

# **Behind the scene**

The mechanisms of dynamic capabilities for customer value creation

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# 1 Introduction

Today's worldwide economic turmoil stresses the criticality of customer value for firms' survival. The economic difficulties firms in many different industries have met recently reveal a lack of value to the customers. They have to better understand customer value and how it is created. Often, suppliers do not know what their customers value, neither what it costs to fulfil customers' different requirements (Anderson and Narus, 1998). The term of value is tricky; people mean different things with value. To be clear, in this article, the value discussed is value for customers. Furthermore value is contextual. What is value for one customer may not be value for another. Value can also vary in time. Last but not least, value depends on what competitors offer (Anderson and Narus, 1998).

Value for customers is particularly concrete during negotiations. During these occasions, suppliers present, argue and try to differentiate their offering from potential competitors'. There are two decisive issues. The first one is how much value the customer perceives in the offering. The second issue is how much value the customer believes the supplier could create during their future relationship. Suppliers have to convince of the value of their offering but of their ability to adapt their offerings to constantly new customer needs and challenges. (Serbin Wikner, 2007)

In the marketing field the works of Levitt (1980) and Anderson and Narus (1998) have contributed to better understand the offering, its content and how value is packaged. In addition, strategists, interested by how companies achieve and sustain competitive advantage (Rumelt, Schendel et al. 1994) have long searched theories that explain companies' competitive advantage from a resource point of view. The resource-based view (RBV) introduced by Wenerfelt in 1984 and the dynamic capabilities view, in the late 90's, pinpoint the crucial role of resource management. However managing resources in order to create value is only worth if it is reflected in the offering. There is a clear link between dynamic capabilities and value creation as dynamic capabilities are the process during which value is created (Ambrosini and Bowman, 2009). However the link between value creation and offering (Hedman and Kalling, 2002), although it has been done, has received scant attention among scholars.

Firms that are facing growing competition need to rethink their offering. Technological firms are challenged upon price by technological firms in Asian countries, of which outsourcing is a sign of. They can no longer rely on their sole technical knowhow. To increase customer value or reconfigure their offerings may be particularly challenging as science based firms often disregard market knowledge (Severi Bruni and Verona 2009).

Because of the difficulty to penetrate into the "murky area" of customer value (Wilson and Jantrania 1994), there is a need to take a new approach. In strategy research, academicians have suggested to study phenomena at a micro level in search of the mechanisms underlying customer value creation. Therefore this paper focuses on the mechanisms of customer value creation.

**The purpose of this paper is to study the mechanisms behind customer value creation through dynamic capabilities.**

Two research questions guide this paper:

**What are the routines that underlie customer value creation?**

**How do these routines contribute to create value for the customer?**

In this paper, the Strategy-as-practice view and dynamic capabilities are combined as a way to unravel mechanisms behind customer value creation.

Because the technical nature of their jobs contrasts with the service role they have to play, a technical consultancy company in Sweden, named Combitech, was chosen for this study. In this study, focus is particularly put on the CRM tool employees use to handle information about customers and how this tool influences customer value creation in the organisation.

## 2 Dynamic capabilities

Dynamic capabilities derive from the Resource-based view of the firm (RBV), which was inspired by the work of Penrose (1959) in which she depicted firms as a set of resources. Dynamic capabilities are considered as an extension of the Resource-based view (RBV) (Ambrosini and Bowman 2009) and the distinction between the two lies in the degree of dynamism upon which they are based. Because RBV was too static a model (Eisenhardt and Martin 2000), Teece, Pisano and Shuen (1997) underlined the need to develop a new approach and proposed the dynamic capabilities view. The aim was to understand competitive advantage in regimes of rapid change. More precisely, strategists wondered why certain companies with many resources could not face the increasing competition in the 80's and 90's (Harreld, O'Reilly III et al. 2007). The value that they created was outperformed by competitors.

Teece, Pisano and Shuen (1997) introduced the dynamic capability view, which aimed at explaining how firms create value based upon their own technological, managerial and organisational processes in an environment characterised by rapid technological change. In order to be competitive in the long term, firms have to possess dynamic capabilities. The first, and still actual (Ambrosini and Bowman, 2009), definition of dynamic capabilities relates as follows. Dynamic capabilities is defined as

*“the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments”* (Teece, Pisano et al. 1997).

