Breakup and reconciliation: Reactivating business relationships

León Poblete¹, Uppsala University
Mark S. Mizruchi, University of Michigan
J. Keith Murnighan, Northwestern University

Abstract
Why do firms reactivate previously broken relations with other firms? We explore why this happens, or doesn’t, in a customer-supplier context. Research on business relationships has focused primarily on the formation, maintenance and dissolution of ties. In contrast, we present a model and qualitative data on reactivation processes. Our theoretical framework focuses on a set of foundational elements, namely, trust, reliability, and uncertainty, as well as a set of catalytic activators to explain the occurrence of reactivations. Based on data from 83 in-depth, open-ended interviews with executives of twenty-two Scandinavian firms, we show that, if a positive relational context still exists, reactivation is often triggered by a critical event such as a reorganization or acquisition. We also show that reactivation can be remarkably beneficial for both firms; unlike newly-initiated ties, reactivated ties typically benefit from many relational qualities that the firms had established in their previous interactions.

¹ Corresponding author: León Poblete (leon.poblete@fek.uu.se), Uppsala University, Department of Business studies, P.O. Box 513, SE-751 20 UPPSALA, Sweden. Tel: +46 18 4711387

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INTRODUCTION

Linex and Swensens (fictitious names but real companies) first started working together in 1985, with Linex supplying Swensens with custom-made items that Linex used in its production facilities. Their relations appeared to be mutually beneficial, with a recurring series of orders and deliveries, until August, 2005, when Linex made no further orders. Interviews indicated that Linex’s management decided that they needed to shift their emphases/priorities, which, they believed, required a different supplier. Six years passed before Linex and Swensens reactivated relations. During that time, some of the executives from the two firms continued to have contact with one another. In addition, Linex had retained its production capabilities for the products that Swensens desired. Restarting the relationship thus encountered few structural barriers, and the two companies continue to work together at the time of this writing. Why did these two firms revive their business relationship? This is the central question of the present research. Previous literature has often focused on the formation, maintenance, and dissolution of business relationships. In this paper we focus on reactivation. Based on a series of in-depth interviews, we present a model that identifies when and why two organizations that have severed relations subsequently reactivate them. We propose a set of “semi-necessary characteristics” for reactivation, in that a critical mass of some but not all of these characteristics is necessary for reactivation to occur.

THEORETICAL FRAMEWORK

In recent decades, research has increasingly focused on understanding the development of business relationships over time (see, for example, Ford, 1980; Dwyer et al., 1987; Ring and Van de Ven, 1994; Wilson, 1995). Researchers have addressed processes such as initiation (Edvardsson, et al., 2008), development, (Ford, 1980; Dwyer et al., 1987), and to some extend dissolution (e.g. Alajoutsijärvi, et al., 2000; Tähtinen, 2001; Tähtinen and Vaaland, 2006; Tähtinen and Halinen-Kaila, 1997). The stream of research on dissolution have assumed that after ending a business relationship, all links, bonds and ties between firms are broken (e.g. Tähtinen, 2001; Tähtinen and Vaaland, 2006; Tähtinen and Halinen-Kaila, 1997), the relationship dies or becomes irrelevant, and its economic, and social value is lost. Other studies have revealed that after firms stop trading with each other, business relationships do not die; instead they go into a dormant stage, and become inactive relations with sediments that make firms aware of each other as possible business counterparts in the future (e.g. Hadjikhani, 1996, Havila & Wilkinson, 2002; Batonda and Perry, 2003; Polonsky et al., 2010).

