, one from Germany and one from Canada to one another’ because they were here and they didn’t know that we have two visitors from [the Supplier Company] at the same time. So this kind of lack of communication is sometimes the problem.” (General Director of geographical unit in Mexico)

Subsidiary II views the relationships with the customer as decentralized, as numerous individuals have been in contact with the customer. The top management relationships are perceived as crucial by all subsidiaries. In addition, all subsidiaries have their own key individuals acting with the customer. These relationships have been created through projects and are personal relationships. The local office in Mexico believes that the most important customer contact of Subsidiary I is the sales manager working in Mexico, who formerly was
employed by Customer C. By contrast, Subsidiary I perceives that the role of the local office is to assist in sales, but the sales, pricing and responsibilities are in North America. This view arises from the long customer relationship with Subsidiary I. Subsidiary I define the relationship as their own; thus, the relationship is naturally handled through them, and the role of the local office is simply to support the action. Headquarter views the roles in the opposite way: Subsidiary I North America and Subsidiary II Finland are supporting and promoting the actions of the local office rather than vice versa. The Senior Vice President of Marketing Development considers Customer C to be highly hierarchical, and in this culture, the local office cannot be dismissed.

“These [subsidiaries] would not have done a single sale without the office in Mexico; they would have been kicked out – they [subsidiaries] do not understand it -- all our competitors are established there, and taking care of the relationship locally, the amount of work done locally, is huge. We have there two sales managers of [Subsidiary I] who are local; they are doing the work.” (Senior Vice President of Marketing Development)

The General Director of Mexico feels that Customer C knows them well and understands their history and that this understanding makes the relationship good. He sees his own role as coordinator between different internal units.

“They know how different is dealing with different units, -- It's not the same dealing with our colleagues from [Subsidiary II] and our colleagues from [Subsidiary III]. Somehow, I’m like a coordinator --and they know about it and sometimes they make some comments about where information is coming from and please, remind your bosses that we want to do business but in order to do that they need to be more open and things like that.” (General Director of geographical unit in Mexico)

Supplier Company experienced problems with after sales service in 1997. The General Director in Mexico felt that the Supplier Company did not pay sufficient attention to the problem and that even after the problem was solved, the customer has reminded them of the problems.

“And at the end, the happy end, the problem was solved, but this problem was whispered about maybe until 2003, and still today sometimes they remind us about the problem with the [technology] in those years.” (General Director of geographical unit in Mexico)
The after-sales challenges were regarded as a serious problem in the Mexican unit, whereas other units or subsidiaries did not mention this event. The Mexican unit perceived its role as central in solving the issue and in ensuring the continuity of the relationship. Most likely the problem was small in a technological sense and therefore, it did not rouse the interest of the Supplier Company. By contrast, the Mexico office instead was working closely with the customer while receiving negative feedback and therefore viewed the problem as a critical incident. The relationship with Customer C is depicted as trustworthy, and the General Director in Mexico claims that the challenge in the end strengthened the relationship because Customer C can trust that the Supplier Company will solve their problems.

“Well, at the end, I think what has strengthened our relationship is that [Customer C] knows that it doesn’t matter if we have some issues in their relationship; they know at the end we will always be there to solve the problem. It could take some time -- but they know that they can trust in [the Supplier Company] -- and that our technology is proven technology and among the more important technologies in mining and metals processing. So I think that is what they like about us.” (General Director of geographical unit in Mexico)

The close relationship with Subsidiary I enabled the involvement of Subsidiary II. The relationships of different subsidiaries have naturally affected one another. The customer trusts the technology of the Supplier Company, and the President of Subsidiary I perceives that the strength of the Supplier Company is that it can offer high technology to suit multiple customer needs. However, in Subsidiary II, the Supplier Company is not perceived as good with respect to strategic or proactive planning. According to the Vice President of Business Development of Subsidiary II, because the Supplier Company is in project business, their actions are overly centered on projects. He feels that the involvement of Subsidiary II was successful because the representatives were not selling a specific project. The focus is often on projects, thus neglecting relationship creation, coordination and analysis. The actions are viewed and conceived from technology selling rather than being founded based on customer needs.

“That you talk with them [the customer] and understand what they think -- it is valuable to know what he thinks. He sees things from other perspective. This is the problem in our global marketing. We are after projects. We haven’t
been proactive, and in addition, we have – and this is just my opinion – we have a poor understanding of the customer’s way of thinking and the customer’s networking. The things they value need to be noticed when they are making the decision. These things vary around the globe.” (Vice President, Business Development, Sub II)

Customer C does not use engineering offices in project negotiations; rather, the Supplier Company is in direct contact with the customer, unlike with, for example, Customer B. Customer C is defined as a patriarchal company that makes its own decisions regarding the optimal solutions for them.

“At the very beginning -- they want to decide why they want. They don’t want an engineering company to come to them and say, ‘well, we have analyzed this and this and that option, and this is best for you.’ No, [Customer C] is a company that says ‘okay, I have analyzed this and this option; now I want you to put the numbers on the paper, and then I will decide what is best option for me’ -- So that is somehow different than with the mining units in America. It’s much, much better this way.” (General Director of geographical unit in Mexico)

ProjectA occurred in collaboration between Subsidiary II and Customer C. Subsidiary II and the local office in Mexico have a different understanding of the creation of ProjectA. The Vice President of Business Development of Subsidiary II explains that the trust, active relationship creation and customer involvement in new metals were the key factors of successful project selling. ProjectA involved determined communication with Customer C, whereas Project1 with Customer B came more by a chance. The Vice President of Business Development of Subsidiary II views himself as a communication channel to the customer over the official project organization. This direct channel is important for the customer, as it creates trust. The General Director in Mexico indicated that project negotiations were difficult and included multiple negotiations, meetings and lab testing. Both individuals tell the same story from their own views and experience and give important meaning to their own role. The General Director in Mexico perceives ProjectA as a breakthrough in relationship development.

“So it was very difficult, but in 2003, after all of this lab testing, pilot testing, and meetings here and there, I found the way to convince the top people or persons at the operational level that it was worth a change of technology -- In the end, we convinced them to change in their expansion and choose our
technology. I think that has been a breakthrough in the [Supplier Company – Customer C] relationship in this case.” (General Director of geographical unit in Mexico)

As with the ProjectA, the sensemade view of the ProjectB negotiations varied between the representative of Subsidiary II and the representative of the local office in Mexico. The Vice President of Business Development of Subsidiary II describes the path as straight, whereas the project manager of ProjectA assumed contact and offered the project without the competitive bidding.

“The same person who was in charge of [ProjectA] was now in charge of [ProjectB]. He felt that it is the most natural thing in the world that we are going there, since I know the people. There was not a competitive situation in this project. The question was whether the time was right to invest or not.”
(Vice President, Business Development, Sub II)

The General Director in Mexico describes the path differently: he indicated that the customer was also considering other options. Customer C was not in a hurry to make the decision but rather preferred to analyze in detail what is most important to them. After the Supplier Company had provided all of the needed information and laboratory testing, Customer C analyzed the technology against the competitive technological solution. In this case, the competitive technology was from Subsidiary III. Both technologies could have worked for the customer, but the customer ultimately chose Subsidiary II.

The current state of the relationship is defined as good, and Customer C is considered to be a stable buyer. As Customer C is regarded as developing and growing, it is viewed as offering potential to all of the subsidiaries across organizational boundaries. The relationship with Customer C is believed to be more developed than that with Customer B. The Vice President of Business Development of Subsidiary II indicated that the relationships should be developed at two levels: at the project operations level and at the relationship management level aiming for a strategic partnership in which the Supplier Company could act as a discussion partner. According to the Vice President of Business Development of Subsidiary II, customer decision making is not merely affected by the superiority of technology, but the high-quality technology is actually a prerequisite.

As Customer C is a highly patriarchal company, future generational change is regarded as a challenge, and a good relationship with the future CEO must be
guaranteed. As the President of Subsidiary I describes, in their field of business, there are not relationships between organizations as such, but there are only personal relationships.

“In this kind of business, we cannot talk about what is an organizational-level relationship; instead, it is the relationship between individuals. And then the individual works in a certain organization and represents that organization. [The Supplier Company] does not have a relationship with [Customer C]; they are the employees of [the Supplier Company] who have a relationship with the employees of [Customer C]. And if there is a sudden change, we have examples where there has been extremely good relationships with the customer organization, but if, for example, the whole top management is changed, it will change the relationship completely.”

(President, Sub I)

In the previous three chapters, the given meanings and actions in different events related to the development of each customer relationship were discussed. These three stories have illustrated how individuals make sense of different events, what meanings they give to the events and what actions the sensemaking stimulates.

5.4 Sensemakers in relationships

In the Supplier Company, individuals make sense of the customer relationship at multiple organizational levels; therefore, the sensemaking is tied to the particular organizational level and geographical unit to which the individual in question belongs. Different subsidiaries, internal units, geographical locations and individuals have different views and experiences of customer relationships, which create the basis for individual sensemaking.

“Isn’t it the point that you will get different answers [from the interviews done] -- there is no single truth.” (Senior Vice President of Marketing Development)

Although those at the headquarters level understand that the views and experiences of customers differ, it might not be clear in lower organizational levels, in which individuals’ network positions restrict their views of the customer. Customer perceptions can also differ, as the customer in question may not always be the same. In the case of global customers, which consist of multiple units, the subsidiaries and their units may be dealing with separate customer units.
Table 10 describes the different individual sensemaking in different events and thus describes the different types of sensemaking in relationship development. In different relationship events, four types of individual sensemaking were identified: defining, linking, triggering and creating.