The interest for dynamic capabilities among researchers is vivid and has led to many debates. One of the debates is on the nature and definition of dynamic capabilities. Indeed, the original definition from Teece et al. (1997) was broad but left many questions on the nature, the attributes and the origins of dynamic capabilities (Easterby-Smith, Lyles et al. 2009).

Zollo and Winter (2002) defined dynamic capabilities as a “**learned and stable pattern of collective activity** through which the organisation systematically generates and modifies its operating routines in pursuit of improved effectiveness. Later on, Winter (2003) discussed the concept of organisational capability deriving from organisational routine. “Organisational capability is a high-level **routine** (or collection of routines) that, together with its implementing input flows, confers upon an organisation’s management a set of decision options for producing significant outputs of a particular type”. What the author underlined in this definition was the importance of “routine”. For Eisenhardt and Martin (2000) dynamic capabilities are **adaptive processes** in high-velocity markets. They define dynamic capabilities as “the firm’s processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources- to match and even create market change. Dynamic capabilities thus are the organisational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve and die.” Helfat et al.

(2007) agreed that “dynamic capabilities are the **capacity** of an organisation to purposefully create, extend or modify its resource base”. Finally, Easterby-Smith et al. (2009) concluded that dynamic capabilities are “**higher level capabilities** which provide opportunities for knowledge gathering and sharing, continual updating of the operational processes, interaction with the environment, and decision-making evaluations”.

What dynamic capabilities achieve is a strategic and competitive manipulation of resources. From the point of view of customer value creation, these classifications may be more or less suited for identifying customer value. Normann & Ramirez (1993) declared “successful companies do not just *add* value, they reinvent it.” But how? Are there specific processes, routines, activities, or capacities that are keys to customer value creation and the strategic management of offerings?

In order to facilitate the analysis of dynamic capabilities Teece (2007) suggested the distinction between dynamic capabilities for sensing opportunities, those for seizing them and transforming assets. This distinction has proven to be applicable. In their article Harreld, manager at IBM, and his co-authors O'Reilly III et al. (2007) described how IBM won back its dynamic capabilities. They showed how the company IBM could set up an array of strategic elements in terms of teams, tools, investments, strategies to sense opportunities and threats and later seize opportunities and implement them.

The sensing of opportunities and threats requires an entrepreneurial spirit that allows to recognize problems and trends in the firm's ecosystem. It implies to scan and interpret the environment as well as to learn and create opportunities. Sensing, creating and learning functions need to be spread throughout the enterprise so that they become enterprise-level capabilities and not remain the prerogative of few individuals. More, in order to catch trends from all customer segments, sensing has to be performed in a decentralized way, but information has to come up to top management. For high-tech firms special attention is not only directed towards technology development and opportunities but also to markets, customers' needs and customer innovation. (Teece 2007)

Seizing is the activity performed to assess which investments are to be done in terms of processes, products and/or services. This second phase implies strategic investment decisions such as the level, the locus and the timing of the investment. Those investments lie within the scope of the firm's business models, which are affected organizationally, financially and/or on a marketing level. In other words, the firm has to discuss, create, or rebuild its business models in order to realign its processes, incentives, its physical technology (in case it is a high-tech firm). Indeed, Teece wrote “The understanding of the institutional/organisational issues is typically more limited than the understanding of the technologies themselves” (2007). So to sense opportunities but not to seize them is thus a common pitfall. Difficulties to seize opportunities depend on “organizational design issues”, namely capital budgeting techniques favorising certain future cash flow and investment decisions processes that can slow down decision making and reinforce status quo. The lack of knowledge within finance theory on how to assess intangibles, and other related features impairs such investments. Teece mentioned the certainty effect, characterized by extreme risk aversion (Kahneman and Lovallo 1993). To enable innovations firms have to create the structure for adopting them.

In the day-to-day functioning of the firm, sensing, seizing and transforming take the form of processes and routines. Teece underlined the difference in mindset and routines between sensing and seizing. Therefore these functions will best be performed separately by different part of the organisation.