During dormancy, firms frequently maintain previously jointly developed physical resource such as products, production plants, machinery, equipment and technology (Håkansson & Snehota, 1995), which can be used again. Firms continue developing and acquiring new resources, knowledge and information, updating production equipment and products, which in turn can provide new opportunities if the relation is reactivated (Levin et al., 2011; Polonsky et al., 2010). Furthermore, over the time, firms and personnel involved in a business relationship build up social bonds that are long lasting and may not be broken (Havila & Wilkinson, 2002). Hence, even if firms have stopped trading, individuals are conscious of each other as possible counterparts at a later time (Havila & Wilkinson, 2002; Westphal et al., 2006). Consequently, although business exchange is inactive, for example, economic, technology and product exchange is no longer active and no knowledge is transferred among the firms (Tähtinen, 2001), social resources like personal relationships, social interactions and information flows may continue during dormancy (Havila & Wilkinson, 2002). For
some firms, maintaining social exchange to key personnel may ensure access to critical resources (Westphal et al., 2006). This combination of resource ties developed during earlier business commitments, along with social interactions during dormancy, form a potential foundation for a subsequent reactivation of business exchange. Polonsky et al., (2010) discuss that firms whom reconnect with dormant ties are more likely to successfully form exchange relationships involving the latter and emphasize that to restart business exchange, firms need to recognize the resources that partners (past and present) bring or can bring to relations. During this stage, counterparts continue to be aware of each other through media, word of mouth or social interactions among personal involved in the relationship (Levin et al, 2010; Walter et al, 2015). In other words, dormant relations preserve substantial resources by means of the history of the business commitment (Batonda & Perry, 2003; Hadjikhani et al., 2012; Polonsky et al., 2010) that can be reactivated when the need arises. Although Leach et al, (2014) empirically evaluated customer reacquisition in B2B markets, surprisingly not many attempts have explicitly focused on explaining why and under what circumstances broken/dormant relationships are reactivated at a later stage, which is the purpose of this paper.

**METHODOLOGY**

Each relation between firms, whether it is an existing or deactivated tie, is unique. In an effort to identify common patterns among both reactivated and dormant ties, we examined a set of reactivation dyads in their natural field settings to allow for a detailed and intensive examination that preserved the complexity of the phenomenon. To capture the full range of differences in firms’ decisions regarding whether to reactivate dormant relations, we interviewed 83 executives (CEOs and other top and middle management) from 26 Scandinavian firms in a single industrial market, representing 13 dyadic relationships. All firms have been involved in reactivation processes. A key criterion for inclusion was that their relations had been dissolved/dormant for at least three years before being reactivated. In other words, to understand that the interfim relation had been terminated or dormant, in all cases, we asked both firms involved in the dyad to clarify if there had been any kind of business exchange with each other during this time (e.g. product and money), and how they regarded dissolved and dormant business relations.

Since our purpose was to understand the causes, mechanisms, and respondents’ experiences of reactivating business relationships, we used qualitative methods, which provided a rich source of data. This method let us investigate the “how” and “why” of individual and collective organized actions as they unfolded over time and context (Patton, 2002; Yin 2013). We conducted in-depth, open-ended interviews lasting an average of 90 minutes. This approach generated data that used participants’ own terminologies and reasoning. We interviewed executives because we specifically wanted to talk to the people who were involved in reactivation discussions and decisions. We limited our sample to a single industry to provide relatively clean comparisons of the dyads without the additional complications that might arise due to differences across industries (Yin, 2013). The interviews had a retrospective starting point, in which we asked participants to describe their companies’ journey toward reactivation, in detail, illustrating both positive and negative experiences and to reflect on personal and technical challenges and solutions. Thus, we were also able to identify relations that did not succeed to get reactivated, which contributed to deepen our understanding about why certain relations were reactivated and others not. This approach contributed to discover factors that would not have been possible to uncover

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2 These interviews were conducted by the first author.
if we only had included relations that were positively reactivated. Hence, we have been able to attain a more holistic picture of the phenomenon. The main elements of our interview guide included seven broad sections: (1) the participant’s background, role, and relationship to his/her firm, (2) a detailed description of the period when the relation began and how it developed, (3) reasons for the dissolution and a detailed description of the inactive, dormant period, (4) a detailed description of the companies’ journey toward reactivation and factors that they considered during this process, (5) challenges and opportunities facing both firms when they reactivated, (6) external and internal factors affecting the reactivation process, and (7) perceptions and plans concerning the future of the firm in relation to the reactivated relation. At the end of each interview, participants were asked to share any other information they felt was relevant. All interviews were conducted in Swedish. They were recorded, transcribed, and returned to the participants to check for possible misrepresentation or misinterpretation (Patton, 2002).