**Defining** refers to viewing the customer, the relationship or one’s own organization in a different manner. For example, in the case of Customer B, the customer made contact with Subsidiary I as it was about to transfer from single metal mines to mines involving multiple ores, which led Subsidiary I to define the customer in a wider sense. With Customer A, for example, defining refers to determining what has occurred with the customer and who the customer actually is. In the case of the first multiunit project with Customer B, the relationship was defined as a triad and as a network, which naturally affected the future and present cooperation with the customer. Furthermore, the definitions of the customer may occasionally differ, as individuals have had different experiences of the same event. This situation was observed in all of the relationships; for example, with Customer A in Project I and II, the experiences of the event differed depending on the individuals involved.

**Linking** simply indicates connecting different events, meanings or actions. In the relationship with Customer B, the importance of personal relationships and relationship development were linked. Different individuals can also create different links; the problems in Project II with Customer A were explained differently based on each individual’s own experience and sensemade view of the customer. Moreover, Projects A and B with Customer C represented different perspectives depending on the teller of the stories, resulting in different stories in which one’s own acting and project development were linked in different ways.

Sensemaking can also **trigger** the change; one example is the creation of the KAM system that occurred with Customer B. The involvement of Subsidiary II and each subsidiary’s choice to define the Customer B as its own created the need for the KAM system to coordinate contacts with the customer. Another example of triggering is the establishment of a new policy to consistently inform the local office, which occurred with Customer C.

Certain events may also **create** possibilities for new business opportunities, a new shared future or an unexpected result. For example, existing projects can arouse new possibilities and intensify the relationship, as observed with Customer B.

The different types of sensemaking that were identified also differ based on their perspective on time. From these four different types, it is clear that defining
and linking are past oriented and focus on giving meanings to past events, whereas triggering and creating are more future oriented and thus guide the future actions of individuals. Sensemaking is thus regarded as closely related to giving meanings and guiding actions.

Table 10. Types of individual sensemaking identified in different events.

<table>
<thead>
<tr>
<th>Event</th>
<th>Sensemaking</th>
<th>Primary sensemaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events in relationship with Customer A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Few equipment sales</td>
<td>Defining the relationship through agents</td>
<td>Senior Vice President (VP) of Marketing Development</td>
</tr>
<tr>
<td>Activating the relationship</td>
<td>Defining the current state of the relationship</td>
<td>CustA KAM</td>
</tr>
<tr>
<td></td>
<td>Creating opportunities for future cooperation at multiple levels</td>
<td>CustA KAM</td>
</tr>
<tr>
<td>Project I</td>
<td>Linking project negotiations and relationship creation</td>
<td>CustA KAM</td>
</tr>
<tr>
<td></td>
<td>Defining the customer based on different experiences</td>
<td>President, Sub I; CustA KAM</td>
</tr>
<tr>
<td>Internal marketing</td>
<td>Linking his own organization’s actions and challenges with the customer</td>
<td>CustA KAM</td>
</tr>
<tr>
<td></td>
<td>Triggering the need for internal marketing to work on multiple levels with the customer</td>
<td>CustA KAM</td>
</tr>
<tr>
<td>Project II</td>
<td>Defining the customer based on different experiences</td>
<td>Sales Manager, Sub II; CustA KAM</td>
</tr>
<tr>
<td></td>
<td>Triggering relationship change from one project/unit relationship to a multiunit relationship</td>
<td>CustA KAM</td>
</tr>
<tr>
<td>New unit to India</td>
<td>Linking the establishment of new unit and future possibilities</td>
<td>HQ (Senior VP of Marketing Development); CustA KAM</td>
</tr>
<tr>
<td>Toward strategic relationship</td>
<td>Creating opportunities for strategic partnership</td>
<td>CustA KAM; President, SUB III</td>
</tr>
<tr>
<td>Problems in Project II</td>
<td>Linking: explaining the problems based on one's own sensemade view of the customer</td>
<td>CustA KAM; Technology sales manager, Sub II</td>
</tr>
<tr>
<td>Event</td>
<td>Sensemaking</td>
<td>Primary sensemakers</td>
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<tr>
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<tr>
<td>Loss of sale</td>
<td><strong>Linking</strong> problems in Project II and the loss of sales</td>
<td>Vice President, Sub III</td>
</tr>
<tr>
<td></td>
<td><strong>Defining</strong> the customer and relationship management in a new way as highly centralized and networked</td>
<td>Head of proposal management, Sub III</td>
</tr>
<tr>
<td>Improving relations</td>
<td><strong>Defining</strong>: recognizing that the customer needs to be educated</td>
<td>Technology sales manager, Sub II</td>
</tr>
<tr>
<td><strong>Events in relationship with Customer B</strong></td>
<td></td>
<td></td>
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<tr>
<td>Early sales projects</td>
<td><strong>Defining</strong> the relationship</td>
<td>VP, Business Development, Sub I; Sub I KAM</td>
</tr>
<tr>
<td></td>
<td><strong>Triggering</strong> the future operation practices</td>
<td>Sub I KAM</td>
</tr>
<tr>
<td>Technological development with early units of Customer B</td>
<td><strong>Linking</strong> personal relationships and relationship development</td>
<td>Sub I KAM</td>
</tr>
<tr>
<td><strong>Contact from Customer B</strong></td>
<td><strong>Defining</strong> the customer as multiple metals house</td>
<td>Sub I KAM</td>
</tr>
<tr>
<td><strong>Subsidiary II involved</strong></td>
<td><strong>Defining</strong> the relationship as one’s own, comparing the relationship to others</td>
<td>Sub I KAM; VP, Business Development, Sub II</td>
</tr>
<tr>
<td></td>
<td><strong>Triggering</strong> change, involvement of KAM system, and changes toward strategic relationship</td>
<td>Senior VP of Marketing Development</td>
</tr>
<tr>
<td><strong>First multiunit project</strong></td>
<td><strong>Defining</strong> the relationship as a triad and a network</td>
<td>VP, Business Development, Sub II</td>
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<tr>
<td></td>
<td><strong>Creating new opportunities for cooperation</strong></td>
<td>Sub I KAM</td>
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<tr>
<td><strong>Second multiunit project</strong></td>
<td><strong>Defining</strong> relationship through projects</td>
<td>VP, Business Development, Sub I</td>
</tr>
<tr>
<td></td>
<td><strong>Defining</strong> the customer similar to one’s own organization</td>
<td>Sub I KAM</td>
</tr>
<tr>
<td></td>
<td><strong>Creating connections between different subsidiaries</strong></td>
<td>Managing Director, Sub II, North America</td>
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<tr>
<td><strong>Events in relationship with Customer C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First projects to customer mines</td>
<td><strong>Defining</strong> the relationship as project-based and family-owned company</td>
<td>President, Sub I</td>
</tr>
<tr>
<td>Top management involvement</td>
<td><strong>Linking</strong> the organizational culture of the customer and relationship development</td>
<td>Senior VP of Marketing Development</td>
</tr>
<tr>
<td>Establishing a local office in Mexico</td>
<td><strong>Defining</strong> central individuals in the relationship in different ways in different units</td>
<td>Sub I (President, Sub I, North America); Sub II (VP, Business development, Sub II); Local office in Mexico (General Director in Mexico); HQ (Senior VP of Marketing Development)</td>
</tr>
</tbody>
</table>
The table above shows that the primary sensemaker is often the global account manager. The global account manager represents a key individual in building the sensemade view of the customer relationship. Overall, individuals represent their own units, and sensemaking is tied to their level of analysis and environment. Individuals’ actions are based on the meanings that they give to different events, which together create the understanding – or sensemade view – of the customer. The introduction of global account management and the manager with Customer B has changed the overall relationship and created a more consistent method of handling the overall relationship.

“It [key account management] has brought new things; people think more about divisional borders and understand that this customer potentially plays with all of us -- we coordinate now more -- this didn’t happen before, but now during two last years, it has happened -- mainly because of the [President of Subsidiary I, North America], who has a good relationship with a few persons in [the customer organization] -- and worked as a contact person between two subsidiaries” (Vice President, Business Development, Sub I)

Each relationship has central individuals or primary sensemakers, as table 10 suggests. These individuals (such as global account managers) can act at multiple
levels. They may have a more central role in relation to customers and inside of their own organization. Their actions can contribute to the development of long-term inter-organizational relationships in which actions are not bounded by divisional borders.

The global account manager can help sales by having higher-level contact with management and by mediating information regarding the genuine status of the project. Without a global account manager system with Customer A, most of the past problems would be still dominating, and there would be fewer sales and connections. CRM and global account management are regarded as tools for coordinating the internal network. Customer A requires more active management, whereas Customer B can be contacted easily. Customer C is the most dependent on close local-level connections. These differences naturally affect the MNC’s sensemade view of the specific customer relationships. With more challenging customers, HQ-level support to the global account manager is crucial.

In certain situations, the actions of the global account manager are emphasized more and occupy a central role. First, the global account manager is always involved when the top managers from both companies meet. Second, if there is a large sale under discussion and the negotiations do not progress, then the global account manager can request an audience with the customer’s top management and attempt to find a solution. Third, the top management of a customer may call the global account manager and reprimand him if there are problems in the relationship or in a certain project. The global account manager is then expected to take the information to the top management of the subsidiaries or the entire organization. In these situations, the actions of the global account manager are emphasized. These situations are especially important examples of how individual actions can facilitate the development of the entire relationship.