From a customer value point of view these processes build the base for understanding customer value of which scanning the market and interpreting customer needs is an example. By sensing, firms also create customer value as they actively sustain a source of information on customer needs aiming at adjusting to them. A critique to Teece's framework, though, is that it only focuses on the role of the firm and omit to mention the role of external actors, which can even have a pull effect on suppliers. Different ways to classify dynamic capabilities have their own strengths. The contribution of Eisenhardt and Martin (2000) lies in the description of how resources are manipulated and transformed into dynamic capabilities. First, the **integration of resources** is characterised by the combination of different skills and functional backgrounds that enable value creation. Second, the **reconfiguration of resources** by replicating, copying, and recombining resources within the firm. This capability is particularly relevant for knowledge-based resources. Third, **resource allocation routines** imply the distribution of scarce resources such as capital and manufacturing assets within the firm. Fourth, **to co-evolve** is the capability to create new collaborations within the firm that stimulate resource synergies. Fifth, **patching** is the capability to respond to market opportunities by realigning businesses and their related resources through routines. Sixth, the capability to gain and release resources. To gain resources is related to the routines that enable knowledge creation and new thinking in firms, especially important in for firms in high knowledge markets. This gain of resources can also be made through alliances and acquisitions. To the contrary, resource release is epitomized by exit routines.

Collis (1994) argued that there will always be a "higher-level capability". He named this phenomenon "the infinite regress". This higher-level capability, also named meta-capability, is a prior explanation to where a specific capability come from. He argued that organisational capabilities may explain sustainable competitive advantage but these vary between industries, places and time. Organisational activities may not necessarily lead to dynamic capabilities and therefore outcomes may shift. Ambrosini and Bowman (2009) suggested that four types of outcomes can be reached: sustainable competitive advantage, temporary competitive advantage, competitive parity or failure. Both competitive advantage and temporary competitive advantage mean that superior value is created for customers.

Recently, researchers have considered single functions that are key to industries in specific industries. Most interesting for this article is the work of Severi Bruni and Verona (2009) showing that high tech-firms in the pharmaceutical industry need to develop capabilities based on other source than their sole technical knowledge. The authors showed how marketing knowledge can be a source of dynamic capabilities. The construct of dynamic marketing capabilities is launched.

According to Helfat, Finkelstein et al. (2007) there is an array of capabilities. Winter (2003) distinguished between "zero-level" capabilities, those related to daily operations, and "first-order" dynamic capabilities are those that change the product, the production process, the scale, or the customers (markets). What this distinction tells is that whatever the level, all capabilities are necessary to achieve value creation and sustainable competitive advantage.

Since all levels of capabilities are necessary to create customer value and achieve competitive advantage, and these are infinite (Collis 1994), representing all these levels is not convenient. Similarly, zero-level capabilities and first level capabilities are intertwined in the firm's processes and may not offer a sufficient concrete guideline for action and analysis. Teece's simple rather simple three steps: sensing, seizing and transforming/managing are more concrete. For firms in fast-moving business environments and subject to global competition, such as many high-tech companies, technology and market in the broad sense are

the two main domains companies need to be strong at. Thus in this article, dynamic capabilities are going to be represented by “sense, seize and transform”. These capabilities will apply for market and technology. The work of Eisenhardt and Martin (2000) will help analysing the kind of transformation in the company’s assets. Finally important enablers such as the role of managers in the process as well as the strategic fit between and amongst strategy, structure, and processes (Teece 2007) will be discussed.

### 3 Linking dynamic capabilities to offerings

The work of Levitt (1980) for understanding the offering and the related value is seminal. He proposed a four level total product concept. Each level adds value satisfactions to the customer. The generic product is the basic thing to be sold. Without it there would be no business. The expected product embraces the customer’s minimal purchasing conditions. The augmented product goes beyond customer’s expectations. The potential product matches the level where the supplier does everything to hold the customer.

In his article Levitt underlines that not all customers wish to add value to the expected product. Lower price may be preferred. It may be impossible for the customer to enjoy the adds-on in an augmented product. Important to add is that the content of the offering at each level may vary from one customer to another. “what is augmented for one may only be expected for the other”.