The interviews not only allowed us to comprehend how executives and firms perceived dissolved and/or dormant relations, but they also enabled us to define variables in our setting. We conducted multiple interviews within each firm and supplemented the interview data with a comprehensive set of archival data that includes publicly available documents, including corporate websites, annual reports, firms’ documents, scientific and media articles, and participation in industry-related seminars. The sample includes large (more than 250 employees), medium (between 50 to 249 employees), and small firms (fewer than 50 employees). Table 1 lists the thirteen pairs of firms that participated in the study. For reasons of confidentiality, all firms and participants are anonymous.

Table 1. Business relationships between customers and suppliers

<table>
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<tr>
<th>Dyad (D)</th>
<th>Customer (C)</th>
<th>Interviews</th>
<th>Firm size</th>
<th>Supplier (S)</th>
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**DATA/RESULTS**

To understanding why and under what circumstances business relationships are reactivated, we present data on reactivation in three episodes: 1) dormancy, 2) incidents just prior to reactivation, and 3) reactivation.

**Dormancy**

Dormancy is defined as the time when no business exchanges (e.g., product and money) occurred between the parties. Even during these periods, however, some of the previous partners maintained activities that had contributed to their positive ties during their active relational period. In nine pairs (2,4,5,7,9,10,11,12,13), for instance, managers still interacted and exchanged information with one another. As the CEO at the customer firm C4 explained:

“After we stopped doing business with the supplier, some of our staff in production continued to meet personnel working at the supplier’s production plant. During these interactions, it was found out that the new owners were making interesting changes in the company. They had acquired new machinery and changed management.”
The CEO at the company S5 had a similar observation:

“When you work closely together with people from other firms, you also build up personal relationships. Although there were no formal business relations between the firms, our staff sometimes met people from the customer.”

Companies continued to make use of the materials they had developed or acquired during the relation, improving their production facilities, production personnel, manufacturing processes, products, delivery procedures, and specialized knowledge. As an engineer at the customer firm C2 noted:

“When our business relation with C2 ended, our company maintained the equipment that was originally modified to work with them. This is not equipment that you can just throw away after being used. These are very advanced and high cost machinery. All these were kept in our manufacturing facilities. We also acquired new equipment to upgrade our production units.”

Firms that had made structural changes ensured that intangible resources such as data, information, experiences, crucial skills, manufacturing processes and technological knowledge were passed on to the new staff. The CEO of C3 indicated:

“As we keep records on the work we do with our partners, we were able to transfer this information to the new personnel that joined us.”

The CEO at C1 described a similar situation:

“Although our relation with S1 had been broken, we maintained an amount of information about this supplier because it did not make sense to get rid of it. This type of valuable commercial information is always good to keep in the archives.”

In contrast, S3 reported that the breakup increased turnover, which led to reductions in staff. S3’s CEO explained:

“After the breakup, we noticed a change in our turnover so unfortunately we had to make some tough decisions and let some people go from the company. We also had to decrease the amount of raw material that we purchased from our own suppliers.”

During this time, three firms (S1, S2, S4) experienced bankruptcies and four (C3, C5, C9, S9) were acquired or merged with other organizations. Although new owners set up their own management team after an acquisition, in every case, most of the personnel working in manufacturing plants were retained or reemployed. For other companies, dormancy was an opportunity to reflect on their operations and obtain new information. As the CEO at S1 noted:

“In a sense, this period was positive for us because we learned how to do things differently and we became more efficient in our production. We also understood what kind of new machinery, equipment and other capabilities were needed to further develop our firm.”

For firms that struggled to survive, being acquired or merged was a chance to recover. A former employee that acquired a bankrupt supplier (S1) emphasized that:

“Since I had worked for the firm in the past, I had an understanding about what they were doing wrong. I knew that with some fundamental changes, we could turn around the company. Although we changed the management, we retained all of the employees at the production facility because they were valuable assets with their special skills and knowledge in production. We even reemployed some employees in production that had been laid off before the bankruptcy.”

