



## Research paper

# Making room to manoeuvre: How firms increase their influence with others in business networks



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## ABSTRACT

Earlier research has highlighted the dynamic nature of influencing in business networks, and shown that firms may vary considerably in their influence, defined as their potential to achieve changes in the activities, resources, or goals of other firms in the business network. There is, however, limited understanding of the specific means of influencing which may allow firms, over time, to increase their influence with other firms in the same network. Drawing on a longitudinal case study, we describe how a firm, through influencing others by the dynamic enactment of network management activities, gradually increased its influence with other firms in the business network. Based on our observations, we offer a processual model for influencing in business networks that links specific network management activities to conditions under which they are used.

## 1. Introduction

Academics differ in their views regarding the extent to which business networks can be managed by any single network actor. On one hand, several scholars contend that business networks are single-handedly managed, and even established, by actors which have been referred to as “hub firms” (Jarillo, 1988; Partanen & Möller, 2012), “lead organizations” (Provan & Kenis, 2008), or “orchestrators” (Hinterhuber, 2002). On the other hand, others (e.g. Ford, Gadde, Håkansson, & Snehota, 2002; Håkansson & Snehota, 1995), posit that networks are emergent and characterized by rich and ever-evolving patterns of interaction amongst their participants, making it highly challenging, if not impossible, for any single actor to manage them. The present study attempts to bring these two perspectives slightly closer to each other by directing attention towards the process of *influencing*, which refers to an actor's ongoing and target-oriented behaviour towards other actors in the business network, whilst also simultaneously being influenced by these other actors (Easton, 1992; Jüttner & Schlange, 1996; Håkansson & Ford, 2002). Specifically, we explore how the process of influencing contributes to the development of *influence*, defined here as a business network actor's potential to achieve changes in the activities, resources, or goals of other actors in the network. Earlier research (e.g. Andersen, Kragh, & Lettl, 2013; Jarillo, 1988; Partanen & Möller, 2012) has shown that actors differ considerably regarding their influencing behavior, and that influencing is associated

to the actor's position (Fonfara, 2012; Gadde, Huemer, & Håkansson, 2003; Siemieniako & Mitrega, 2018) as well as role (Abrahamsen, Henneberg, & Naudé, 2012; Bocconcelli, Murmura, & Pagano, 2018; Heikkinen, Mainela, Still, & Tähtinen, 2007; Hinterhuber, 2002) in the network.

To increase our understanding on the process of influencing and how it contributes to the development of influence, we direct our attention towards *network management activities* (NMAs), defined here as activities employed by firms with the purpose of influencing the activities, resources or goals of other business network actors. Following this definition, NMAs encompass both *networking behaviors* and *boundary spanning activities*, two closely related, yet more narrowly defined concepts. Networking behaviors emphasize the development of the network position of an actor through either direct or indirect business relationships (Thornton, Henneberg, & Naudé, 2013), while NMAs contribute to a broader set of objectives the focal firm may have, such as supporting the achievement of the focal actor's business goals, joining new actors to the network, and acquiring resources controlled by other network actors. Boundary spanning activities stress the development and utilization of network ties, particularly in the early stages of collaborative and creative processes (Andersen et al., 2013), but unlike NMAs, less emphasis is placed on the ambitions of the focal actor towards influencing the goals of other actors, or even the actor composition of the business network. Thus, while boundary spanning activities are inherently collaborative, NMAs include activities with are

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collaborative as well as activities which are noncollaborative, such as acquiring control of resources of other network actors, resulting in these actors exiting the network.

Apart from a few recent studies (Andersen et al., 2013; Manser et al., 2016; Thornton et al., 2013), the empirical research focusing on NMAs is scarce, as most studies (e.g. Holmen & Pedersen, 2003; Järvensivu & Möller, 2009) have approached the phenomenon from a more aggregate level of network management functions. In addition, only a limited number of scholars (Kragh & Andersen, 2009; Mariani, 2016; Möller & Svahn, 2009) have linked the use of NMAs to specific business network characteristics, such as heterogeneity of business network actors' goals. As a result, there is still limited understanding on the conditions under which different NMAs are likely to be used.

In addition to a limited understanding on the processes of influencing; that is, how actors influence each other's in networks, few studies address the development of influence; that is, how, and in what kind of contexts, can actors gradually increase their influence with other actors (Bizzi & Langley, 2012; Quintens & Matthyssens, 2010). Based on the assumption of interdependence of actors in business networks, an increased understanding of processes of influencing in changing multi-actor contexts may provide additional knowledge of the conditions under which networks may be more (or less) manageable by an individual actor (Fonfara, Ratajczak-Mrozek, & Leszczynski, 2018). In addition, this would contribute towards an increased understanding of the processes of interaction through which individual network actors may gradually be able to increase their influence in business networks. Hence, we address the following research question: how the process of influencing contributes to the development of a firm's influence with others in the business network?

We carried out a single-case study addressing how a focal firm, Developer (a pseudonym), interacted with other actors in its surrounding business network over a period of 12 years. In particular, we focused on Developer's use of NMAs and on their implications on the business network, in terms of changes in other network actors' activities, resources, and goals. Our analysis revealed how Developer's process of influencing, carried out through dynamically changing patterns of NMA's, allowed it to gradually increase its influence with other network actors. Basing on our observations, we offer a model for influencing in business networks that links individual NMAs to specific network conditions under which they are used. In the following section, we proceed to discuss the earlier related research, focusing, in particular, on management in business networks, factors associated with a network actor's influence, and NMAs. We then proceed to discuss our research methodology and results, followed by a discussion of implications for research and practice.

## 2. Literature review

### 2.1. Management in changing business networks

Business network scholars differ in their views regarding whether any single firm can manage a business network and its interactions over time. Many empirical studies conducted by members of the International Marketing and Purchasing (IMP) group have characterized networks as emergent and essentially unmanageable (Ford et al., 2002; Håkansson & Ford, 2002; Ritter, Wilkinson, & Johnston, 2004). Those subscribing to this view consider business networks as loosely connected systems in which firms are limited to influencing the development of individual relationships instead of managing the network as a whole (Heikkinen et al., 2007). Others, however, argue that some business networks are managed by “hub firms” (Jarillo, 1988; Möller & Rajala, 2007), stating that such firms may even purposefully establish new business networks (Jarillo, 1988; Partanen & Möller, 2012; Simula & Ahola, 2014). Indeed, scholars adopting the latter point of view consider the management and shaping of the actor composition in the network, as well as the activities of individual firms within it, as core

management activities of hub firms.

While absolute centralization of influence in a business network is rarely, if ever, beneficial for the network as a whole (Abrahamsen et al., 2012; Gadde et al., 2003; Rampersad, Quester, & Troshani, 2010), it is typical that actors' influence with others is not evenly distributed, and that this distribution is likely to evolve over time as a result of continuous and mutual interactions amongst network participants. Adopting a process perspective to the study of business network management and the development of influence in the changing multi-actor network context has been rare within network research (Quintens & Matthyssens, 2010). There are exceptions, however, as Medlin (2004) addressed the dynamics of business relationships by elaborating the role of time in relational inter-firm interaction processes and opened an avenue for more fine-grained understanding of business relationship lifecycles. In turn, Andersson and Mattsson (2010) have shown how the temporal orientation of business actors is associated with profiles of activities aimed at resource adjustments under economic crisis conditions. In their longitudinal account of the development of an international joint venture, Mainela and Puhakka (2008) demonstrated the importance of networking activities and showed how the network context is reconstituted through them. In particular, an understanding of how the managerial activities gradually direct, shape and reconstitute the fluid business network context that is being influenced is still in its infancy. In other words, the processes through which an actor's influence with others may increase, or decrease, in a business network are not adequately known. New insights on this issue would help us to gain a more thorough understanding of the possibilities and limitations of business network management and provide firms with valuable information regarding how to act under different multi-actor conditions that may arise in business networks. Next, we proceed to discuss the literature addressing the positions and roles actors may hold in a business network and how they relate to influence.

### 2.2. What contributes to business network actors' influence?

Network scholars have addressed how firms may be positioned relative to other actors and what role or roles firms can assume in the business network. The *network position* of a firm relates to how it is connected to surrounding actors via resource ties, activity links and actor bonds (Håkansson & Ford, 2002; Mattsson, 2003). As such, the network position also describes how central, or peripheral, an actor is in terms of its ties. Frequently, in supply chain management and operations management literature, the position of a firm has been described in terms of its location in the distribution chain, such as wholesaler, manufacturer or sales agent (Abrahamsson & Brege, 1997). In the research adopting the industrial network approach, however, the concept of network position is often used in more nuanced and dynamic ways, as firms continuously engage in efforts to develop their position relative to other companies in the network (Håkansson & Ford, 2002). For example, by actively developing ties to other actors, firms may occupy more information-rich positions over time (Gadde et al., 2003), potentially allowing actors to exert additional control towards other actors (Ford & Redwood, 2005).