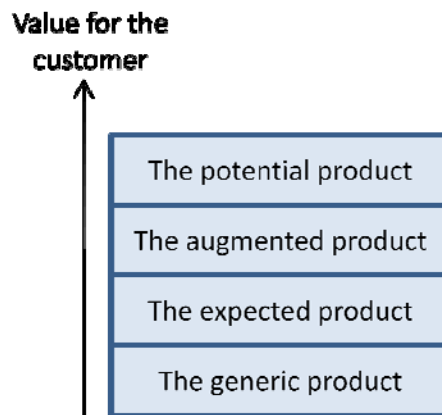


Figure 1: The offering. (Levitt, 1980)

The offering is a tool for conceptualizing value for customers at different levels. It also helps understanding the content of what is offered and how offering differentiate from one another. A firm may not need to deliver all levels of value. For instance, high quality hotels only deliver the top level of the offering. Each level requires its own processes, structure and strategy. The role of the organisation is to provide the customer with the offering (Hedman and Kalling 2002). Firms that excel at delivering their offerings have consistent processes and routines. Firms that develop dynamic capabilities build their processes and routines on “knowledge gathering and sharing, continual updating of the operational processes, interaction with the environment, and decision-making evaluations” (Easterby-Smith, Lyles et al. 2009), which is summerised by Teece (2007) with sensing, seizing and transforming. Therefore it seems appropriate to picture the offering “backed up” by dynamic capabilities as in the figure below.

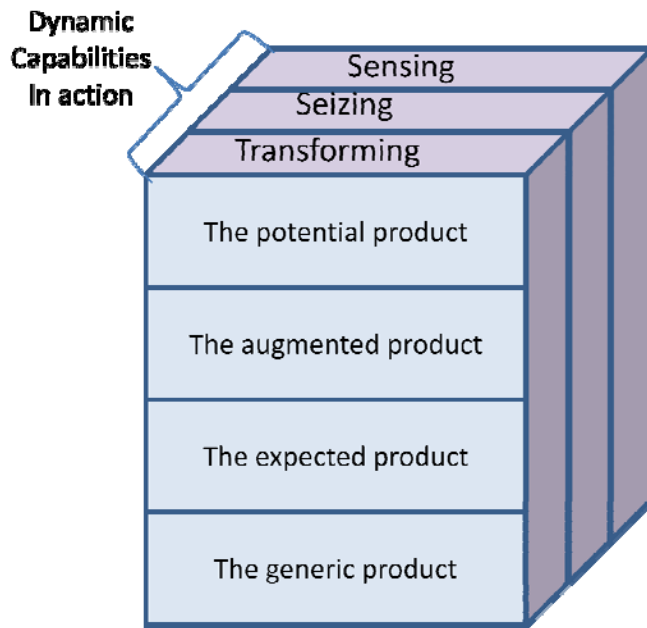


Figure 2: The offering and dynamic capabilities. (Own)

This figure will serve as a framework for the analysis.

## 4 Delving into the micro level

The inquiry into the microprocesses of customer value creation is enabled by a strategy as practice approach.

Stating that strategy is not something that organisations have but something that people do (Johnson, Langley et al. 2007) is a new way of looking at strategy. Questions such as ‘what do practitioners actually do’ and ‘how’ (Johnson, Melin et al. 2003) are put in focus. This requires a new method that enables closer inquiry into organisations. This is where the strategy-as-practice approach comes in. Strategy-as-practice (SAP) aims at unpacking the ‘black box of organisations’ (Johnson, Melin et al. 2003). To do so researchers have to study activities performed by practitioners (Whittington 1996) on a micro level perspective (Johnson, Melin et al. 2003; Jarzabkowski 2005; Johnson, Langley et al. 2007). Proponents argue that it is in the micro-level that difference lies (Johnson, Melin et al. 2003), which was illustrated in the study of two middle managers (Rouleau 2005) and how they put into practice a strategic change in a top-of-the-line clothing company. To sum up, ‘strategy as practice is concerned with the detailed aspects of strategizing; how strategists think, talk, reflect, act, interact, emote, embellish and politicize, what tools and techniques they use, and the different forms of strategizing for strategy as an organisational activity’ (Jarzabkowski 2005).

This approach is in line with the issue of customer value creation, which implies that activities are performed to create value for the customer (Payne, Storbacka et al. 2008). Similarly, the marketing field has recently showed interest for other approaches when studying value creation such as dialogue (Ballantyne 2004), which is indeed interaction at a micro level.