“I need to make sure that I don’t wear out or misuse the relationship. So there cannot be too many contacts [with the 2nd in command]. One is when [our CEO] meets [the customer’s] top management or the brothers -- then I’m always involved. Second is if we have a big deal under discussion and it doesn’t progress, then I can ask for an audience. Third is when [the customer] -- sees that some issue with us, such as a project that is not working as it should, and they are unsatisfied -- the idea is that I take the message to [our CEO] and to the presidents of the subsidiaries, since it is my job -- if you think about managing the customer relationship -- it is also important that the customer organization and our own organization have a
person in between who can meet the top management of each company, and in this case [the customer] knows that if they talk to me, it is as if they were talking to [our CEO].” (CustA KAM)

As the relationships are created through different projects, it is good to note that the global account manager and the project manager are typically not the same person. Project managers are responsible of the functioning of a single project, not the entire customer relationship. By contrast, global account managers may not be directly involved with project but act as negotiators and mediators – both inside of their own organization and between the customer and supplier organizations, as strongly observed with Customer A.

The central individual can also be another person in the relationship who has achieved the position either through the organization’s decision or through his own background. One example is the relationship with Customer C: the Senior Vice President of Marketing Development has had a close personal relationship with the CEO of Customer C and therefore has had a substantial effect on relationship development as well as an organizational-level understanding of the customer. These individuals act throughout the entire development of the relationship and strive to enhance this development at different stages and levels. There can be one or more of these individuals, and at certain organizational levels and development stages, an individual’s actions can be emphasized more than in others.

5.5 MNC views of the three global customer relationships

As shown in the previous chapters, the events in each relationship guide the sensemade view of the customer relationship. Critical events in the relationship guide the understanding of individuals. The MNC’s view of the global customer relationship is constructed through multiple individual sensemaking pictures, MNC sensemaking, organizational practices, organizational units and individuals involved in events, actions in events, past experiences, and former and current projects. As each customer relationship is unique, the views of the customer relationship that are created inside of an MNC are also unique. However, the views of subsidiaries, units or individuals naturally affect the views of others. In this chapter, three different MNC views are described, each in relation to a specific customer relationship.
As depicted in figure 5, the relationship between Customer A and Subsidiary I was built through Project I, and the challenges in that project arose when individuals in Subsidiary I make sense of the relationship. By contrast, Project II and the problems experienced in Project II have built the view of Customer A according to Subsidiary II. Subsidiary III has not had similar challenges in its projects; in addition, the customer’s objective was to develop the relationship in the direction of a strategic partnership because Subsidiary III has the largest projects by volume. The failed or ended project negotiations have not damaged the relationship, as they are viewed as a natural part of the project business. CustA KAM had built the relationship before any of the projects were negotiated, and because of these previously created personal relationships, he defines the relationship with Customer A through personal contacts. CustA KAM has had a great influence on different views within the subsidiaries, and some of the interviewed persons have been directly influenced by him. For example, the Head of Proposal Management at Subsidiary III has been appointed by and has worked closely with CustA KAM and has thus been affected by the sensemade view of CustA KAM.
As noted previously, the supplier may have multiple units in contact with the customer, and the customer can actually consist of multiple customers. Subsidiary I has been working with Customer A business unit A, and Subsidiary II has worked with business unit B. Thus, although Subsidiaries I, II and III may share knowledge about the customer, they might not be actually referring to the same customer. The customer is embedded in different contexts, which could cause the customer knowledge to be context bound. In the fractured business environment, there is a need to recognize that the customer is not always the same; the created understanding can be deeply embedded into different contexts and thus may not be directly usable in other projects or contexts. The production unit of the customer organization is embedded in its own culture and must be handled correspondingly. The need for this type of context sensitivity is described by the President of Market India in the case company as follows:

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Fig. 5. Sensemade view of Customer A.
“When you ask them [Customer A] how are we, I think that they would all say today, at least all the managers, that you have a great technique, you are diligent and decent and trustful, but still it’s really difficult to do business with you. And when they say this, I am recognizing that what they mean with these difficulties is that we are lacking what I call cultural sensitivity to understand that you might have to work a bit differently with this customer than, for example, with a Chilean or Russian or Mexican or American customer.” (President, Market India)

When discussing Customer A, the interviewees often provided particular definitions of the relationship, defining it either good or bad, and they focused on the role of culture. With Customer B, the interviewees emphasized the meaning and importance of technological solutions. Because customers differ, for example, in their corporate values and philosophy, the desired methods of operation for customers may diverge. For example, Customer A strives to buy the least expensive solution possible, whereas Customer B emphasizes good and reliable technological solutions. Customer C’s philosophy is somewhere in between. As the Supplier Company itself is a technology provider, the personnel naturally perceive technologies as central to them and their operations; thus, it is easier to accept and understand a customer who has the same values and wishes to invest in technological solutions.
As shown in the figure above, the technology development with the early units of Customer B and the early sales projects shaped how Subsidiary I views the customer. By developing breakthrough technology together, the company was able to initiate contact with the customer organization, and many of these customer contacts were later regarded as crucial. For example, one of the key individuals involved on the customer side was viewed as a key person of influence in the involvement of Subsidiary II.

The multiunit projects (Projects 1 and 2) have occupied a central role in the relationship for both Subsidiaries I and II. Subsidiary II was involved in Project1 primarily through the good contacts of Subsidiary I. Project1 was the beginning of the entire relationship between Subsidiary II and Customer B, but Subsidiary I also felt that this project changed their relationship by making it closer, as it showed the potential benefits of internal cooperation with the Supplier Company and the customer was subsequently viewed as a multiple metals house. Project1 also differed from the previous projects of Subsidiary I. Both Subsidiaries I and II define Customer B as their own customer because the customer is easily accessible and because cultural differences do not exist. Project2 was considered...
to be one of the best success stories, as it involved significant internal cooperation.

“Well, it is one of our best success stories, in that our Australian staff, who sold [the technology], did an excellent job and strengthened our relationship both with the engineering office and especially with the engineering office and also with [Customer B] itself.” (Vice President, Business Development, Sub I)

Multiple subsidiaries and geographical units were involved in Project2, which actually consisted of multiple smaller projects. Therefore, this event not only created the view of Customer B to the units involved but also combined these views because of the shared experiences and communication. Customer B is regarded as important for both Subsidiaries I and II. Moreover, as Customer B initially made contact with Subsidiary II through Subsidiary I, the customer also perceives the Supplier Company as an important and powerful technology provider; in fact, through Projects 1 and 2, this view has been strengthened.

The involvement of engineering offices caused the relationship to become a triad, which is not always considered beneficial. The relationship with the customer is defined as good by both subsidiaries, but the relationship with the engineering office has been viewed as somewhat problematic and not always trustworthy. Having a triad relationship is viewed as complicating the relationship, as potential projects must be sold twice. The relationship between Subsidiary III and Customer B or Customer C has not been active in years; hence, its view of the customer relationships is more vague primarily because of previous experiences and is more heavily affected by the sensemade views of Subsidiaries I and II. The sensemade view of Customer C is depicted in figure 7.
Subsidiary II perceives that its relationship with Customer C is “one or two steps” further than its relationship with Customer B. Subsidiary II has also conducted customer segmentation activities, according to which Customers B and C belong to different categories based on their decision-making processes. Customers were also divided into segments based on their risk-taking abilities and financial standing. Customers were classified as juniors, shoppers or buyers. A junior customer requires reliable technology, but because it lacks financing, outside financiers do not wish to invest in technologies that are not well known. Because of its financial situation; this customer is seeking an inexpensive solution. Customer B is a shopper, which means that its goal is to develop something new together with suppliers. This customer can purchase technologies from multiple suppliers. Customer C can be classified as a buyer, as it has enormous production volume and low unit prices and thus seeks optimal investment. Technology must be reliable, and production failures are not an option. A buyer might not bargain, and it tends to buy total packages. However, this classification has not led to different operation procedures with customers.
The interviewees emphasized relationship building and trust when making sense of Customer C. Its decision-making criteria are viewed differently compared with Customer B: before selling a project, one must sell oneself. In contrast, the operations of Customer C are centralized: decision making culminates in one person, the engineering offices are not involved in the early phases of negotiations, and Customer C is more interested in buying complete solutions than investing in its own technological development. Customer C prefers using the local office, which is especially important when challenges arise. In addition, Spanish language skills are needed to interact with the customer.

Subsidiary I has smaller, continuous sales projects with the customer, and some of these projects may resemble more straight orders that do not include competitive bidding. Each subsidiary has a key individual working with Customer C and thus affecting the sensemade view. From the headquarters perspective, the local office in Mexico has a central role in the overall inter-organizational relationship, and this view is shared within the local office in Mexico, which considers its Sales Manager to be the closest contact to the customer inside of Subsidiary I. By contrast, Subsidiary I perceives the closest relationship with the local office in North America.

Close existing relationships with Subsidiary I enabled the involvement of Subsidiary II. Projects A and B created the sensemade view of Subsidiary II, as close projects offer the best way to learn from the operational practices of the opposite party. Subsidiary II and the local office in Mexico have different understandings of who created Projects A and B and how they were created. However, the longest relationship with Customer C is that of Subsidiary III, which described this customer as not being central to them in this situation.

Although the sensemade views within a subsidiary are not completely shared, and as shown with Customer C, the sensemade view of a local unit may differ from the perceptions of subsidiaries, the views of the customer relationships are still sufficiently similar to generate the illustrations above.
6 Findings and discussion

In this chapter, the findings of the study are presented before the final concluding chapter. This chapter begins by discussing the organizational structure and internal MNC network and then proceeds to discussing the development of the customer relationships as events and showing the connections between project-level relationships and organizational-levels relationship. The chapter concludes by reviewing the process nature of MNC sensemaking and describing the creation of the MNC sensemade view.

6.1 Understanding the internal MNC network

In this research, the definition of MNC was widened. Previous literature (see, e.g., Forsgren 2008, Manev 2003) has focused on the struggles between subsidiaries and headquarters and between different subsidiaries. In this research, an MNC was defined as consisting of customer-centered networks, thus recognizing that more traditional organizational structures still exist.