The concept of *network role*, in contrast, relates to how an actor acts in its position. Many network roles are “loaded” with expectations regarding how firms are expected to act by other firms. For example, other network actors are likely to expect that a wholesaler will continue to maintain exchange relationships with suppliers it has been dealing with for a number of years (Abrahamsen et al., 2012). Activities expected from an actor are continuously shaped by the shared network atmosphere, including behavioural norms (IMP Group, 1982). Investing continuous effort in developing a firm's role in the network is important, as Anderson, Håkansson, and Johanson (1994) empirically demonstrate that the network role is associated with being perceived as an attractive business partner. Bocconcelli et al. (2018) also highlight the temporal aspect of network role transformation by describing how

small suppliers can develop their role in relation to larger customers during the relationship lifecycle. Focusing on networks in the agricultural industry, [Hinterhuber \(2002\)](#) identify and describe four distinct types of leadership roles in networks: architects, judges, developers and leaders. In the context of mobile service development, [Heikkinen et al. \(2007\)](#) recognize a total of 12 network roles which differ in regard to how much other network actors expect the actor holding the role to act accordingly, and how significant the influence of the actor's actions are on the network as a whole.

While the concepts of network position and network relate to each other, their relation can be quite complex. For example, occupying a central position in the network is likely to be associated with network roles with significant influence with other actors. However, less central actors may, under certain conditions, also assume significant roles, such as acting as gatekeepers that control the flows of information or other resources to more central network actors ([Cook, 1982](#)). Accordingly, [Abrahamsen et al. \(2012\)](#) show that a network actor's role – and how it is enacted – is not merely a function of its network position, but it is also partially an actor's strategic choice; two firms occupying a similar position may thus choose to act differently. [Ojasalo \(2004\)](#) also argues that an actor may simultaneously assume different roles towards specific groups of business network actors. Further, actors may deliberately aim to change their network role and this way increase their influence with others ([Fonfara, 2012](#); [Siemieniako & Mitrega, 2018](#)). This strategizing and business network reconfiguration can also take place collaboratively through joint efforts of business actors who may apply contextual logics in coordinating the activities and mobilizing resources in networks ([Ojansivu & Medlin, 2018](#)). Also, [Abrahamsen et al. \(2012\)](#) argue that no actor acts in isolation, but that all network roles are viewed and shared by other actors in the network, and thus the alignment, or the lack of it, in these views is important for the functioning of the whole network.

### 2.3. Influencing in business networks

Striving towards an increased understanding on the processes of influencing through which actors continuously interact with other in business networks, we direct attention towards NMAs; that is, activities employed by firms with the purpose of influencing the activities, resources or goals of other network actors. Moreover, we consider the term “influencing” to cover all attempts made by firms, successful or not, ranging from very subtle efforts (e.g. providing an actor with specific information at an informal event) to control-oriented actions (e.g. posing demands and threatening to sue another actor for breach of contract if the actor does not comply). Accordingly, our conceptualization of NMAs includes all *networking behaviour* as discussed by [Thornton et al. \(2013\)](#). Networking behaviour, building on earlier IMP group literature ([Ford, Gadde, Håkansson, & Snehota, 2003](#)), refers to the notion “that firm's behaviours are aimed at changing its network position” ([Thornton et al., 2013](#), p. 1155). While similar in orientation, the key difference between networking behaviour and NMAs is that while the former is limited to efforts for changing focal actor's network position, the latter covers a significantly broader range of efforts at influencing others, such as efforts to support the achievement of the focal actor's business objectives, to change the network position of another network actor, to join new actors to the network, and to acquire resources controlled by another network actor.

The concept of NMA also shares a high degree of similarity with the concept of *boundary spanning activities*, as discussed by [Andersen et al. \(2013\)](#). Boundary spanning activities, however, are primarily directed towards the establishment and utilization of new network ties in collaborative processes, rather than influencing the resources or goals of other actors. Following our relatively broad definition for the term NMA, earlier empirical research has identified quite a number of NMAs ([Andersen et al., 2013](#); [Ford et al., 2002](#); [Holmen & Pedersen, 2003](#); [Järvensivu & Möller, 2009](#); [Manser et al., 2016](#); [Medlin & Törnroos,](#)

[2015](#); [Mele, 2011](#); [Möller, 2010](#); [Ojansivu & Medlin, 2018](#); [Thornton et al., 2013](#)). In addition, different groupings – both empirically and theoretically derived – have been presented. Little overlap exists in both the individual NMAs and their groupings, amongst authors, indicating that network management is highly temporal and context specific, and that firms pursue their interests in the network with a colourful range of NMAs. Adopting a processual lens, i.e. a perspective emphasizing the process rather than individual events and activities, to the study of the use of NMAs for influencing in business network has been relatively limited: The use of NMAs may also contribute to changes in the business network configuration and therefore direct the use of NMAs in subsequent stages of the network lifecycle. To gain additional clarity on the interplay between the enactment of NMAs and development of influence in business networks over time, we proceeded to carry out an empirical study as described in the following section.

## 3. Research design

### 3.1. Longitudinal case-based research strategy

We carried out a longitudinal single case study, as our objective was to describe and understand, in depth, if and how the process of influencing (as carried out through specific NMAs) may contribute to the development of the influence of a focal firm with others in the business network. Our approach allowed us to collect rich data from multiple network actors and to observe emergent processes over a timeframe exceeding a decade. Case study has been described as a well-suited approach for study processes of change, as contextual factors and process elements can be simultaneously studied in the same real-life situation ([Halinen & Törnroos, 2005](#)). Following ([Langley & Tsoukas, 2016](#): p. 9) categorization of process research, our study can best be categorized as configurational, as the research focus was in the flow, and we approached the process from the outside. Furthermore, our approach shares considerable similarity with the abductive approach introduced by [Dubois and Gadde \(2002\)](#), as it was highly iterative in nature, involving a continuous back and forth movement between empirical research and theoretical reasoning.

We engaged in efforts to identify and to gain research access to a business network in which changes in a focal network actor's influence with other network actors, would be likely to manifest. Specifically, we searched for a network in which no single actor would be in a position to dominate other actors, similarly to as discussed by [Jarillo \(1988\)](#) on strategic networks. We however, sought for a network in which a central actor with an intent to develop its influence in the network could be identified. In addition, we considered it favourable for our study if the business network would be in a dynamic state; that is, undergoing significant changes regarding its actors and the activity links, resource ties, and actor bonds. We expected that studying a dynamic network would increase the likelihood of us being able to observe both processes of influencing, as enacted through the use of NMAs, as well as evidence of changes in the focal network actor's influence.

Based on the aforementioned criteria, the business network chosen for our study consists of the focal actor, Developer (a pseudonym) – a large firm involved in insurance, asset management and real estate management – and other actors that have ongoing operations in a specific geographical district, Tapiola. Tapiola is a suburb of the City of Espoo, situated about 10 km from downtown Helsinki. The district is internationally recognized for its architecture and history as home to the first shopping centre in Finland. Following an era of prosperity between the 1940s and 1980s, the Tapiola district experienced a dramatic decline in both commercial and residential attractiveness during the 1990s. When negotiating research access to the business network, its actors were already collectively aware of this challenge, and as a response, some of the network actors were already engaged in activities to renew the centre of Tapiola. The ongoing development activities in

**Table 1**  
Actors included in the business network.

Actor name	Actor description	Actor's business operations in Tapiola centre
Developer (focal firm)	A large real estate investment and development firm headquartered in Tapiola	Property owner, investor and developer
ConsultantCo	A consulting company specialized in construction, project management and property development consulting	Facilitates interaction between various network actors
DepartCo	Leading department store chain in Finland	Operating a profitable department store and being Developer's anchor tenant
CenterCo	Shopping centre property owner, investor and operator firm	Property owner and operator of small shopping centre
PropertyCo	Property owner and investor firm	Property owner with few commercial tenants
BankCo	Bank and insurance firm	Branch operations and property owner
SpecialtyCo	Conglomerate firm	Property owner and operations of a specialty store, part of conglomerate
Residents' Association	Organization for the purpose of promoting the interests of residents of Tapiola	Preservation of heritage and cultural values, supporting Tapiola's attractiveness, services and reasonable price development in region
City of Espoo	Municipality, Tapiola is situated within the City of Espoo	Authority supervising and controlling district development business in Espoo
National Board of Antiquities	A government authority set up for the preservation of historical and cultural heritage	Protects the historical and cultural values and heritage of Tapiola and other city districts
MetroCo	Public company established for the purpose of building a new metro line in capital region	One of the new stations is situated in Tapiola district and includes interfaces to property owners' real estate
FundCo	Funding organization established by Developer	Capital acquisition for the district development business
DesignerCo	A designer and architect firm	Overall designer of the new district development architectural plans
ArchitectCo	A famous Finnish architect firm widely known for its many recognized designs	Produces multiple detailed, novel, and unique plans and ideas for the district development business

**Table 2**  
Details of interviews conducted for the study.

Actor in business network	Interviewees	Interview years
Developer	Real Estate Manager	2011, 2015
	Fund Manager	2011
	Head of Real Estate Investment	2011, 2015
	Manager, Real Estate Development	2011, 2015
	Manager, Real Estate Investment	2015
	CEO	2011, 2015
	Shopping Centre Manager	2015
City of Espoo	Property Manager	2011
	Director, Urban planning unit	2011
	Director of Commerce	2011
	Development Director	2011
	Project Manager	2011, 2014
	Chairman of Board, Urban	2012, 2016
	Planning Unit	
Residents' Association	Member	2011
	Member	2012
	Chairman	2012
ArchitectCo	Partner Architect	2012
	Architect	2015
National Board of Antiquities	Department Manager	2012
	Senior Specialist	2012
ConsultantCo	Partner Consultant	2015
MetroCo	CEO	2016
DepartCo	Director of Department Stores in Finland and the Baltic region	2016

the area involve demolishing and rebuilding the central area and constructing new business and residential premises, a new bus terminal, new centralized parking system and a new metro station.