Researchers in the strategy field have suggested specific research angles from which to study sap as defined as ‘socially accomplished activity constructed through the actions and the interactions of multiple actors’ (Jarzabkowski 2005), namely practitioners, praxis, and

practice (Whittington 2006). Practices are shared routines of behaviour, including traditions, norms and procedures for thinking, acting, and using ‘things’; praxis refers to actual activity, what people do in practice. And practitioners are strategy’s actors who perform the activities and carry its practices (Whittington 2006).

The potential contribution of SAP to dynamic capabilities has been underlined in the literature. Jarzabkowski (2005) stated that ‘SAP research can only add to the RBV and dynamic capability research agenda, helping scholars in these areas to utilize practice methodologies and theoretical concepts to further their ambitions of explaining how and why firms differ and what difference that makes to competitive advantage’. Regnér (2008) compared SAP with dynamic capabilities and argued that SAP may complement dynamic capabilities in many ways. Indeed, taking the point of departure of activity configuration helps revealing the complex web of factors that underpin companies’ strategy development. According to Regnér those factors could be activity configurations, socio-cultural embeddedness, co-evolution, social interactions, multiple strategist’s roles and co-existing strategy logics. The author argued that ‘the evaluation of these key characteristics and their implications is valuable because it provides a basis for cumulative additions to our understanding of the dynamic processes, through which unique organisational assets that may provide for competitive advantage are developed’. A critique somewhat alluded to by the author is the risk of embracing a too large view of strategy dynamic, which would end up with ‘achieving less than the dynamic capabilities perspective’ would have done otherwise. One way to limit this is to select a specific function or capability.

*“Dynamic marketing capabilities reflect human capital, social capital and the cognition of managers involved in the creation, use, and integration of market knowledge and marketing resources in order to match and create market and technological change” (Severi Bruni and Verona 2009).*

Severi Bruni and Verona (2009) put that the aim of dynamic marketing capabilities is specifically to develop, release and integrate market knowledge. This construct seems relevant when investigating how a CRM tool may help the studied company, Combitech, to create market knowledge, and whether or not the market knowledge can contribute to customer value creation.

## 5 Method

As presented earlier the purpose with this paper is to better understand how a CRM tool influences customer value creation at a micro level between suppliers and customers. To my knowledge there is little or no research that has been made on tools related to customer value creation. Thus this speaks for a case study to unravel the links and relations between a tool and customer value creation. Here, the context in which practitioners work, their points of view, and their interpretations of different aspects are essential for understanding the influence of the tool.

Up to now eight in-depth interviews (Kvale 1996), two observations of group meetings (Gummesson 2000) and three days shadowing (Czarniawska 2007) have been used to collect empirical material. Out of the eight in-depth interviews five have been transcribed and then coded with themes in the margin. Three days observation of a middle-manager with a function of senior business developer have been carried out. During these days we happened to spend much time in a car travelling to Linköping (one hour and fifteen minutes one way), and to Stockholm (more than three hours one way). We were sometimes only the two of us, sometimes with other colleagues. The car was a second working place where the



person I shadowed had telephone meetings, strategy discussions, personal remarks and small talks.

During observations I took notes and mind mapped (on the topics discussed, citations, particular body language). The use of a minidisc walkman recorder with microphone ensured a very high audio quality. The participants' name, function, place were written down. All these notes were related to the recording by cross-referring to the exact time as showed on the recording device. During rework of the empirical material from observations I looked for the themes on my note book and listened to the tape. Finally I chose a specific episode that I transcribed in English to illustrate the case.

## 6 The case of Combitech, a Swedish technical consultancy firm

The premises of Combitech were settled in 1992 in the town of Jönköping, Sweden. The aim was to keep close at hand highly skilled engineers who were part of a vague of lay-offs. The company enjoyed an organic growth and had about 650 employees in 1996. But since Combitech became a wholly-owned subsidiary of Saab<sup>1</sup> in 2001, it has gone through several acquisitions and mergers. Today the company is situated in 20 locations in Sweden. The head office has been moved 130 km north to the town of Linköping. The overwhelming majority are consultant engineers working in a broad spectrum of technical areas. The last acquisitions in 2006 have contributed to broaden the technical expertise even more. Thus customers vary from industrial firms to the defense industry. Some are small and other are country wide. Combitech's customers belong to the defence, aviation, telecommunications and security sectors, as well as government departments and public authorities. In terms of project, this implies that there is a great variation of length, type, budget, and techniques. Today Combitech has 800 employees.