During its history, the operations of the Supplier Company have not been customer oriented but have instead been more project oriented. Thus, the focus has not been on understanding organizational customer relationship but on selling individual projects. The Supplier Company has been contacted by its customers rather than the company contacting (potential) customers. This operation logic is viable when the market is growing, but it causes challenges during economic downturns, as there is no oversupply of projects in the markets. Furthermore, the ability to understand the customer and the networks of the customer as well as the decision-making processes and cultural characteristics of the customer is limited when concentrating merely on individual project selling.

“This has been our problem in global marketing. We have been after projects. Currently, we are mainly working on things that we have been contacted for. We haven’t been proactive, and we have amazingly bad - and this is my opinion - we have a bad understanding of the way of thinking of the customer and the customer’s networking. Not only what are the things they value but also what must be considered in their decision making. They are completely different in different parts of the world.” (Vice President, Business Development, Sub II)
As internal MNC networks are customer specific, they also operate in different ways and must therefore be managed in different ways. Traditional organizational structures can act as an obstacle in this respect, as stated in the previous literature (see Homburg et al. 2000) and in this research. The units of the MNC naturally are still dependent on one another, and thus, internal cooperation is needed. As with all networks, defining the boundaries of internal or external networks is challenging, but defining an MNC as an internal network in relation to specific customers and focusing on internal cooperation processes and sensemaking is the only way to create an understanding of the organizational-level customer relationships inside of the MNC.

Within an MNC, multiple views of the customers exist, as shown in Chapter 5.5. Shared views of the customer relationship are created in and between units, and political compromises are made (see Drazin et al. 1999), thus guiding the future relationship development and operations of the entire organization. The cooperation between different units and individuals offers possibilities for great potential; therefore, cooperation between subsidiaries in relation to customers naturally exists. For example, Subsidiary II operates as a mediator between Customer A and Subsidiary I’s office in South Africa. The mining technology project in Chile (Project2) provides a successful example of cooperation between different units. As the project was executed in Chile, Customer B’s unit in Chile and Subsidiary I’s office in Chile were involved in Project2. Subsidiary I did not have the needed technical expertise in Chile; hence, the Australian unit offered the technical support for sales process. Because the units in North America and Finland had good corporate-level connections to Customer B’s headquarters, these units were also involved in selling.

The Supplier Company has devoted resources to ensure interactions between different organizational levels, which has been viewed as the optimal approach to developing relationships and winning projects. By having a multiunit relationship, the units can exploit and further develop the existing relationship with the customer into a deeper and more strategic relationship. The supplier also confronts the challenge of recalling that despite the fractured nature of the multinational project organization, the customer perceives only one supplier, not merely one subsidiary of the supplier.

“You might say that we were fighting on two fronts: there was somebody dealing at the top and somebody dealing a little bit below. So, basically, I was making sure that the people at the project level were supporting [the Supplier
As each subsidiary’s relationships affect others, challenges are bound to exist. For example, Subsidiary III lost the sale with Customer A because of the problems with Subsidiary II’s project. The effect varies between different customers, as some of the customers are more centralized and some are more decentralized in their actions:

“[Customer A] is really centralized; if one field or one delivery has problems, it quite easily affects the entire [Supplier Company-Customer A] relationship because the investment projects are centralized in that organization. At the other extreme, Customer B, if we have problems in the African office or with the African project, then it doesn’t affect projects in other countries, since they have decentralized their own activities.” (President, Sub I)

Internal cooperation is observed in situations in which there are limited resources and the company needs to choose projects in which to invest resources. As bidding also consumes resources, prioritizations are chosen both inside and between the subsidiaries, as described in the quotation below. Thus, organizational-level customer relationships must be considered in the long term through potential future projects.

“It is an internal discussion and experience process. It is an iterative process, and it depends on how we visualize and see our own competitive setting and then we look at -- the long-term potential. For example, does [Customer A] offer more potential in five years or in ten years – the customer might not like it if we are not offering even if they wouldn’t consider buying from us. But the problem is that offering is a time-consuming job and, in the case of [Subsidiary II] or [Subsidiary III], might cost half a million or a million euros, and then you need to consider extremely carefully where to put the resources. It is a prioritization that we do within the division in the management board and, if necessary at headquarter level if multiple divisions are investing resources.” (President, Sub I)

As explained in the above quotation, subsidiaries are separate entities and might be competing for the same resources, but at the organizational level, the overall relationship is considered. Subsidiaries also have different roles in the MNC;
Subsidiary I acts as a support organization for the other subsidiaries, as its projects are smaller in value.

“I need to -- discuss internally that I don’t interrupt the actions of [Subsidiary II] or [Subsidiary III]. So we do that sort of thing -- that it would help other divisions -- I don’t know, does it come automatically from all of us? I would like think that we do it bit more, but that is because we have more small sales compared to the others. So our role is to be somewhat involved all the time. If [President of Sub I] has a sale of 100 million on hold, you need to think of things in different ways than if I have a sale of 3 million on hold.”

(President, Sub I)

The need for customer-oriented action and sensemaking is easily understood when considering the relationship with Customer B. The Supplier Company views Customer B as a “seemingly easy customer” who is easily contacted, but securing a sale is still not guaranteed. When one works with a customer that is relatively easily contacted and accessible, the risk of not sharing one’s own contacts grows. Therefore, the question is how these types of “easy” customers should be handled. Possessiveness increases with these customers because it is easy to access the customers through own routes, strive to protect one’s own contacts and share reports only with some persons. This situation can be observed both on the business unit level and inside of business units.

“People used to make contact [with the customer] without knowing between one another, and then they found, noticed, that this and this has been done, either hearing it from the customer or finding out by accident.” (President, Sub I, North America)

The challenge arises when the sensemaking of the customer occurs only at the level of individual or unit and when the MNC view of the customer does not guide the future events and development with the customer. The involvement of multiple units and locations in an organizational-level relationship also causes challenges on a practical level because the terms of contracts may differ, as observed with Project1 of Customer B.

“[Subsidiary II] had negotiated a pre-contract for a technology a long time ago. The Australians offered [a technology] -- So the Australians accepted completely different terms of contract than we accepted; they were not synchronized or coordinated. If you lock the delivery terms, the terms of the
contract with one party, you can be sure that in the next negotiations – when the terms of contract are on the table, that hey, you have already accepted these." (Senior Vice President of Marketing Development)

Thus, the MNC should be treated as a network to understand the organization’s own actions, to unify operations and to achieve synergies.

6.2 Development of customer relationships as events

Chapter 5.2 showed how three different customer relationships developed through relationship-specific events. It was shown that the MNC is required to understand the uniqueness of each customer and the embeddedness of each relationship in its own surroundings and development history because this understanding affects the future events and development of the relationship.

This research focused on one special case of MNCs, a project-based MNC. As a project-based MNC is centered on projects, the importance of lower project-level relationships is emphasized. This research has focused on the sensemaking of customer relationships as events in relationship development and thus has not focused on specific projects in detail, although projects are an essential part of the customer relationships discussed. The events discussed in this research can be projects or parts of projects. Even when the projects end, the customer relationship between the supplier and customer organizations can be regarded as continuous. Furthermore, because of the size of the projects, the project time frame can be long, as observed with Customer B. Moreover, services and maintenance occur between projects. The special feature of a project organization is the project teams; thus, the conclusion of a project often implies that personal relationships and the amount of communication between two organizations may change.

In the MNC context, the customer is also organized based on different organizational levels. These relationships have more intensive phases as well as quieter phases. This variation in the amount of cooperation is caused by the fluctuating project, hence the reason that the previous literature has long discussed sleeping relationships (see, e.g., Hadjikhani 1996). The interactions between the customers and the supplier primarily occur at the project level, which complicates the creation of a shared organizational view of the customer. Projects are quite independent operation forms with great autonomy and thus can easily be disconnected from one another. Thus, the collective understanding of a customer
can create benefits and smooth operations in individual relationships and in new or existing projects.

In project-based relationships, the project-level views of the customer are the basis for creating the combined organizational-level view of the overall customer relationship. According to moderate constructionism, there are multiple perspectives on knowledge and multiple understandings of customer relationships (Järvensivu & Törnroos 2010). Although sensemaking refers to a cognitive process of an individual, it cannot be considered in isolation, as it depends on and is influenced by collectively constructed views (Näslund & Pemer 2012). An interpersonal relationship at the project level does not automatically translate into an inter-organizational relationship, although the good reputation of the company might be useful in creating such a relationship. The figure below illustrates the connections of the project-level relationship to the generally more organizational-level relationship between MNCs and their customers.

![Diagram of connecting project-level and organizational-level relationships](image)

**Fig. 8. Connecting project-level and organizational-level relationships.**

As noted, the customer relationship evolves through specific events, and in project businesses, these events may include projects or parts of the projects. Projects are coordinated by one or multiple production units, which can be
technological or geographical units of the subsidiary. The view of the customer is created through projects, and the views inside of a production unit are typically similar based on shared experiences. One subsidiary may have multiple projects with different production units from both the customer and supplier sides, but although projects are allowed reasonable autonomy, subsidiary management remains closely connected to their production units. Chapter 5.5 described the different sensemade views of each customer relationship and explained which events, actions, individuals and experiences have affected their formation. From the different subsidiary understandings, the MNC sensemade view of the customer relationship is formed, which then affects future events and individual relationships at the project level. As noted from both previous theories and empirical examples, the customer must be contacted through multiple levels to ensure the most effective operations. Although the relationship is centered on projects, the multilevel relationship and good working relationship with headquarters are still important because decisions on larger projects and new projects are made at headquarters; hence, the formation of the sensemade view of the customer relationship is central, as shown in this research. 