Limiting the boundaries of any business network is a considerable challenge, for which there is no universally accepted solution (Halinen & Törnroos, 2005). As we had identified a focal firm, Developer, that had a stated interest to increase its influence in the business network to reach its business objectives, we chose to follow this focal actor (Halinen & Törnroos, 1998) in defining the business network boundaries. In practice, we first collected data from the focal actor and then asked its representatives to suggest further actors for inclusion in order to identify additional relevant business network actors. Thus, we primarily relied on the perceptions of Developer to set up the boundaries of the studied network (Anderson et al., 1994). Our studied network context includes the actors and their relationships, resources and activities that the focal actor considered relevant; that is, actors who, at this specific period, actively relate to each other through business,

social or technological exchange (Håkansson & Johanson, 1992; Halinen & Törnroos, 2005). Table 1 below introduces the network actors included in the scope of our study, and their main business operations in the Tapiola centre.

### 3.2. Data collection

Our data collection methods were twofold; we collected empirical data via semi-structured interviews and gathered publicly available data from various sources. Whenever possible, we interviewed several individuals representing involved organizations, as this supported the development of a more in-depth understanding of different, and even contradicting perceptions, on both the intra-firm and network levels (Dubois & Araujo, 2007).

In collecting data, we followed a point mapping approach where we plunged into the process at different points of time (Halinen, Medlin, & Törnroos, 2012), conducting five recursive interview rounds from 2011 to 2016. We entered our empirical field in multiple points of objective time and gathered data to capture the processes containing all events as narratives of interviewees' subjective time (Aabo, Dubois, & Lind, 2012). In total, we conducted 27 interviews, meeting with many of our informants twice to support the development of a longitudinal and processual perspective to the research phenomenon. As our research proceeded and our understanding of the observed phenomena developed, we increasingly asked questions that built on knowledge acquired in earlier interviews, as well as literature we had studied between the interview rounds. Our informants represent eight different organizations from both the public and private sectors. Table 2 below introduces the interview details, including actor names, interviewee titles and years during which each interview was conducted.

The interviews were semi-structured, and thus did not follow a strict predefined pattern. Typically, we began the interviews by asking the interviewee to introduce their personal working life and history, followed by a question to describe their own role, their organization's role and their history in the business network. We then focused on identifying and discussing various events, actors, activities and relations considered important by the informants, allowing the informant considerable freedom to direct the course of the interview. Whenever an informant mentioned an activity, relation or actor that she or he considered as important for the business network, we continued with follow-up questions to obtain a thorough understanding of its nature and outcomes. We relied on a variation of the critical incident technique (Flanagan, 1954) to support the discussion, as we asked the



**Table 3**  
Network management activities used in the process of influencing.

Identified network management activities	Description	Period(s) and frequency observed (in brackets)	Activities contribute to	Empirical illustrations
Demonstrating leadership intent	The focal firm demonstrated its intent to invest in the region and lead the development of the business network by assuming an active role in organizing and chairing recurring development meetings with other business network actors and involving actors with complementary expertise	Exploration (1), Engagement (2), Implementation (1)	Goal alignment, Network ties	"In these 'Metro-Pit' meetings we went through various progress reports, City of Espoo was there, the real estate owners, architects, consultants and us [National Board of Antiquities]" – Department Manager from the National Board of Antiquities "I was hired as a portfolio manager, to take care of our investor relationships, I try to acquire more external funding for the development, and I also do selling, purchasing and negotiations and due diligence." – Manager, Real Estate Investment from Developer
Joint agenda creation	The focal firm worked together with other business network actors and expert designers to create and disseminate collective visual designs describing the developing business logic of the planned Tapiola district.	Engagement (2)	Goal alignment, Network ties	"The starting point for the [business network] development culminates to the launching of reference planning procedure. The reference plan visualizes the project and actors in the future as different snapshots." – Consultant from ConsultantCo "The designs are 3D-software based, so you can fly inside the 3D-district and it renders it in real-time to see what the current designs look like" – Architect from ArchitectCo "An international architect competition for the new real estates will be held." –Helsingin Sanomat Newspaper 23.9.2011 Two online web pages for distributing information of progression and business development, and for promoting "Ainoa" identity in Tapiola: <a href="http://www.ainoatapiola.fi/en/">http://www.ainoatapiola.fi/en/</a> and <a href="https://www.tapiolankeskus.fi/en/Welcome-to-Tapiola">https://www.tapiolankeskus.fi/en/Welcome-to-Tapiola</a> "Tapiola Kirjokansi real estates for sale, 33–149 m <sup>2</sup> ," Announcement in <i>Lämsiväylä</i> newspaper 28 May 2016, page 24 "We are constructing the bus terminal in behalf of the city of Espoo. This way it is easier to manage the logistics, since there is only one construction site managed by one organization instead of many sites with many organizations trying to communicate." – Head of Real Estate Investment from Developer "We have a very good collaboration with our neighbour, and their real estate will probably be attached to our business complex in the future. They suggested that we could operate their [business] as well." – Manager, Real Estate Development from Developer "The project becomes a more manageable ensemble, when all the central real estate belong to one actor." – CEO from Developer "Our firm and its two divisions really believed in this development in its early beginning in 2008. Three divisions committed and invested capital to establish a fund [FundCo] to really revamp and rebuild this [business]." – Fund Manager from Developer "I'm now leaving to Munich within a week to meet German investors." – Manager, Real Estate Investment from Developer "A large shared underground parking facility is under planning in Tapiola centre": "The underground parking facility is meant to be expanded up to 2000 parking slots. Currently, the parking facilities in Tapiola district are located in over 20 different areas." – in Helsingin Sanomat 14th of January 2009" "There is over 41 of these work groups, for subjects such as permits, maintenance, traffic, and so on. In a work group we gather together just the right amount of people from the right business actors, not too many, not too little." –Consultant from ConsultantCo
Establishing communication channels	The focal firm established novel links of communication, including online web pages, public meetings and newspaper articles to communicate developments in the business network and support an on-going dialogue amongst network actors.	Implementation (2)	Network ties	
Supporting activities of other network actors	The focal firm participated in other network actors' activities to accelerate the achievement of its development objectives. For example, the focal firm took the responsibility to construct a bus terminal on behalf of the city of Espoo	Implementation (3)	Efficiency, network ties	
Securing access to critical resources	The focal firm secured access to resources (e.g. premises in Tapiola centre and external capital) that supported the achievement of its business goals and the development of relational ties to other network actors.	Engagement (2), Implementation (3)	Efficiency, goal alignment	
Establishing joint decision-making bodies	The focal firm, together with other actors in the business network, established joint decision-making bodies (e.g. special purpose organizations and task forces) to solve challenges and conflicts of interest hindering development the business and area.	Exploration (1), Engagement (1), Implementation (2)	Efficiency, goal alignment, network ties	

(continued on next page)

Table 3 (continued)

Identified network management activities	Description	Period(s) and frequency observed (in brackets)	Activities contribute to	Empirical illustrations
Utilizing mediator actors	The focal firm utilized expert actors (e.g. consultants and architects) to arbitrate diverging interests and goals for development between various business actors	Exploration (1), Engagement (2)	Goal alignment	<p>“Our consultant is kind of a neutral person who acts as a mediator between the actors. He tries to integrate and balance actors’ different interests.” –Manager, Real Estate Development from Developer</p> <p>“Our main architect has immense references [i.e. known for famous national designs such as New Children Hospital in Helsinki] and a professorship in parallel [at Aalto University], so the communication of development plans with authorities becomes easier.” – Consultant from ConsultantCo</p>

informant to think of memorable events in the business network. We then asked the informant to describe these events in terms of when, what, who and how to understand their effects and development on the business network. We digitally recorded and fully transcribed the interviews to support our analysis.

We acquired publicly available data from multiple sources to complement our interview data and to support data triangulation (Jick, 1979). Following Dubois and Gadde (2002), We engaged in efforts to systematically combine sources of evidence by gathering news, articles, memos, promotions, newsletters, reports, plans, illustrations, documents and publications related to the business network. We collected public data both retrospectively, starting from early 2000, and in real time from 2011, mainly from electronic sources open to everyone, such as the web sites of involved actors and Finnish trade journals covering the business network and its development. Additionally, we scanned and stored print-only newspapers covering our case context in a similar way. The news, articles, promotions, documents, publications and newsletters often allowed us to verify the exact dates of events mentioned by our informants and provided additional verification about which business network actors had been involved in them. Our final public data set comprises over 200 different sources.

### 3.3. Analysis

Our approach to analysing the research data is best described as abductive, as we engaged in efforts to describe the observed events and processes shortly after each of the five interview rounds conducted for the study was completed. We then reviewed our observations and tentative frameworks in light of existing theory, actively seeking for additional literature that might have potential for enriching, or challenging, our gradually emerging findings. Shortly after finishing the fifth and final round of interviews, we chronologically coded a total of 1586 activities and events we had identified in the business network to systematically describe sequences in events. We triangulated the time information with our public data archive whenever possible to support the validity of our timeline of events and activities. In the second phase of analysis, we followed the principle of axial coding (Strauss & Corbin, 1998), seeking to relate codes to each other by looking for differences and similarities amongst the individual activities and events. During this phase, we finalized our conceptualization of both the business network as well as the categorization of NMAs used by the focal firm as means of influencing other actors in the network. For example, the category *supporting activities of other network actors* (see Table 3 for additional details) was formed as we identified several activities used by the focal firm to support other actors in carrying out tasks which they were responsible for. For instance, the City of Espoo was responsible for developing a new bus terminal in Tapiola but was lacking in resources to do so in a timeframe that would have allowed the development of the Tapiola centre to proceed as planned. Acknowledging this, Developer assumed responsibility for developing the bus terminal. In addition to describing the salient nature of the NMAs, the axial coding phase revealed that each NMA contributed to one or more of the following outcomes: developing new network ties, such as actor bonds, activity links, and resource ties, (ii) increasing goal alignment in the network, and (iii) increasing the efficiency of operations. For example, an informant discussed an activity contributing to increased goal alignment as follows:

I think that no business development, at least in this scale, would have been implemented without the cooperation of the focal commercial actors [firms in the business network] and the establishment of TAD. TAD is the joint forum that takes this project ensemble forward and unifies the distinct voices of the fragmented ownership of the area.