The organization is complex. Different technical competencies, represented by business areas, are found in several market segments. Further, economic entities do not correspond to geographical offices. Despite the reorganization carried in 2008, middle managers complain about this state of things. The same name has been used on several business areas and market segments. This creates a lot of conflicts and discussions about who has the right to decide on different issues. Yet top managers seem to be unaware of this in the organization.

Competition among actors on the Swedish market, outsourcing to less expensive countries, and customers' demand to find new solutions, all force Combitech to invent new business models. For most deals, a traditional business model is used. It means that consultants whose technical knowledge fits in a well-defined or ongoing project are hired. In those cases, customers look for "the best competence at lowest price" and do not consider any specific value other than the technical one. The customer is invoiced at the end of each month. For Combitech it is a low financial risk but a pressing situation as competition can deteriorate profits in the long run.

In order to ensure a constant flow of incomes, Combitech has signed long term deals with some customers. However, the grove scale used to categorised consultants' experience in these deals lead to alternative win-lose financial solutions for the customer or for Com-

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<sup>1</sup> Saab AB, that is, the Saab company involved in the defence industry, and not Saab Automobile that is part of General Motors.

bitech. These long term contracts are advantageous as they secure relationships in the long term but not the amount and the frequency of deals. Finally, in order to ensure long term competitiveness, Combitech has engaged in “homeshore projects”. These projects could be described as outsourcing projects in Sweden. Combitech take responsibility for a part in a large project and ensure effective use of resources as time and workforce. In these project the aim is to perform as quickly as possible.

In the business area called “industrial sector” the market is fragmented. There is a plethora of customers with different contacts and contracts. Customer relationships are very different from other business areas which have only one big customer, as “Telecommunications” or “Defence industry”.

## 6.1 Struggle around a CRM system

Combitech is very concerned with the quality of its services and the level of technical knowledge of its employees. Visitors of Combitech ‘s web site are informed that 77 % of employees have a master of science degree. In comparison, an interviewee stated that probably only three employees out of 800 have some degree in marketing. Interviewees seem not to distinguish between marketing and sales and some of them refuse to do the effort it costs to use the CRM tool at hand. Yet, the complex organization requires to coordinate sales contacts and meetings. The system used in Combitech is named Shared point, a system that is insufficient according to several interviewees as it does not enable to easily display all information about a customer in a convenient way and thus impedes information request. The CRM system issue can be brought up several times under a meeting. An example is a sales meeting during which, information on customers is gathered on an excel ark and displayed by a projector. Eight persons working with sales are present. Since six months they meet to coordinate sales and exchange information on customers. (20090317-Tape 1- 4-02:46)

### Illustration

- *The senior business developer:* We need to coordinate. We cannot have eight persons contacting the same customer. (But he is interrupted.)
- 
- *The business area manager (in an hesitant voice):* This is a very big...Well, we should not centralize too much so that all contacts go through only one person. How can we do so that...
- *A business manager (interrupting):* We are large enough so that eight persons can have contacts but it has to be...
- *The business area manager:* Has there been any problem with XX (a contact person to the customer in question)?
- *Another participant:* There has not been any problem with him, but I could imagine it could be more problematic with other contact persons.
- *A junior business developer:* The problem, as I see it, is that one does not have all information. One runs the risk to make a fool of oneself because one does not know.
- *The senior business manager:* But it is not a real problem since everyone works in their geographical areas (he gets support from several participants).
- *The senior business manager:* Do everybody write important information in Share point?
- *Several business developers (simultaneously):* No.
- *A business developer (informing the others):* It is about sale discussions, contact meetings...