"For now, the [Project1] and [Project2] -- it is important that we have the headquarters connections, since they [the decisions] don’t go through existing factories; they come from the headquarters and through some engineering office." (President, SubI, North America)

6.3 Sensemaking in the customer relationship: creating a view of the customer

The MNC sensemaking of global customer relationships is a continuous process in which shared sense is created (see Ge phart et al. 2010: 284–285). MNC views consist of multiple individual views and thus are not static (Näs lund & Pemer 2012). The figure below describes the processual nature of MNC sensemaking. The individual sensemaking within the MNC creates the organizational-level sensemade views of the global customer relationship, which in itself consists of multiple different views. These different individual views of the customer relationship and the organizational-level sensemade view thus affect and guide future MNC sensemaking, as the sensemaking of the future is always guided by past experiences (see Weick 1995). The sensemade view of the customer relationship consists of multiple different views, which may sometimes be at least
partially overlapping. These views may differ from one another based on previous events, experiences, organizational structures, given meanings and individuals or units involved, as described in Chapter 5.5. These views may also be shared within a different group, such as a project, a technological or geographical unit, or a subsidiary.

Fig. 9. MNC sensemaking as a process.

Sensemaking in MNCs is partially unconscious and partially structured. Sensemaking is regarded as a strategic capability in organizations (Neill et al. 2007); therefore, the organization can strive to manage the customer relationship both in relation to the customer and within its own organization. For example, key account management can be considered an example of aspiring toward a more unified view of the customer. In this research, it was observed that the customer often requires unified ways of action and a single view of the supplier. Thus, the role of key account management and of the key account manager was regarded as unify the view of the supplier for the customer. Although the key account manager can act inside of his own organization as a primary sensemaker and harmonize practices when dealing with the customer, the role of the key account manager was not considered to create a single view of the customer to the supplier.

Individuals constantly make sense of their everyday experiences. The understanding of the need for unified management can emerge, for example, in relation to specific event, as observed with Project1 of Customer B. While making sense of the event, headquarters began to reflect on how relationship management should be developed at the organizational level.
“With [Customer B], I don’t know it as well as these [President, North America, SubI] and [Vice President, Business Development, SubII]. With [Customer B], we have been, I have been involved with [Project1] -- in which I was quite involved; it was a typical project -- From there arises the question of whether we should build a key account management system or what is the best way to handle it. It is kind of ... it’s not the only so-called easy customer that we have, that is easily contacted and that is easy to talk to, but it is a different question of whether that will actually lead to anything.” (Senior Vice President of Marketing Development)

Sensemaking occurs not only at the individual level but also at the organizational level; therefore, individuals also produce part of the environment that they encounter (Weick 1995). Sensemaking in MNCs is needed for organizations to have unified ways interacting with customer. For example, having unified terms of the contract is needed when multiple supplier units are working with the same customer. Thus, a customer relationship can thus act as an impulse for cross-divisional cooperation. Inside of an MNC, the importance of having a shared view varies. Individual-level connections to customers are considered to be important at the unit level, and headquarters also recognizes the need to include corporate-level connections. For example, the sales view is that organizational structures are not so important; rather, informal structures are more appropriate. It was also shown in the interviews that at the HQ level, it is easier to see the wider picture; to recognize problems arising from a lack of networks; and to identify the need, for example, for a global account management system. However, at the unit level, this understanding is less obvious.

Having a shared sense of the customer relationship is not always straightforward within the MNC or even within a single subsidiary; people might not know about the activities of other technology units. It is useful to note that within the organization, there are also relationships that must be created, developed and handled appropriately:

“We have something to offer to each other, but maybe the yard is too big to cross sometimes – we should have more meetings together and get to know each other. That might be the message, that knowing each other is the key before this [cooperation] starts properly.” (Vice President, Sub I)

Although individual- and unit-level understandings or views of the customer may differ, shared views still exist and thus guide the actions in the organization (see
Drazin et al. 1999). Customer-specific differences in individual sensemaking are significant. For a customer that could be contacted easily through multiple levels, the views of the customer relationships differed from one another and were more based on their separate experiences. However, if the customer required global account management and top management-level contacts, then the MNC sensemade view was more unified, as the global account manager was actively combining these understandings within the MNC.

The global customer relationship is composed of multiple relationships between units and individuals, as noted earlier. These relationships consist of events that may be partly or completely overlapping and that occur between different organizational units. Therefore, sensemaking is affected by the organizational structure of an MNC and the position in the organization in which the individual acts (e.g., top management, project personnel) and in the organizational units (e.g., subsidiary, geographical/technological unit, project level) to which the individual belongs. Sensemaking is a process in which individuals make sense of past events (see Weick 1995). In Chapter 5.2, three global customer relationships were described through events, and Chapter 5.3 discussed the actions in these events and the meaning given to them inside of the organization. Both current and future events are affected by individual sensemaking. Individuals make sense of events and give meanings to them by defining and linking, which then triggers and creates actions in events, as shown in Chapter 5.4. Sensemaking can be both past- and future-oriented in its actions. It can focus on past events and giving meanings to them, which can thus guide future actions by triggering change or by creating opportunities. MNC sensemaking creates the sensemade view of the customer, and this view affects the MNC’s sensemaking, as described in figure 9. The creation of the MNC’s sensemade view is illustrated below.
Fig. 10. Creating the MNC’s sensemade views.

Because sensemaking evokes action and guides future events, it is considered in this research to be a means of developing global customer relationships. In the long term, the MNC view of the global customer relationship and the sensemaking that is attached to it affect the future development of the customer relationship; therefore, it is crucial for MNCs to understand how the process of sensemaking occurs. MNC views of global customer relationships are socially constructed. Views of customers and different interpretations exist in individuals’ cognitive processes, but organizational sensemaking as a social process can bring these views closer together. These views can be similar, thus enabling action, but are most likely not completely unified. Figure 10 is consistent with the principles of moderate constructionism, as it shows that there is no one universal truth; rather, there are multiple community-formed views of the customer relationship, which can also be contrasting (Järvensivu & Törnroos 2010). In this research, sensemaking is thus approached by revealing different perspectives on the studied phenomenon: the MNC’s sensemaking of global customer relationships.
7 Conclusions

In this chapter, the conclusions of the research and the contributions of the thesis are presented. The chapter concludes with the overall evaluation of the study and suggestions for future directions.

7.1 Conclusions of the study

The aim of this study was to develop knowledge of industrial customer relationships by concentrating on how an MNC makes sense of its global customer relationships. In addition, individual sensemaking of global customer relationships inside of the MNC network was discussed. Thus, the main research question in this study described as follows:

How do MNCs make sense of global customer relationships?

This question addresses the complexities that geographically and technologically dispersed MNCs confront in their everyday operations, especially when acting with their globally operating customers. To answer this question, this research created a theoretical framework based on previous discussions of the various areas, as presented in Chapter 3.4. In the empirical part of the study, the focus was on describing the sensemade views of the three selected customer relationships and on explaining how these views are created and structured.

This research acknowledges the inherent complexity of working with a customer that is not always the same as the relationship consists of overlapping and discontinuous projects in which participating individuals, geographical and technological units differ. The customer relationships between a multinational supplier and buyer cross national borders, and relationships are embedded into different national contexts. MNCs have been a focus of many researchers, but in this research, the definition of an MNC is widened: it is defined as an internal network formed around its customer relationships. The customer is a key driving force of internal cooperation and creates the environment in which individuals strive to make sense of their own network and of the customers with which they are operating. These internal networks affect the customer relationships, and each customer relationship in turn shapes the internal network.

The research problem was approached first by seeking answers to three sub-research questions, each of which focused on a different aspect of the research phenomenon. The first sub-question was as follows: How do internal MNC
networks influence the understanding of global customer relationships? The purpose of this question was first to define MNC more accurately, and after having created the understanding of MNC as an internal network, the goal was to show how this context affects customer relationships. The question was approached first by defining the internal MNC network in a theoretical sense in Chapter 2 and then by describing the MNC context empirically in Chapter 5.1. By applying a network perspective to the MNC context (see, e.g., Piekkari & Welch 2010), this research was able to extend the view of how customer relationships are handled inside of the supplier MNC.

An internal MNC network was defined as a network of relationships between different units, levels and actors inside of an MNC. Thus, the concept was defined through different levels of analysis. As described in figure 1, there could be numerous internal networks, as the internal MNC network is defined in relation to specific customer relationships. Previous research (see Doz & Prahalad 2005: 21) indicates that in MNCs, there are multiple internal and external stakeholders; therefore, multiple perspectives and choices are apparent. In this research, the customer is viewed as a key element in defining and building the internal network. Subsidiaries are not only embedded in their own local networks, which may differ between subsidiaries (see Andersson et al. 2002, Forsgren 2008, Vahlne et al. 2012), but they are also forming internal MNC networks between different subsidiaries, geographical and technological units, and individuals based on the customer with which they are operating.

Vahlne et al. (2012) note that HQ can be unaware of the networks and actions of its subsidiaries. In this research, it was also observed that the HQ struggled to be aware of the project operations and negotiations of the subsidiaries. Classifying and defining “what is a good customer” is a challenge both to HQ and to the entire MNC. Especially in a fractured project organization, the importance of customer relationships for different subsidiaries and units differ as well as how and where relationship management is organized, as described in Chapter 5.2. The importance of a customer relationship fluctuates on the basis of current or future projects; therefore, for both HQ and subsidiaries, the understanding of a customer relationship greatly depends on the history of the relationship, common projects, an individual’s or unit’s own experience and the common understanding or sensemade view of the customer. This research described how different internal MNC networks were built and managed in relation to three customer relationships. The organizational structure of the MNC in this study was perceived as restricting the understanding of customer relationships and,
therefore, creating obstacles to cooperation at times. As different customers may act with numerous subsidiaries and units, internal competition is bound to exist. The notion of organizational structure is also discussed in the previous literature (see, e.g., Gebauer & Kowalkowski 2012), which has noted that customer-focused organizational structures naturally require increasing collaboration between different organizational units. It has also been emphasized that to become a customer-centric organization, multiple changes in organizational structures are needed (Homburg et al. 2000), as observed here in the case of the supplier MNC.