As the data collected were quite diverse in format and included almost 300 individual digital documents (including transcripts of our

interviews), we utilized Atlas.ti version 7.0 to support our analysis.

Following standard practice in qualitative analysis, we proceeded to develop a case narrative describing the studied business network and its development over time (Langley, 1999). The purpose of this narrative was to develop a “thick description” (Van Maanen, 1988) – or a story – of the entire case, facilitating the development of a shared understanding amongst the involved research team, and to provide an overview of the case for the audience of our study. When crafting this narrative, we combined the interviewees' narratives of subjective time and identified that actors perceived certain important events based on actors' activities and interactions as transformative for the business network. Furthermore, we relied on a strategy of visual mapping where we developed visual displays of developments in the focal network over time (Bizzi & Langley, 2012; Miles & Huberman, 1994). Following Medlin's (2004) account on time and interaction, and Aaboén et al. (2012) discussion on the two perspectives of time in business networks, we identified that these important events marked time boundaries amongst three periods in the business network, each characterized by its salient features: Exploration period (2000–2006), Engagement period (2007–2010) and Implementation period (2011–2017). In Exploration period, actors explored different opportunities for the business development activities. Early development meetings in the beginning of 2000, where actors noticed signals of the decreasing commercial attractiveness and image of Tapiola centre, and the decision to build new metro line extension through Tapiola suburb in 2006, mark the boundaries for this period. The new metro line extension was a transformative event, as actors perceived that a new metro line through Tapiola enhanced the value of business premises and operations significantly. In Engagement period, Developer actively engaged other actors to planning the business development activities. This period ended when the planning transformed to concrete implementation of the business development activities in 2011. The last period, Implementation period, begins from the transformation of planning to implementation and ends in 2017 when Developer had acquired all crucial resources from other actors for the business development activities. The following case narrative section proceeds to bind the empirical setting and discuss the three periods in detail.

#### 4. Case narrative

##### 4.1. Exploration period (2000–2006)

In the early 2000s, several actors of the business network including Developer and the City of Espoo noticed signals of the decreasing commercial attractiveness and image of Tapiola centre. To counter this trend, the City of Espoo initiated a project to develop the viability of the area. Developer's representatives actively engaged in the project, which emphasized the importance of preserving the recognized architecture of the area while making technical improvements to support the needs of business actors operating in the region. Consequently, the plans resulting from the project were modest, mostly including ideas such as renewing street pavements, increasing lighting and refurbishing certain central premises in the area. A representative of Developer expressed the following notion about the slow progress, lack of courage and modesty of the development plans: “At that time, in 2002, everyone was remarkably careful about any development of the city centre—small suggestions only.” A characteristic of that time was the fragmentation of the property ownership. Most property owners had only a single property in Tapiola. Furthermore, even though most of the buildings in the area had been built approximately at the same time, the plans for developing them were very heterogeneous in terms of their scope, timing as well as level of ambition. While other actors, such as Developer, discerned that significant investments needed to be made to increase the commercial attractiveness of the area, others, such as PropertyCo, surmised that the decline in commercial operations was temporary and called for no immediate renovation efforts.

To facilitate the development of the area, the actors owning a property in the area established a joint decision-making body, Tapiola Area Development (TAD), in 2004. TAD facilitated communication between private and public sectors and promoted collaboration in the planning. In addition to the City of Espoo, which was also a major property owner in Tapiola, the role of Developer was pivotal in facilitating the establishment and organization of TAD, whose chair also came from Developer's organization.

However, the efforts to develop the Tapiola centre encountered significant resistance. Due to the fragmented property ownership in the area and TAD actors' different development visions and investment interests, ranging from minor face-lift plans to more radical plans of renewal and rebuilding of the centre, it was challenging for Developer to convince other actors to commit to significant investments in the development of the area. In addition, the Resident's Association and the National Bureau of Antiquities highly valued the architectural heritage of the area and chose to strongly oppose the proposed development plans. Specifically, the spacious low-rise building style was an element of the garden district that many actors, including the National Bureau of Antiquities, wished to protect. Despite many attempts by Developer to address concerns regarding protecting the heritage of Tapiola, the goals of the heterogeneous set of business actors proved very difficult to align, and discussion regarding the development of the area were dominated by compromises and small-scale proposals.

Concerned with the gradual progress in developing its properties in the area, Developer commissioned DesignerCo – an organization that was well known for their architectural works and trusted by many of the network actors – to raise the development effort from the level of ideas and concepts to that of viable designs in 2005. The decision to use DesignerCo played a crucial role in facilitating collaboration and communication between the actors. This also increased City of Espoo's and other actors' motivation to actively engage in development activities. A representative from ConsultantCo summarized this in the following quote:

We sat down together very often, I, representative from DesignerCo and the project manager hired by City of Espoo. We thought of the business development together, as sort of city planning architects. All the new ideas have to be generated somewhere, and I claim that they were generated in this small group of the three of us.

In 2006, the cities of Helsinki and Espoo made the decision to build a westward metro line extension from the capital of Finland, Helsinki. The cities further decided that Tapiola would be on the metro route, since Tapiola is situated in the western region of the capital area. In addition to this decision, the increasing competition due to new modern shopping and business centres from other nearby districts precipitated the change and development processes in the mind-sets of different business actors, which was described by the project manager of City of Espoo:

Because of the metro decision, all of those who had been involved [in the development planning] understood that they need to do something significantly more and new, and in a completely different way.

We have summarized the actors' pivotal activities and roles during Exploration period in Fig. 1 below.

##### 4.2. Engagement period (2007–2010)

The metro decision promised both to radically increase accessibility to the Tapiola centre as well as to contribute favourably to the business potential of properties in the area. In this situation, Developer began to facilitate dialogue amongst actors in TAD and announced that it was willing to take the lead in shifting from incremental development ideas to large-scale business development in the area. A representative of Developer described the process: “It was during that time when the true

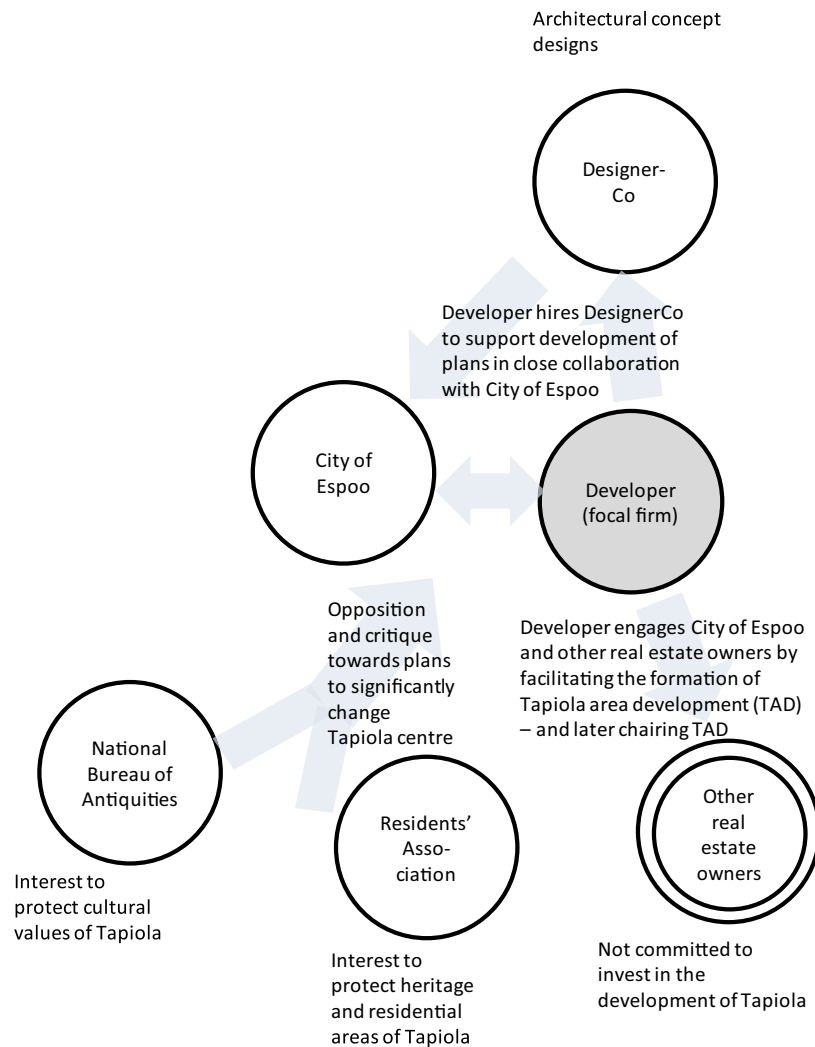


Fig. 1. Observed interactions in the Exploration period (2000–2006).

vision for the development of the Tapiola area gradually developed.” This action effectively made Developer a central actor for development-related interactions. An informant representing the city of Espoo put it as follows:

An engine has been needed for taking the development forward, and that engine has been [Developer]. If [Developer] had not proactively taken the developer role, this development would have never got started.