- *The senior business manager*: It is about important information that may be needed to prepare a meeting, so that Rasmus (a junior business manager) does not need to feel insecure when...
- *The junior business manager in question (stuck)*: For me?
- *The senior business developer*: This information is so important that it has to be written in the system. It cannot be said only. If this information is so important so that it influences how one is judged [by the customer] then it has to be managed in a different way than just orally.
- *The business area manager*: But how can we do it in an easy way? We could have telephone meeting once a week but it feels a bit strenuous.
- *The senior business developer (insists)*: Well I have said that we have to write information on our own contacts and meetings in Shared Point. I have said this before.
- *The business area manager*: But can we, in an easy way, sort out information on customer XY?
- *The senior business developer*: Just [click on the function] "sort out". OK it is not easy to get this done for [the function] "meetings", but it works for [the function] "sale contacts".
- *The business area manager*: If we forget Shared point and refocus on what we want. Let us say that there are eight or ten persons....
- *The senior business developer (ironically)*: In a real CRM system, (another participant starts laughing) there would have been a customer called XX. Each person who contacts them would have written information on their contacts and meetings. This is what you want to do, isn't it?
- *The business area manager*: Yes. But let's make it *extremely* easy, for instance through mail. We would send a mail to everyone and say that "Now I have just talked with this customer." So everybody would be informed and would get this information. This is a question of basic function. Is there this type of function so that we can easily change the design?
- *The senior business developer*: You can sign up to get informed about which new information comes in Shared point. You get informed when people add information in Shared Point.
- *The business area manager*: Yes, this is the type of information that I would like to have so that I will not actively have to set me in a lot of information.
- *The senior business developer*: From a practical point of view, I would like that people use our CRM system: Shared point, even if it is an insufficient one. But I do not think that we can get the content of the information by mail, but only a mail telling that something has changed.

The discussion ends with the previously reluctant business area manager willing to test the use of Shared point.

## 7 First level analysis

From this illustration it appears that participants waste time. They discuss whether or not they need to coordinate sale contacts. Yet, they do not always seem to know who is involved with a specific customer and what is discussed and agreed on. The participants argue whether information on customer meetings and contacts should be written or just orally communicated. One participant looks several times for other solutions rather than using their current CRM system, Shared point, developed and used by Combitech. Time is being wasted explaining their CRM system's functions and how it works. The CRM system

is another source of time waste because of its poor functionality; the senior business developer explained that “it is not easy to get this done for [the function] meetings”. Further, the senior business developer feared that this lack of internal communication could impact negatively on their customer relationships. Either it could result in time waste or financial loss. In the first case the customer’s trust for Combitech contact person could be damaged. In the second case, the trust would be so damaged that the potential customer would interrupt the ongoing deal.

The aforementioned discussion reveals divergent opinions on how the participants should coordinate their work. These opinions are crystallised in the use of their CRM system, or the use of a better one as the senior business manager stressed it: “a real one”. The discussion revolves around the value of a CRM system. On the benefit side a CRM system would improve sales work thanks to more efficient and strategic coordination of sales as well as better communication. This should boost business. The other side epitomized by the business area manager tries to oust the discussion on the CRM system by saying “If we forget shared point and refocus on what we want”. This side focuses on the sacrifices it would imply to use a CRM system. Starting to use the CRM system would imply an additional workload for the participants in the first stage. The business area manager wants to avoid the sacrifice it implies to set himself actively into a lot of information for each customer. Therefore they want a solution that is “extremely” simple, which is quite surprising for engineers.

The use of a CRM system implies important consequences on the daily work of those in contact with customers. Maybe not all of them want to share information on their customer contacts. Some might fear it is more difficult to compete and show oneself as a dedicated business developer. Further, a CRM system may impede personal agendas. It is indeed surprising that a company with 800 employees have such a poor performing system. It would be all the more reason to acquire a “real” system that may be more interesting or attractive for engineers. So why haven’t they done it yet? Combitech values technical knowledge above all. 77 % of the employees are graduated from a master of science. Information on other degrees is not even mentioned in the annual report. More, those who are in contact with customers are engineers too. Therefore it might be difficult to appreciate and value a CRM tool since it relates to sales, marketing and communication but not technique. Probably few employees, if any, identify themselves as a selling company, may it be of technical services. They do not have the knowledge, the experience nor the cultural closeness required to overcome the sacrifices and reap the benefits of a CRM system.

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