Thus, organizational levels and the projects in which an individual has been involved restrict and shape the understanding of the individual. As experiences vary, and not all customers are equally important to all units, there may be multiple understandings of the customer, as described in Chapter 5.5. Furthermore, certain individuals, such as key account managers, may have a central role in creating the organizational-level view of the customer because they are acting on multiple organizational levels and with different units and/or subsidiaries.

The second sub-question was defined as follows: How do individuals make sense of global customer relationships? This question addressed the individual-level actions within a dispersed MNC in relation to global customer relationships. Sensemaking is regarded as an individual’s subjective understanding of the world, which leads to action. Individuals strive to structure their experiences, which enable them to comprehend and explain events and predict future actions (see Weick 1995: 4–5). By making sense of the customer relationship, individuals are better able to understand the customer and the existing relationship. The sensemaking of different individuals is tied to the specific organizational level and unit in which they operate, as suggested in the answer to the first sub-question. Thus, sensemaking is tied to the particular organizational level and geographical unit to which the individual in question belongs. The sensemaking of an individual is affected not only by the organizational level and unit to which the individual belongs but also by the existing shared views of the organization and the experiences of the customer. When working with multinational customers, customer perceptions may also differ, as the perspectives of customer units and individuals may not always be the same.

Sensemaking is an ongoing process in which an understanding of the customer is being created constantly, and this view thus affects how individuals in MNCs make sense of the events in the relationship and in the customer
relationship as a whole. As the network positions of individuals restrict their views of the customer, different individual sensemade views do not inevitably lead to a shared sensemade view of the global customer relationship. However, over time and with increasing internal cooperation, these views can become more similar as individuals affect one another’s sensemaking. By combining different views, a more comprehensive understanding of the customer is created, which assists in managing the overall relationship inside of the MNC.

As sensemaking as a concept often remains at an abstract and broad level, sensemaking in this research was characterized by identifying four different types of action that describe the sensemaking and are tied to different events in relationship development. Individual sensemaking was viewed as consisting of defining, linking, triggering and creating. Defining and linking were regarded as retrospective, whereas triggering and creating were considered more future oriented. Based on previous experience and events in a relationship, an individual can define a customer in numerous ways, which may lead to differing views of the customer and thus different actions and may eventually affect the relationship development and future events with the customer. Individuals can link different events, actions or meanings and recognize connections between them. These explanations can differ based on an individual’s own experience and the sensemade view of the customer, which then can result in different stories in which one’s own acting and events are linked in different ways. Sensemaking can also trigger changes or create possibilities for new business opportunities, new understanding, a new shared future or unexpected results. All of these types of sensemaking were found in the development history of each customer relationship that was researched, and as each event consists of several actions, each event can naturally include multiple types of sensemaking. The sensemaking of MNCs stems from individuals’ interactions with customer representatives and is closely related to the development of the relationship over time.

The third and final sub-question is as follows: How does relationship development shape the sensemaking of MNC managers? This area of the research was focused on how relationships evolve and noted that the sensemaking of these relationships is intertwined with relationship development. To answer this question and thus to also answer the main research question, this research first created three stories of relationship development as described through important events in each relationship. The next step was to divide the events into smaller parts and to define the actions and meanings of individuals in each event and thus
to create an understanding of sensemaking in relation to the development of the relationship.

Global customer relationships were defined as continuous and as developing through different events, which may include different organizational levels and individuals. These events create the overall relationship with the customer organization. The inter-organizational relationship between a supplier and a buyer consists of several intertwined relationships and legal contracts between individuals, different projects, units, subsidiaries or the MNC as a whole. Sensemaking not only is tied with current interaction but also is retrospective in nature and future oriented in its actions; therefore, by concentrating simply on current interactions, one cannot fully understand the overall relationship. Because of the episodic and continuous nature of sensemaking (see Weick 2012), relationships were discussed in both ways in this research.

Relationship history and development have a strong effect on how individuals in MNCs perceive customer relationships. Individuals’ own experiences guide their attitudes toward customers and affect their views of customer relationships. The challenge for individuals is to make sense of customers at their own organizational level, as the sensemade view of a customer is formed primarily through an individual’s own experiences in the relationship and its development and secondarily through the shared sensemade view existing at the unit or project level. As the relationships in focus in this research consist of projects, the development of relationships occurs through projects at different organizational levels. This type of development thus affects the experiences of individuals and creates different views in organizations because projects differ and because some individuals, units or subsidiaries may not be involved in all of them. The success or failure of individual projects guides the sensemaking of involved individuals, as shown in the analysis. Individuals strive to perceive the limitedness of their own understanding, as sensemaking is subjective, although it is created in interaction. Thus, customer relationships exist at multiple levels, which also guides customer expectations.

Furthermore, future events are affected by the sensemaking of individuals because sensemaking is a primary generator of individual action (see Drazin et al. 1999, Weick et al. 2005). Individuals make sense of events, give meanings to them and act on that basis. Sensemaking is a continuous process, as shown in figure 10, and is closely connected to change and development in organizations. Individuals in an organization create part of their own environment.
This research also identified primary sensemakers, and a typical example is global account managers. Their responsibilities either are based on the conscious decisions of top management or stem from the history and experiences of individuals and organizations. There can be one or more of these individuals, and at certain organizational levels and development stages, the actions of such individuals can be emphasized more than the actions of others. In each customer relationship researched, there was at least one primary sensemaker whose acting and sensemaking contributed to building the MNC views of the global customer relationship and connected the multiple different views stemming from the different units and experiences tied to their own level of analysis. Primary sensemakers thus act at multiple organizational levels and are involved in multiple events, through which an MNC’s views of the customer relationship are created and develop into a long-term inter-organizational relationship that crosses divisional borders.

7.2 Theoretical contributions

This section focuses on the theoretical contributions of the thesis by highlighting the following key issues. First, this study contributes to the literature on industrial customer relationships. This research describes how the sensemaking process inside of a network functions and how the MNC sensemade views of the customer relationship are formed from multiple individual views. Previous literature in the field of IMP includes extensive studies on relationship development and management; however, when acting in geographically and technologically dispersed MNCs with globally operating customers, members of the management team of MNCs must first understand who their customers are and how the customers is perceived within their organization, before they can manage, handle or develop such relationships further.

Relationship development is described through events, as detecting and following event-based change processes enables researchers to follow relationship and network development (see Ford & Håkansson 2006, Hedaa & Törnroos 2008, Tidström & Hagberg-Andersson 2012). This research shows how relationship development can be studied using the sensemaking of critical events (see Hedaa & Törnroos 2008).

An MNC’s sensemaking of its global customer relationships consists of the sensemaking of multiple individuals interacting with customers during the history of the relationships. Although the relationships of individuals may provide useful
information on the global relationship, such a comprehensive understanding can be created only by combining individual views, as done in this research (see also Leek & Mason 2010). In previous research, less attention has been devoted to organizational sensemaking or to the sensemaking that occurs among large groups (Maitlis 2005). Therefore, individual sensemaking is combined into organizational-level understanding, and this research thus offers a multilevel approach to both relationships and networks, as suggested by previous literature (see, e.g., Järvensivu & Möller 2009, Möller & Halinen 1999, Provan et al. 2007, Ritter & Gemünden 2003). The traditional views of sensemaking concentrate on the retrospective cognitive process of an individual rather than future-oriented aspects of sensemaking (Gephart et al. 2010). This research combines the two perspectives and identifies both retrospective and future-oriented types of sensemaking.

The contribution to the key account management literature in this thesis is created by showing the role of the key account manager as a primary sensemaker and combiner of the different sensemade views of customer relationships. This research encourages additional understanding of sensemaking and operationalizes the concept by showing the different types of sensemaking and exploring how individuals make sense, thus continuing and further developing the previous research by, for example, Mason (2012) and Ramos et al. (2012).

In addition, this research also contributes to the MNC literature by developing the understanding of MNCs as internal networks in relation to specific customer relationships. The IMP research tradition on networks is utilized to create an understanding of the MNC as a network. The previous theoretical discussions on MNCs as networks (see Andersson et al. 2002, Forsgren 2008, Holm et al. 1995, Vahlne et al. 2012) have focused on, for example, subsidiaries’ external networks or headquarter-subsidary relationships. This research extends the ongoing discussion by observing that there are multiple internal networks in MNCs built around specific customer relationships and that these networks are a driving force of the operations of organization. The previous literature on how internal networks affect customer relationships or how each customer relationship shapes the internal network has been limited. Subsidiaries not only are embedded in their local networks but also form their own networks between different subsidiaries, geographical and technological units, and individuals based on the customer with which they are operating. The customer occupies a key role in defining the internal network and network relationships.
This research is also consistent with Ritter et al. (2004) in reporting that the current network view should also include an internal network and thus expands our understanding of networks by defining and describing internal networks in relation to an organization’s customer relationships. In the empirical research, it was also observed that existing organizational structures can act as an obstacle to cooperation with customers; thus, organizational change is needed for a supplier to be more customer-centric (see Homburg et al. 2000).

The current study offers a greater understanding of the operation logics inside of a project organization (Skaates et al. 2002, Söderlund 2004b) and shows how project-level views of customers are combined into the MNC sensemade view, thus guiding the future development of the relationships. The research highlights the need to connect projects and to create a collective understanding of customers.