The cities of Helsinki and Espoo proceeded to form a dedicated organization, MetroCo, for managing the metro extension project. The business development activities quickly moved from small concepts to investment ideas valued in millions of Euros. These included a plan for a shopping gallery attached to the future metro station and a service tunnel under the commercial centre. Although many issues regarding how the centre should be developed remained unresolved, the business actors were clearly overtaken by a new spirit of joint business development.

In late 2007, Developer commissioned ConsultantCo, specialized in coordinating commercial centre development projects, to facilitate dialogue between TAD and the City of Espoo. Developer considered this action crucial in linking additional resources in the development. More specifically, Developer, the City of Espoo and ConsultantCo jointly developed a novel technique called reference planning.

Reference planning called for a wide involvement of business actors

in the joint development of visions, goals and agendas to solve potential conflicts early and to reduce the probability that business actors would oppose each other. Reference planning also involved a stage-gate-based approval process for the plans. Thus, the main purpose of reference planning was to support and to replace partially the slow and often conflict-prone district planning process led by the City of Espoo. An informant representing ConsultantCo summarized the situation

The city of Espoo's formal district planning process did not work well enough. We developed the idea [reference planning] from the construction industry, as there it had been used in single building projects, but not in large-scale urban development projects.

The planning relied very much on visual management; that is, helping others to visualize what the Tapiola centre and its businesses could look like in the future. Visualization of plans helped actors to become more aware of the ideas and the business opportunities related to the development of the centre. Open communication of the plans also strengthened the commitment of actors towards the plans, as they and their resources played an important role in the projected prosperous future of the centre. In addition, the actors that were sceptical about the development activities were also engaged early in the development process and were encouraged to express their concerns on the evolving plans.

While many business actors had become more open and supportive to the new development plans, not all actors supported them. Given this



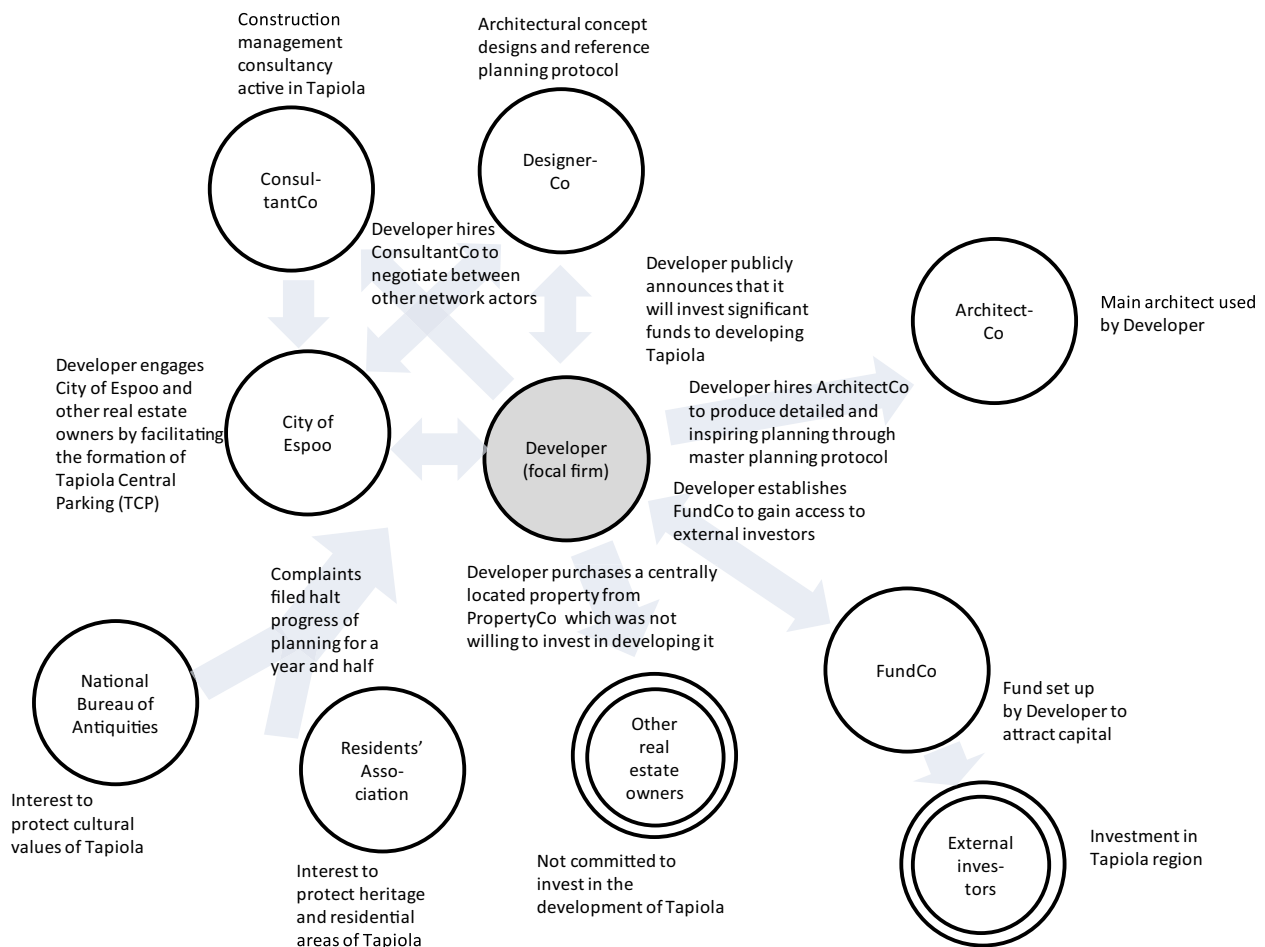


Fig. 2. Observed interactions in the Engagement period (2007–2010).

situation, Developer chose to increase its property ownership in 2008, by purchasing PropertyCo's real estate in the area. This action was pivotal in reducing the heterogeneity in business objectives caused by the high fragmentation of property ownership in the business network. This action also demonstrated Developer's commitment towards investing additional funds in the development of the area.

The planned major investments required significant external capital, and Developer established FundCo, a dedicated funding organization for investments in Tapiola region, to allocate its own capital and to attract external capital from investors. A senior manager from Developer summarized the scenario:

Our firm and its two divisions really believed in this development in its early beginning in 2008. These divisions committed and invested capital to establish a fund [FundCo] to really revamp and rebuild this centre.

In 2009, Tapiola Central Parking (TCP), an organization jointly owned and controlled by Developer and other business actors, was established to plan and manage the construction of a shared underground parking facility that would serve the entire Tapiola centre area, as opposed to the existing state where there were more than 10 small parking areas served individual properties. The existing parking opportunities in Tapiola were insufficient and widely considered as a bottleneck for economic development. The construction of the facility was discussed in a newspaper article titled "A large underground parking facility is under planning in Tapiola centre":

The underground parking facility is meant to be expanded up to 2000 parking spaces. Currently, the parking facilities in Tapiola

district are located in over 20 different areas." – in Helsingin Sanomat 14th of January 2009.

To further refine the new development plans that now included demolishing several buildings in Tapiola centre and building new ones, Developer hired a prestigious architect and one of the partners from ArchitectCo. Developer credits the position and reputation of the architect for playing an extremely important role in gaining legitimacy for the plans and for gaining the commitment of other business actors. This is illustrated in the following quote:

Our main architect has immense references [i.e. nationally known for his designs] and a professorship in parallel [at a leading Finnish university], so the communication of development plans with authorities becomes easier.

At this stage, Developer engaged in further efforts to involve other actors to the planning processes led by ArchitectCo. Here, TAD, in which Developer had significant decision-making power, was utilized. ArchitectCo was hired to implement a new design practice "master planning" for the whole area's business development, and in this way, Developer was able to engage other business actors into the development process. Consequently, ArchitectCo joined in the design team of TAD and executed this master planning in TAD's commission. ArchitectCo was originally hired only in Developer's commission, but now Developer extended ArchitectCo's mandate to collaborate within the designer team of DesignerCo, ConsultantCo and the City of Espoo. Essentially, the master plan was a detailed and integrated plan for all business premises in the area, regardless of their ownership.

In essence, through using ArchitectCo, Developer offered other

business actors a vision of the kind of potential their properties had and whether a particular building would be demolished and rebuilt. This active development of alternative business ideas was well received by other business actors and ensured that development plans would remain “in motion”.

Starting in 2009, the ambitious designs that at the time included the construction of new high-rise buildings and the widespread utilization of reference and master planning began to spark opposition from government authorities and district inhabitants. The town planning procedure received several complaints from the Residents' Association and National Bureau of Antiquities regarding the preservation of the historical garden image heritage and architectural designs. This halted all development for a year and a half, as the appeals needed to be processed in court. To overcome the appeals and gain approval of the high-rise buildings and new architectural image designs, the main architect of ArchitectCo, who was responsible for the most significant plans in the region, visited the authorities (e.g. the board of city planning authority) and the National Bureau of Antiquities. In these meetings, he made a very convincing case that the plans represented what the Tapiola centre needed for its survival and growth and that the garden image would not be compromised. Finally, while the designs had to undergo some alterations, particularly related to the maximum height of high-rise buildings, the authorities eventually approved them. One of our informants elaborated the role of the individual architect: “Without the architect, the authorities would not have approved the plans.”

We have summarized the pivotal activities and actor roles during Engagement period in Fig. 2 below.

#### 4.3. Implementation period (2011–2017)

The transition from making plans to setting the development of the district in motion took place gradually during 2011. In late 2011, relying on capital attracted by FundCo, Developer purchased a property from CenterCo in Tapiola centre, in which the leading department store DepartCo was operating. The acquisition allowed Developer further synergies from simultaneously designing multiple real estate properties and allowed the construction of underground areas and passageways.

To facilitate the implementation of plans, Developer established altogether 41 multi-actor working groups and coordination bodies –referred to as “task forces”. The purpose of these task forces was to manage cross-functional operational level issues, such as permissions, traffic guidance and maintenance, and to arbitrate the divergent interests of business actors regarding allocated specific tasks (e.g. a centralized underground parking facility) and to develop joint coordination practices.

In 2014, Developer continued its acquisitions and purchased a property in the centre from SpecialtyCo. By doing this, Developer achieved additional economies of scale and scope and significant savings in business development logistics. SpecialtyCo's property was situated in.

a central location from the viewpoint of Developer's plans, as it was building a shopping centre complex that would partially reside underneath SpecialtyCo's property. As a result of this transaction, Developer now owned four of the most central business premises in the centre. A senior manager from Developer summarized the situation:

Now that we have this real estate [SpecialtyCo], we can do better arrangements in this construction site and logistics ensemble, which are much more profitable than the ones without this property.

Starting in 2013, Developer began to actively communicate the progress of the business development through a trade association and social media. At that time, Developer had secured new tenants to the future shopping centre that it was building in the area. This announcement increased the credibility of Developer's plans from the perspective of other actors, as securing tenants was difficult at the time due to challenging market conditions. To promote further attractiveness

of the commercial premises, Developer began to campaign and market their business premises and shopping centre complex to completely novel tenants from around the world through online news and flyers. In this way, Developer sought differentiation from other shopping districts and aimed to enhance the value of Tapiola in the future and increase end-user flows in the early operations stage. A senior manager from Developer explained, “We wanted something different; it was something else than in a regular shopping centre, where it is always the same chains and actors. We sought differentiation.”

In 2013, the town plan of Tapiola centre was formally approved and then finalized in the beginning of 2014. However, Developer and the City of Espoo had not yet agreed upon the land-use and construction-right fees that are used for municipality engineering and public infrastructure in the Tapiola centre. In addition, the City of Espoo wanted Tapiola centre to host a large bus terminal for Espoo even though the former bus terminal in Tapiola had been merely a small drive-through facility. The construction of a new bus terminal would require significant resources and coordination with other construction sites, as it was right in the middle of the business district, which was undergoing major development. As the City of Espoo lacked resources to develop the terminal, Developer and the city made an agreement that Developer would develop the new main bus terminal on behalf of the City of Espoo, as they already had the resources and logistics around it. The city would then pay back the construction costs and settle the other land-use and construction-right fees for Developer's business development in the centre at an agreed-upon level for mutual synergy. Developer commissioned ArchitectCo as the designer of this bus terminal. During this time, Developer established novel multi-actor working groups together with ConsultantCo, ArchitectCo and MetroCo for steering and collaborating between individual business premises' development and logistics. To further increase the profitability and economies of scale and scope, Developer purchased one more property, from BankCo in 2015. Following this transaction, Developer now had the five largest business premises in the Tapiola centre.

In 2014, Developer established a jointly controlled organization, Tapiola Centre Surveillance (TCS), with the City of Espoo and Foundation Co. The purpose of TCS was to take care of the centralized surveillance of the area through many duties, such as implementing camera surveillance, fire safety arrangements, an access control system, evacuation arrangements and a water control system. The need for this organization emerged from the fact that the developing of business premises and underground parking facility required continuous surveillance along with the underground passage, metro station and future bus terminal.

In 2015, FoundationCo, a neighbour real estate owner of Developer motivated by Developer's progress in the centre, asked if it could co-develop business and development plans related to FoundationCo's property in the area. FoundationCo management was convinced that the development of the region was now inevitable and wanted to join in, but lacked the development resources themselves. A senior manager from Developer highlighted the following:

Our neighbour [FoundationCo] has started planning as well. We have a very good collaboration with them, and their real estate will probably be attached to our business complex in the future. They suggested that we could operate their real estate as well.

We have summarized the pivotal activities and actor roles during Implementation period in Fig. 3 below.

## 5. Analysis of the case

### 5.1. Means of influencing

Our analysis revealed that the focal firm used a variety of NMAs directed towards achieving changes in the activities, goals, and resources of other actors in the same business network. Furthermore, as

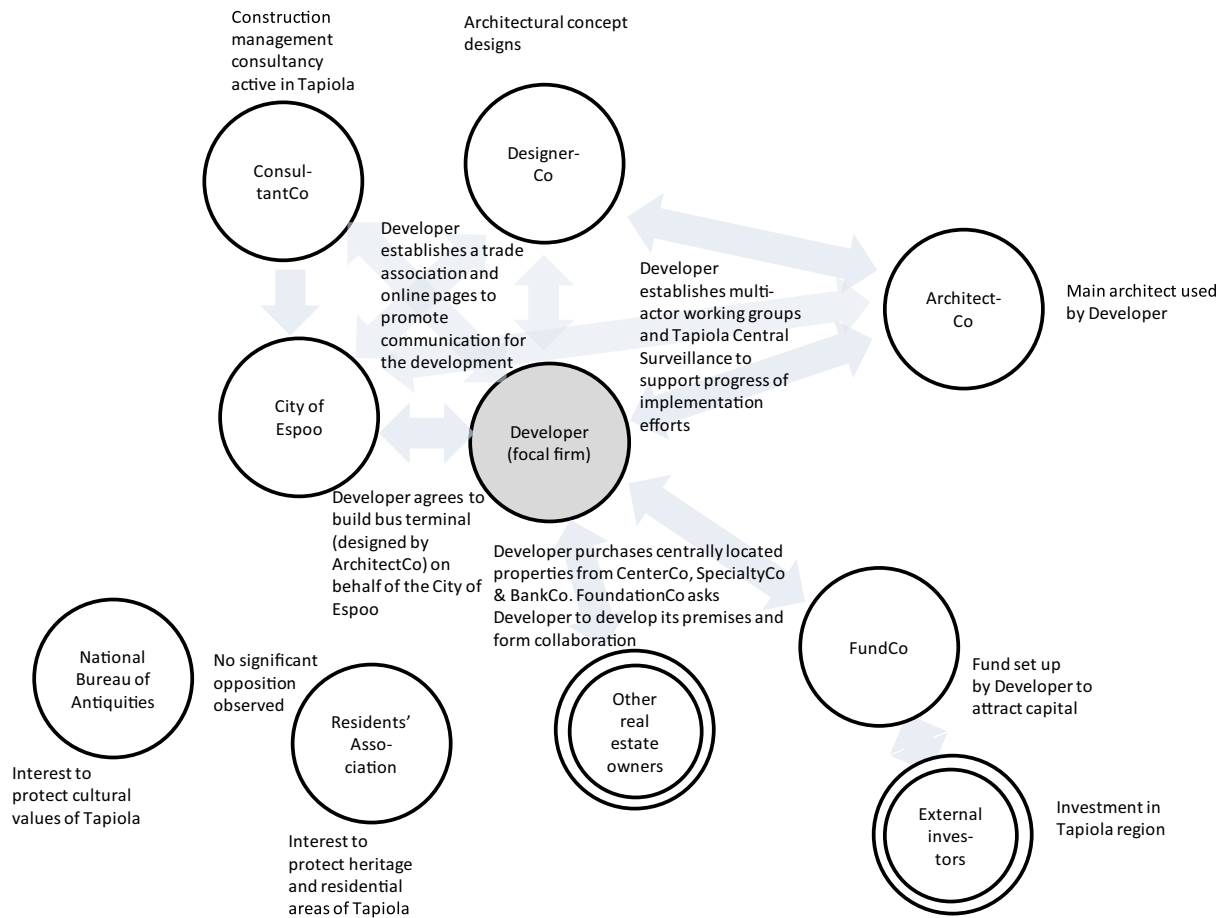


Fig. 3. Observed interactions in the Implementation period (2011–2017).

discussed in Section 3.3, each NMA contributed towards one or more of the three distinct outcomes: (i) developing new network ties, such as actor bonds, activity links, and resource ties, (ii) increasing goal alignment in the network, and (iii) increasing the efficiency of operations. We categorized the identified NMAs, based on their similarity, into seven types. Table 3 below presents the results of this categorization. Next, we proceed to discuss them in detail.

First, activities for *demonstrating leadership intent* were targeted at signalling commitment to assigning a significant amount of critical resources in the development of the business network. This supported the development of network ties to other actors and increased goal alignment in the network, as uncertainty regarding the development plans perceived by other network actors decreased. For example, the focal firm actively sought chair positions in several cross-organizational organizations and working groups in all three periods, such as in TAD.