### 7.3 Methodological contributions

The methodological contribution of this thesis is illustrated in the detailed process descriptions in Chapter 4. Although the concept of case is a basic feature in social science, the question of how case should be defined remains (Ragin 1992). Research is often regarded as a linear process in which the definition of a case precedes the actual data collection.

This research highlights the research tactic of casing and describes how the simultaneous data collection, data analysis, and literature review, along with the researcher’s own sensemaking, created the case for this research. Ragin (1992: 218) defines casing as a single methodological step that can occur at any phase of the research process but occurs most often at the beginning or end of the research process. Studies are often described as abductive, but they are not precise in explaining how the research process has been abductive (see Dubois & Gibbert 2010, Järvensivu & Törnroos 2010). Hence, in this research, the abstract and broad concept of casing is demonstrated by providing a detail example of how the case is created in relation to the data collection and analysis. By describing this process in detail and including concrete examples of the casing process, this thesis offers valuable insight into the actual research process and the credibility of the study by revealing the process that is often unexplained in research.
7.4 Managerial contributions

Previous chapters discussed the theoretical and methodological contributions of the study. This chapter discusses the value that the insights of this research offer to practitioners. First, this research has shown that within a single corporation, multiple different understandings of customers as well as the type and status of customer relationships can exist. More specifically, individuals make sense of customers, and these sensemaking views may differ on the individual, unit and organization levels. Internally, there is a need to recognize these multiple views to ensure trouble-free cooperation with customers.

As internal networks are formed in relation to specific customer relationships and the view of the customer is created within that network, it should thus be noted that such networks and customer relationships should be managed in different ways. An organization should note the internal complexity when acting with a customer that is global, that consists of numerous subsidiaries and units, and that is built around fractured projects. In the management of customer relationships, customer preferences often guide the operations, and organizations often need to adjust their own organizational structures to become more customer-centric.

Second, individuals make sense of different events in the development of a relationship; hence, a certain meaning is given to an event, and this meaning then leads to action. Each individual makes sense in relation to his or her own history, organizational level and position held and defends their own views. As the organizational level and previous experience guide the sensemaking of an individual, the same event may be interpreted in multiple ways. Individuals should be motivated to gather and share customer-specific knowledge to form a shared view of the customer, which is then a prerequisite for managing the customer relationship in a unified and consistent manner.

Some customer-specific differences in sensemaking should be noted. If a customer is easily contacted, then the views of the customer are created in multiple levels and may thus differ greatly. If a customer requires global account management and top-level contacts, then the view is often more unified and shared across different levels and units.

Third, two or more competing views of a customer relationship can exist inside of the supplier organization, and each view represents the truth to the groups believing in it. Headquarters may share some of these views, but they may not always be aware of and knowledgeable about the operations and networks of
their subsidiaries. Thus, in a managerial sense, there is a need to understand how corporate relationships are composed, which requires understanding of the multiple levels and units involved. In the fractured business environment, there is also a need to recognize that the customer is not always the same; the knowledge that is created can be deeply embedded into different contexts and thus may not be directly usable in another project or context. Furthermore, management should actively strive to understand how relationship development guides the sensemaking views of the customer relationships inside of their own organization, as the previous understanding also guides future actions with a customer. An organization benefits from communicating the advantages of having a multilevel relationship to its internal units because although top management may be aware of the benefits at the organizational level, the sensemaking of individuals acting in other parts of the organizations is restricted by their own limited experiences and the organizational levels in which they work.

Fourth, in each organization, there are primary sensemakers who contribute to building the shared view of a customer relationship. These individuals may be appointed by the organization or may rise to these positions based on their own characteristics. In relation to specific customer relationships, there can be a shared primary sensemaker, or each subsidiary or unit may have its own sensemaker.

This study implies that the global account manager can act as one organizational power connecting different views and levels and that customers often perceive these individuals as crucial in relationships. With certain customers, establishing global account management is needed to ensure successful relationship development. A global account manager should be an experienced individual who has credibility from the perspectives of both the customer and his own organization. Clear responsibilities and HQ-level support are needed to ensure successful operations.

### 7.5 Overall evaluation of the study

In qualitative research, the researcher is the central research instrument and thus provides the main criteria for trustworthiness (Eskola & Suoranta 2001: 210). In her own actions, the researcher can affect the quality of the research. There are no exact rules on how qualitative research should be conducted or evaluated; rather, the researcher focuses on reflecting on the question of the actual quality of the research that was conducted (see Miles & Huberman 1994: 278).
The quality of research is most commonly evaluated using measures of validity and reliability (see, e.g., Eriksson & Kovalainen 2008: 291, Gibbert et al. 2008, Lincoln & Guba 1985: 290, Yin 1994: 32). These classic criteria have been criticized, as they originate from quantitative research and have only partially been adapted to fit qualitative research (Eriksson & Kovalainen 2008: 291). The meanings of these criteria differ in quantitative and qualitative research settings. The traditional criteria are based on the assumption that the research has access to objective reality and truth (Lincoln & Guba 1985). Qualitative researchers and literature are divided in their opinion of whether the accuracy of qualitative research can be evaluated using validity and reliability as criteria (Eriksson & Kovalainen 2008: 292, Eskola & Suoranta 2001: 211). For example, Andersen and Skaates (2004: 465) and Koskinen et al. (2005: 257) state that the concepts of reliability and validity are always useful because they have been widely used in qualitative studies and because there are not yet any generally accepted alternatives for them. Therefore, this chapter begins by discussing the concepts of validity and reliability and then continues by discussing some alternative criteria for evaluation.

Validity refers to the extent to which the conclusions drawn in research provide an accurate explanation of what happened (Eriksson & Kovalainen 2008: 292). In qualitative research, the term validity often refers to providing a guarantee that a report or description is correct, for example, by considering reflexivity, triangulation and member check – that is, allowing participants to check the researcher’s interpretation of the information that they provided (Eriksson & Kovalainen 2008: 292). Validity is most often divided into internal, external and construct validity (see, e.g., Lincoln & Guba 1985: 290).

Internal validity refers to the causal relationships between variables and results, that is, whether the researcher provides logical reasoning that is sufficiently powerful to defend the research conclusions (Gibbert et al. 2008). Internal validity is relevant primarily in explanatory or causal studies (see Yin 1994). However, internal validity can be extended to include the internal logic and integrity of the interpretation. Internal validity can be enhanced through theory triangulation, in which different theoretical lenses and bodies of literature are used either in a research framework or as a means of interpreting findings (Gibbert et al. 2008). Tests for internal validity occur in the data analysis phase (Yin 1994: 33), and this research addressed this type of validity as follows. The data were carefully read, re-read, categorized and coded, as explained in Chapter
4.5. In addition, relevant and qualified interviewees provided important insights on the research phenomenon (see tables 2 and 4).

Construct validity refers to establishing the appropriate operational measures for the concepts being studied (Koskinen et al. 2005: 254, Yin 2003: 33–35) – that is, the extent to which a study investigates what it claims to investigate (Gibbert et al. 2008). Construct validity must be considered during the data collection phase (Yin 1994: 33) and can be determined by establishing a clear chain of evidence that allows a reader to reconstruct the process by which the researcher progressed from the initial research questions to the final conclusions (Gibbert et al. 2008, Yin 1994). The research process herein was documented by writing in a research journal, and the process was explained in detail in Chapter 4. Another approach to enhance construct validity involves the use of triangulation (Gibbert et al. 2008, Yin 1994). For example, in this dissertation, multiple data sources have been exploited, such as primary and complementary data, interviews, web pages, research workshop, brochures, offering circular, drawings and sketches, and organizational charts.

External validity refers to the transferability of the findings of the study. Neither single nor multiple case studies allow for statistical generalization, but qualitative case studies do offer avenues for analytical generalization (Gibbert et al. 2008). Analytical generalization is a process involving generalization from empirical observations to theory rather than a population (Gibbert et al. 2008, Yin 1994). In this research, the case study consists of three sub-cases, which is one way to improve external validity (see Gibbert et al. 2008). The researcher must also justify and describe the case selection (Gibbert et al. 2008), which was described in Chapter 4.2. By providing a rich description of the research phenomenon, the reader is provided with the opportunity to transfer the results to another context (Koskinen et al. 2005: 257). The research context as well as the operations and operational environment of the Supplier Company have been described in detail (see Chapters 4.3 and 5.1).

Reliability is one of the classic evaluation criteria, and it refers to how well the operations of the study, such as data collection, can be repeated with the same results (Eriksson & Kovalainen 2008: 292, Gibbert et al. 2008, Lincoln & Guba 1985: 292, Yin 1994: 33). The questions is not whether the results could be replicated by conducting another case study; rather, the emphasis is on performing the same case study again (Yin 1994: 36). The key words pertaining to reliability are transparency and replication (Gibbert et al. 2008). Reliability can be enhanced by maintaining a chain of evidence – that is, offering the reader an
opportunity to follow the progress of a study from the initial case study questions to data collection and eventually to the conclusions (Yin 2003: 105). This approach has been adopted by carefully recording the progress of the case study and describing it to the reader. The transparency of the research has been enhanced by carefully processing and documenting the empirical data (see Chapter 4.4) and by clarifying the research procedures (Chapter 4). The interviews were tape-recorded and transcribed, and the general interview themes and structure for the interviews are shown in Appendix 1. The table below summarizes the methods used to improve the validity and reliability of this study.