Second, activities for *joint agenda-creation* focused on developing and communicating shared goals for the business network, in which actors initially had highly divergent views regarding how and when the Tapiola centre should be developed. In addition to increasing goal alignment, these activities also contributed to formation of additional network ties, as the joint agendas linked the resources and activities of other network actors to concrete development activities. For instance, during the Engagement period, the Developer engaged other network actors in the joint development of development plans through reference and master planning procedures. The planning procedures also concretized each actors' and their resources' important role in the development agenda, which legitimized their participation in the business network.

Third, activities for *establishing communication channels* supported the coordination of activities and communication of business

opportunities within the business network. The established communication channels supported the creation of network ties, as these communication channels allowed the sharing of business-critical information regarding development opportunities. For example, during the Implementation period, the Developer established a trade association and webpage to inform business network actors about the business development, and to campaign and market their business premises and shopping centre complex to completely novel tenants from around the world through social media, online news and flyers.

Fourth, activities for *supporting activities of other network actors* supported the creation of additional ties between the focal firm and other network actors, as the focal firm assumed the responsibility for activities that other actors were not willing to commit their resources to (at least in the time frame desired by the focal firm). This also promoted efficiency of operations (later referred to as efficiency for sake of simplicity), as Developer who already possessed resources for these tasks, could carry them out more efficiently. For example, in the Implementation period, after it became evident that the City of Espoo could not commit to the planning and construction of a new bus terminal, the Developer, who possessed the required resources, and the city agreed that the Developer would carry out these tasks for a pre-determined compensation.

Fifth, the Developer resorted to activities directed at *securing access to critical resources*. Securing access to critical resources, such as properties owned by other business network actors, was instrumental in achieving progress in Developer's business plans, and as it became evident that many of the other business actors were not ready to commit significant resources in developing the area, Developer decided to purchase the properties to secure control of these resources. By purchasing properties from other actors (i.e. from CenterCo,

PropertyCo, BankCo and SpecialtyCo) during Engagement and Implementation periods, Developer became a central node in the business network who possessed critical resources for the network and its development, meaning that operative activities in the network became more efficient under the control of one focal actor.

Sixth, many activities were aimed at *establishing joint decision-making bodies*. These joint organisms brought actors together to roundtable discussions about the development, and about finding efficient ways for the operations. Consequently, actors were able to align their goals and to form new network ties. For instance, during all three periods, Developer together with other property owners established various task forces, TAD, TCP and TCS that brought actors together to solve issues regarding the development. These bodies functioned as platforms for actors to get to know each other and their resources better, forming new ties. In addition, in solving issues regarding business development, actors brainstormed and came up with solutions that were more efficient.

Finally, we observed many occasions of *utilizing mediator actors* that helped network actors to support alignment of goals. For example, during Exploration and Engagement periods, Developer hired widely recognized individuals and organizational actors, such as Designer from DesignerCo, Architect from ArchitectCo and Consultant from ConsultantCo that simultaneously served the interests of more than one business network actor, and hence were extremely important in negotiating compromises and pre-emptively identifying areas of potential conflict between actors. These kinds of arbitrators were able to negotiate network actors to make compromises in their goals, and hence find goal alignment amongst actors by meeting each other in halfway around specific issues, such as architectural designs and height of business premises, where actors would otherwise have rather divergent goals and visions.

## 5.2. Dynamism in the process of influencing

During the Exploration period (2000–2006), the NMAs of Developer included establishing a joint decision-making body (TAD), demonstrating leadership intent, and developing new plans with mediator actor (DesignerCo) that would attract the attention of other business network actors. In this period, Developer emphasized NMAs that contributed rather equally to goal alignment and development of network ties.

During the Engagement period (2007–2010), Developer established FundCo, which helped it to secure additional financial resources for development of the centre. Developer also continued to demonstrate leadership intent by chairing in TAD and TCP. Furthermore, Developer continued to utilize mediator actors and focus on joint agenda creation through reference and master planning protocols. During this period, Developer placed considerable emphasis on the use of NMAs contributing to the establishment of new network ties. In addition, many of Developer's NMAs also contributed to goal alignment as well as efficiency.

In the Implementation period, between 2011 and 2017, Developer continued the establishment of joint decision-making bodies. Overall, during the Implementation period, the focus of Developer's NMAs gradually shifted towards efficiency. Moreover, Developer also continued to utilize activities that contributed towards the development of network ties, while NMAs contributing to goal alignment were less frequent.

Based on the above and occurrences of individual NMAs across the observed three periods described in Table 3, Fig. 4 below illustrates the Developer's use of NMAs in the process of influencing. It can be observed that at first, Developer followed a balanced approach between NMAs supporting goal alignment and development of network ties. Starting in Engagement period and continuing in Implementation period, Developer's emphasis in network management changed to NMAs supporting development of network ties and finally, during

Implementation period, the focus shifted again, this time towards emphasizing efficiency.

This observation gives rise to the question, why did the focal firm, in its process of influencing, alter the emphasis in NMAs used, rather than keep re-using the same NMAs throughout the entire analysed time-frame? To answer this, we proceeded to compare the focal business network across the three periods. As earlier discussed in Section 4.1, the network was highly diverse in terms of actor goals during the Exploration period (2000–2006). Furthermore, no single actor, including Developer, was in a position to single-handedly direct the development of the network. In addition, Developer lacked network ties to many actors that controlled resources important for the development of the Tapiola centre, including real estate owners, and external investors. In the Engagement period discussed in Section 4.2 (2007–2010), alignment between the goals of Developer and many other network actors had increased. For example, an informant representing the City of Espoo referred to Developer as an engine for taking the development of the area forward (see Section 4.2 for a direct quote). Regarding network ties, while Developer had actively established new network ties, it still lacked ties to several important actors, such as tenants that would operate in the buildings under development. Finally, in the Implementation period (2011–2017), discussed in Section 4.3, alignment between the goals of Developer and goals of other network actors was higher than during the other two observed periods – partially due to Developer acquiring properties of several network actors that were quite cautious towards its plans. In addition, Developer had established strong network ties to practically all actors, for example, through emphasizing the development of joint decision-making bodies such as TAD and TCS.

Based on these observations, we propose a processual model (see Fig. 5 below) which describes how the Developer's process of influencing, in terms of NMAs used, was associated with its network ties, as well as with the alignment between the Developer's goals and those of other actors. In the proposed model, the process of influencing is dynamic, proceeding through three different periods that entailed a different combination of the identified seven types of NMAs. Most importantly, the dynamic trajectory in the use of NMAs was determined by changes in network conditions in terms of network ties and goal alignment. Following our model, a focal network actor seeking to increase its influence in the network, continuously alters the pattern of NMAs used based on how well it perceives to be connected to other actors via network ties, and to which extent the focal firm considers the goals of other network actors to be aligned with its own goals. In parallel, NMAs directed towards increasing efficiency are used.

A firm in the lower left quadrant (VISIONARY) has a limited number of ties to other actors. In addition, its goals are not aligned with the goals of many other actors. Thus, a firm in this situation is likely to place emphasis on both NMAs directed at developing additional network ties, as well as NMAs which aim to contribute towards increased goal alignment within the network. We observed that Developer followed this approach during the Exploration period, as it resorted to NMAs including demonstrating leadership intent, securing access to critical resources and utilizing mediator actors. A firm in the lower right quadrant (BUILDER) has only few ties to other actors in the network, but its goals are relatively well aligned with those of other actors. Under these circumstances, the firm is likely to emphasize NMAs directed at developing additional network ties, such as demonstrating leadership intent and joining activities of other network actors. We observed that during the Engagement period, Developer began to place increased emphasis on the development of new network ties, for example, by assuming the responsibility of building a bus terminal on behalf of the City of Espoo. A firm situated in the upper left quadrant (LEADER) is well connected to other actors in terms of network ties, but its goals lack alignment with the goals of many other business network actors. Based on the previous reasoning (but not empirically observed in our study), an actor in this position could be expected to place emphasis on NMAs directed towards increasing goal alignment in the business



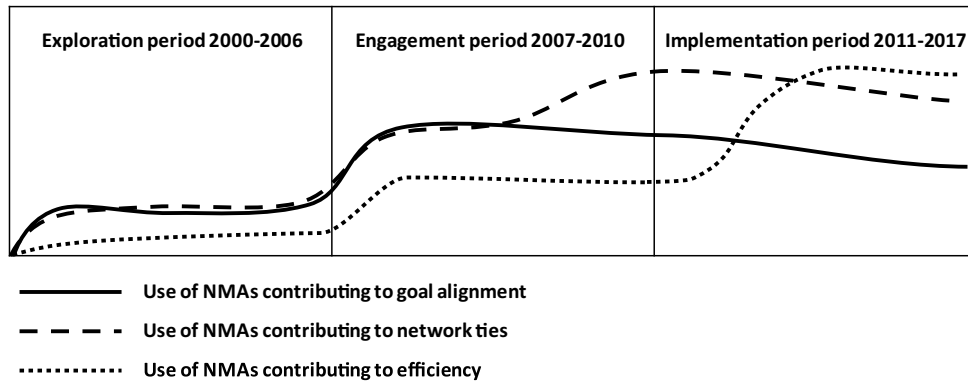


Fig. 4. Changing emphasis in focal firm's process of influencing.

network, such as creating joint agendas and using mediator actors. Finally, an actor in the upper right quadrant (OPTIMIZER) is well connected through its network ties. In addition, its goals are highly aligned with the goals of other business network actors. Under these circumstances, it is likely that the actor will shift emphasis towards increasing efficiency as, in the case of Developer, we observed during the Implementation period.

## 6. Discussion

### 6.1. Implications for research and practice

Responding to recent calls for longitudinal research to investigate the processual nature of interactions in business networks, and how they unfold over time (Halinen et al., 2012; Manser et al., 2016; Mariani, 2016), the findings of the present study illustrate how a focal actor may in its process of influencing, employ changing patterns of NMAs to develop its influence with others in the network. Only a handful of earlier studies have focused on the process of influencing at the level of micro-level activities. Our description of the rich variety of NMAs used by the focal firm provides a more detailed, and fine-grained view of the potential ways through which firms can interact with other actors than what has been reported in prior literature (Möller, 2010; Partanen & Möller, 2012; Thornton et al., 2013).

While each NMA observed was, to an extent, unique in terms of its timing, purpose and how it was executed, we were able to group them into seven distinct categories. In addition, we found each of the seven

NMAs to contribute to one or more of the following outcomes: (i) developing new network ties (ii) increasing goal alignment in the network, and (iii) increasing the efficiency of operations. These seven categories share common ground with earlier network management research. Specifically, *agenda construction and communication*, as discussed by Möller (2010), and creating *shared identify and common perspective* (Andersen et al., 2013) resonate closely with our observations. Mele (2011) discussed *co-managing*, which also shares similarity with the *establishment of joint decision-making bodies* we observed. Medlin and Törnroos (2015) emphasize the importance of gaining access to network resources through partners. Concurrently, many of the NMAs identified, such as *demonstrating network leadership* and *establishing new communication channels*, contributed towards development of new network ties. In addition, several activities, such as *joint agenda creation*, contributed towards increased goal alignment within the network. However, not all of our categories align with previous research. While Thornton et al. (2013) emphasize the mobilization of resources controlled by other actors in network management, we found repeated evidence of the focal firm acquiring control over critical network resources internal (e.g. properties of other actors) and external (e.g. financial resources of external investors) to the network. This “buying out” of other network actors in our case seems a more blunt yet apparently effective approach that, according to our knowledge, has not been discussed in prior studies.

The four network management orientations in our model for influencing in business networks: leader, optimizer, visionary, and builder relate to the ongoing discourse regarding network position, network

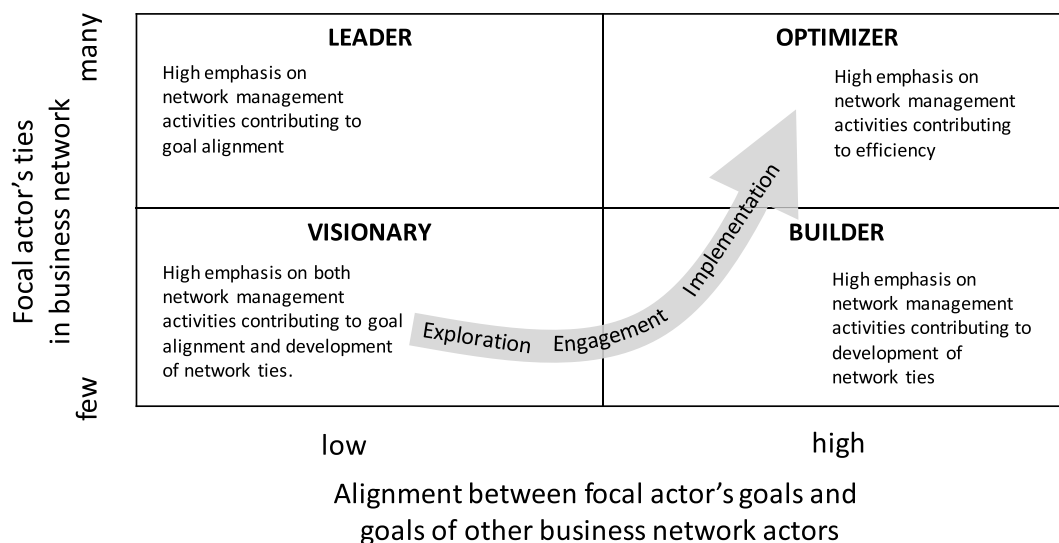


Fig. 5. Model for influencing in business networks.

role and how these concepts relate to each other. While earlier research has associated development of the network position with access to rich information (Gadde et al., 2003), and additional control (Ford & Redwood, 2005), our study further highlights the gradual growth of the actor's influence over time. In addition, our model establishes an additional link between the concepts of network position and network role. Our findings further align with earlier observations of Bocconcelli et al. (2018), who showed how small actors may, over time, be able to develop their role in relation to larger and more influential network actors through the process of influencing. Also, Siemieniako and Mitrega (2018) discuss how peripheral network actors may be able to improve their network role by questioning the imbalance of power and purposeful actions directed towards addressing this imbalance. Bocconcelli et al. (2018) have highlighted the gradual and processual nature of network role transformation. Our study lends support to this statement, as in our studied context, it took the focal firm a period of more than a decade to gradually develop its influence, transforming from one of the many network actors to a role that is considered as the network leader by many other actors.

Our model relates to a number of frameworks that have been previously introduced. Particularly, Möller and Halinen (1999) show that business networks can be conceptually placed on a continuum ranging from high interrelatedness between a limited number of actors to relatively low interrelatedness of multiple actors and that these differ in regard to the tools used for managing them. Accordingly, our model links network ties and goal alignment to the use of specific NMAs. Möller and Rajala (2007) explain that in the formation of new business networks, the early phase of the formation process is characterized by uncertainty reduction through joint agenda setting, whereas during later phases, the networking emphasis is on the creation of working designs and applications. While our study, and consequently, our model does not address the emergence of new business networks, the emphasis on NMAs is somewhat analogous. In our model, in the process of influencing, firms initially focus on building network ties and developing and communicating a joint agenda. When (and if) these are achieved, the focus then shifts to practices promoting efficiency.

Over time, the focal firm's influence grew significantly, giving rise to the question: Did the business network turn into a hierarchy controlled by this focal firm, and consequently lose its innovativeness as suggested by Håkansson and Ford (2002)? Gadde et al. (2003) and Ritter et al. (2004) have stated that a central strategizing issue for embedded business network actors is to identify adequate ambitions regarding control. Business goals may be met by influencing the activities, resources, and goals of other actors in networks, but if an actor succeeds in developing a very high influence with others in the network, the risk of the network suffering from the weaknesses generally associated with hierarchies is very real. Thus, regarding influence in business networks, more is not always desirable. Indeed, at the end of our observation period, the studied business network was centrally coordinated to a higher extent compared to its initial periods. In addition, several actors had left the network, often as a result of their critical network resources (properties) being acquired by the focal firm. Thus, at the end of the observation period, the business network had moved somewhat closer to the definition of a hierarchy.

## 6.2. Limitations and further research

Our qualitative study focused on a single business network situated in a specific geographical context. We selected case study as our research approach as case studies are suitable for deriving new knowledge on complex and yet unresearched phenomena, by offering especially rich and nuanced understanding of the micro-level activities, purposes, contextual factors in action. We looked at the process how a focal firm increased its influence with other actors in the network, by identifying three distinctive development phases and analysing the focal firm's process of influencing by focusing on the use of NMAs and

their effects on the change in the business network, in terms of affecting changes in other network actors' activities, resources and goals. Based on the observations of our empirical study, we suggest a processual model for influencing in business networks that links the use of specific NMAs to conditions under which they are used. We used the model to describe how our case firm's process of influencing was dynamic, changing in emphasis over the three distinctive phases: each phase was characterized by different conditions, and accordingly, different network management orientations were used in each phase respectively. The changes from one orientation to the next formed a processual pattern, which was in line with how the specific conditions in each phase changed from one phase to the next. We argue that different orientations that a firm can use to increase its influence in a business network can be found in other types of business networks too, but further research is needed to deepen the understanding of the specific NMAs included in these orientations in other types of business networks in other contexts. We also see that further research could reveal additional types of orientations than those included in our model, which would lead to the welcomed need to develop our model further. However, we see that the processual patterns how a firm can use the four orientations are network specific, and we see that depending on the change in conditions, the firm can change its orientation from one orientation to the next in a manner which even could include iterations or cycles between orientations. In other words, our empirical study shows only one processual pattern that is dependent on the conditions, and further research is needed on different processual patterns that may take place in different business networks.

Our study was limited to a single empirical context. Thus, we make no claims that the list of NMAs or outcomes identified, nor that the processual pattern is exhaustive. Therefore, we suggest future research to explicate other possible NMAs, outcomes, their relationships, and distinct processual patterns to uncover further understanding of distinct NMAs, outcomes and processes.

Our approach to the studied process as a configurational phenomenon that was separated in three distinct periods is not without weaknesses. Specifically, our periodization essentially dissects the path processes in the network into three and quite lengthy periods, limiting opportunities for the fine-grained understanding of the subtle interconnections between the three periods. Choosing a different perspective to processes, or more fine-grained approach to the periodization could have provided different, or additional, insights regarding the patterns identified in this study.

While not covered in our study, it would be important to understand the reasons why, or under which conditions, other network actors may accept, or even support, the increase in the influence of one firm. For example, regarding our empirical study, while many other real estate owners in the network certainly had some initial plans for developing their properties, many of their properties ended up being bought by the focal firm. One potential explanation for this development is that these actors might not have engaged in significant efforts to increase their influence during the early years of our observation period, and as they realized that they could no longer significantly affect the direction of the ongoing development efforts in the centre, they chose to exit the network.

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