Table 11. Validity and reliability of the research.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Meaning</th>
<th>Method of addressing in the study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal validity</td>
<td>Causal relationships, internal integrity and logic of the study</td>
<td>Use of previous research and theories, use of qualified interviewees</td>
</tr>
<tr>
<td>Construct validity</td>
<td>Establishing appropriate operational measures for the concepts being studied</td>
<td>Use of primary and complementary data, multiple data sources, writing in research diary, detailed description of empirical data</td>
</tr>
<tr>
<td>External validity</td>
<td>Transferability of the findings</td>
<td>Providing a rich description of the Supplier Company, its customers and project business logic</td>
</tr>
<tr>
<td>Reliability</td>
<td>Transparency of the research, absence of random error</td>
<td>Writing a research diary, careful processing and documenting of empirical data</td>
</tr>
</tbody>
</table>

As discussed earlier, the criteria of validity and reliability are not regarded suitable for qualitative research by all researchers. Eriksson and Kovalainen (2008: 294) suggest that especially in case studies that rely on relativist ontology and subjectivist epistemology, the previously mentioned classical criteria should be replaced with evaluation criteria that are developed to better accommodate these philosophical starting points. In fact, Lincoln and Guba (1985: 300) propose that credibility, transferability, dependability and confirmability are the equivalents of the conventional terms of internal validity, external validity, reliability and objectivity (see also Miles & Huberman 1994). As shown subsequently, these two sets of evaluation criteria are connected to one another; therefore, some of the concepts may overlap.

Credibility refers to whether the results are acceptable representations of the data (Flint et al. 2002). Miles and Huberman (1994) view internal validity and
credibility as comparable concepts. To ensure credibility, the researcher must be familiar with the topic and be able to show that the data provide sufficient merit for the claims made (Eriksson & Kovalainen 2008: 294). Moreover, the descriptions given must be context-rich and detailed (Miles & Huberman 1994: 279). To enhance credibility in this research, an extensive amount of empirical data has been used and described in detail.

Transferability is the degree of similarity between current research and other research (Eriksson & Kovalainen 2008: 294). Thus, it is not replication; rather, the focus is on whether the findings from one study in one context can also apply to other contexts (Flint et al. 2002). Transferability and external validity have been linked together in previous work (Miles & Huberman 1994). The researcher must provide a database that enables transferability judgments on the part of those who could potentially apply the findings (Lincoln & Guba 1985: 316). One approach to enhance transferability is to discuss how the findings are connected or congruent with previous theories (Miles & Huberman 1994: 279), as in Chapter 7.2 of this work. In addition to the outcomes described in the conclusions, the limitations of the study and future avenues for research that are described also help the reader to understand the transferability of the findings.

Dependability (see also reliability by Miles & Huberman 1994) refers to demonstrating that the process of the study is consistent and reasonably stable over time as well as across researchers and methods (Flint et al. 2002, Miles & Huberman 1994: 278). Ensuring dependability requires the researcher to offer sufficient information to the reader to ensure that the process of research has been logical, traceable and documented (Eriksson & Kovalainen 2008: 294). Another method of enhancing dependability is to ensure that the research questions are clear and that the features of the study design are congruent with them (Miles & Huberman 1994: 278). In this research, the data were also collected at different times and in different settings and with a number of respondents.

Confirmability refers to whether the interpretations are the results of the participants and the phenomenon, as opposed to researcher bias (Flint et al. 2002). The findings and interpretations must be linked in ways that can be understood by others (Eriksson & Kovalainen 2008: 294). Confirmability can be enhanced by describing methods and procedures explicitly and in detail (see Chapter 4.1 and 4.2) and by providing opportunities for the reader to follow the process used to collect, process, transform and display the data (Chapter 4.4 and 4.5). The key informants reviewed and accepted the interpretations in the analysis and provided information on the current status of the customer relationships in
this study. The different criteria for the trustworthiness of the research are listed in the following table.

<table>
<thead>
<tr>
<th>Criteria for trustworthiness</th>
<th>Meaning</th>
<th>Method of addressing the criteria in the study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>How well the results represent the data</td>
<td>Four primary interview rounds, 32 supporting interviews, extensive amount of complementary data (see table 3)</td>
</tr>
<tr>
<td>Transferability</td>
<td>How well the findings from one study in one context apply to other contexts</td>
<td>Detailed descriptions of the collection of empirical data, the industry and the context of the research as well as the companies involved.</td>
</tr>
<tr>
<td>Dependability</td>
<td>How stable and consistent are the results</td>
<td>Interviewees described the events in relationships, and there was consistency among the participants’ stories</td>
</tr>
<tr>
<td>Confirmability</td>
<td>Whether the interpretations result from the participants and the phenomenon rather than from researcher bias</td>
<td>Careful data analysis, use of research diary, key informants reviewed and accepted the interpretations, concluding interview conducted in 2013</td>
</tr>
</tbody>
</table>

7.6 Limitations of the study and suggestions for future directions

The purpose of research depends on the underlying philosophical underpinnings. Research stemming from positivistic traditions aim for generalizability of the research, whereas subjectivist traditions aim to create a deeper understanding that may be transferred to other research contexts (see Järvensivu & Törnroos 2010). The transferability of the current study has been discussed in Chapter 7.5.

All research projects involve certain limitations that must be addressed. With respect to customer relationships in MNCs, multiple theoretical discussions could be involved. For the purpose of this study, some of these discussions are excluded, although it is recognized that they could be perceived as creating additional knowledge of the phenomenon. This research combines research streams on industrial customer relationships and networks, multinational corporations, project business and sensemaking. For example, Weick, Sutcliffe and Obstfeld (2005) define communication as a central component of sensemaking and organization. This research does not focus on communication, as it would require data from actual communication situations. This research focuses on contrasting views of the global customer relationship at different
organizational levels. Attention is not devoted to communication or knowledge transfers and sharing between these different levels, although they are recognized as important research areas and influencing factors. Thus, it would be fruitful to delve deeper into sensemaking in connection with communication and to determine how different sensemaking views are created in dialogue.

Many researchers have offered valuable contributions on knowledge research in both the sensemaking and MNC research streams that could have been utilized in this research. In addition, this research does not focus on cultural aspects of the relationships, although a rich empirical setting could have enabled these aspects to be studied. One interesting research topic in this context could involve focusing on internal customer relationships in an MNC instead or in addition to the currently discussed relationships between the supplier MNC and its external customers. This topic could be relevant to future research approaches.

One obvious limitation in this dissertation is the scope of the research. The current study focuses primarily on a single supplier (i.e., a single MNC), which could be viewed as a limitation. However, the empirical data collected provide a rich description of the phenomenon. It should also be noted that in research on such a diversified multilevel topic, a deep and comprehensive understanding is required to make a contribution to both the theoretical and managerial discussions. Therefore, limiting research to a single MNC is justified in this study. Furthermore, it is useful to note that the empirical data collected from each customer relationship are not equal; in fact, there were more data available from certain relationships and subsidiaries than from others. The interviews were conducted with managers at the project, subsidiary or headquarter levels within the Supplier Company. The research thus focused on managers’ sensemaking, as defined in the research questions. Therefore, the MNC’s sensemaking that has been discussed in this thesis is guided toward the managers’ views of the customer relationships; thus, other sensemade views inside of the MNC may not have been noted. However, focusing on managers’ sensemaking is justified based on their wide experience and the influence that they have on others. However, an more extensive focus on sensemaking at all organizational levels and in all positions and its effect would provide a valuable direction for future research.

This research focused on the sensemaking of global customer relationships inside of a single MNC, thus excluding the customer sensemaking of the same relationship. Although the limitation is found to be justified, it also offers intriguing possibilities for future research. Moreover, the role of primary
sensemakers and different sensemaking types could be useful to study in another, simpler context.

As the context for this study is a project business MNC, which creates a unique and interesting research setting, the results may not be directly generalized to other organizations. However, any complex organization naturally addresses various internal organizing issues, which makes this research relevant for other types of organization forms as well. As the relationships are created through projects, it would be interesting to compare the sensemaking views that are created inside different projects in real time. Equally interesting would be to focus on the sensemaking of customer relationships outside of the project context, in which customer relationships would be less fractured.

This chapter has highlighted important theoretical, methodological and managerial contributions of the study in an attempt to provide insight into the complex and multidimensional phenomenon of MNC sensemaking of global customer relationships.
References


Appendix 1 General interview themes

The following list represents the common themes discussed in the interviews. Depending on the interviewee and his expertise, the themes have been tailored to fit each interview.

Background information of the interviewee

Basic information regarding the customer relationship
1. Your own history and experience of the relationship
2. Your own tasks when working with the customer
3. Which business units of the Supplier Company work together with customer?
4. The relationship between different subsidiaries
   - Cooperation in projects
   - In your view, do the relationships with the customer differ between subsidiaries?
5. How is communication with the customer organized between different subsidiaries?
6. What types of projects does your unit typically have?
   - Generally vs. with the customer?
   - Projects vs. other cooperation?
   - How do you define a project?
7. Which business units work together with the customer?
8. Describe the typical customer project
9. Describe the most recent customer project in which you have been involved

The history and development of the customer relationship
10. Describe the evolution of the customer relationship according to your own view and experience:
    - How/when did it begin?
    - Critical events?
    - Success stories and failures?

The customer now and in the future
   a) The current state of the relationship
   b) The future of the customer relationship
42. Bagaeva, Alexandra (2010) The quality of published accounting information in Russia
47. Ristola, Annu (2010) Insights into consumers’ emerging interest in mobile services
50. Pyykö, Elina (2010) Stock market response to research and development expenditures of the firm in the context of mergers and acquisitions
52. Ainali, Saara (2011) Alueiden nyöllisyysten rakennus ja kehitys tavarantuotannon ja palvelujen vuoroavainta
53. Juho, Anita (2011) Accelerated internationalisation as a network-based international opportunity development process
55. Orjasniemi, Seppo (2012) Studies on the Macroeconomics of Monetary Union
56. Kauppinen, Antti (2012) The event of organizational entrepreneurship: Disrupting the reigning order and creating new spaces for play and innovation

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http://granum.uta.fi/granum/
Elina Pernu

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