People – executives and staff members – also maintained interpersonal contact during this period. This was especially true of technicians and engineers who had built strong professional and social ties. One engineer noted from S2:

“We developed a special relationship with people working for our customer. After the firms ended doing business, we continued talking with each other and discussed what type of business opportunities could be going on in the industry. But apart from business, I would say that we also became sort of friends. Personal chemistry is important in this kind of cooperation.”
During this period, several people whom were key or part of the problems for certain relations between companies, changed position or shifted to other firms. For example, when S6 decided to replace its CEO, his departure, and the arrival of a new CEO, paved the way to begin a negotiation process to reactivate relations between companies. In the words of the CEO at C6:

“One of the reasons we had to stop doing business with this supplier was due to conflicts and disagreements that we had with their CEO. After a few years, the new CEO contacted us, and we met to discuss the possibility to do business together again. We came to an agreement, and our companies are currently doing business.”

**Incidents just prior to reactivation**

Several key reasons triggered reactivations. In previous years, C3 had made changes to internalize certain parts of production, which led to the dissolution of the relation with S3. After some time, they realized that these changes did not produce the expected outcomes, so they decided to reorganize. They also realized that it would be beneficial to reactivate their relations with S3. In a different case, during C6’s acquisition of another company, and its resulting reorganization, C6 identified business relations that the previous owner had broken. The company believed that these relations were important resources, which they hoped to recover. In particular, they felt that reactivating their collaboration with S6 could be very beneficial. In three other cases, firms that had declared bankruptcy (S1, S2, S4) were acquired and the new owners subsequently restructured them. In all of these cases - of reorganizations, mergers, and acquisitions – the newly structured firms saw previously broken business relations in new, more promising ways. The purchasing manager at C1, for instance, noted that:

“We heard that when the supplier was acquired, the new owner kept the staff in production. We had had a very good relation with these employees in previous years, as they were very consistent in production. We were also familiar with the new owner as he used to work in the production site for the supplier.”

During one reorganization, S1 discovered unused machinery that could be used to manufacture products for a previous customer. The new owner realized that before breaking the relation, this particular customer accounted for more than twenty percent of its business. In another case, when C2 received substantial new orders, the firm reorganized its production process. This change in demand required working with suppliers who could satisfy the production capacity needed by the customer, which led the firm to consider a former supplier. The CEO at S5 mentioned:

“In the past, we had tried to negotiate with this customer but it had been impossible to come to an agreement. Then we heard that the company was acquired, and unexpectedly the new owners contacted us.”

These examples suggest that major external events such as reorganizations, mergers, or acquisitions were critical triggers of reactivation.

**Additional Factors in Reactivation**

Although each reactivation was unique, we identified a number of patterns in the data. First, there is a considerable association between reactivation and (1) initial, predormancy investments to support the business relationship, and (2) expressions of concern about risk, uncertainty and costs. Investments and adaptations created important interdependencies between connected organizations. Existing crucial resources developed in previous exchanges such as production plants, equipment and special tools/machinery to manufacture tailored-made products to meet specific needs of the firms were fundamental issues that made reactivation more attractive. In addition, these types of resources would require enormous investments from new partners, making a previous partner a far superior option. In addition, during the early
development of business relations, several people who interacted with each other not only exchanged special knowledge and information but also generated new knowledge and capabilities that neither party could have produced in isolation. This information created relation-specific advantages that facilitated firms’ interactions, boosting their abilities to adapt to each other’s way of working, increasing their willingness to collaborate, and strengthening the bonds between relevant individuals as well as between the firms. This in turn contributed to trust building, which operated as mechanisms that influenced the companies’ decisions for future collaborations. Unexpectedly, events like reorganizations activated these mechanisms and helped push these firms to reactivate their ties. For instance, as a result of an internal restructuring, C3’ reactivation of its business relations with S3 resulted because, even though there were other suppliers in the market, the costs of finding and developing a new relation with a new firm were deemed to be considerable. The company’s management also believed that the level of uncertainty of working with a new supplier might also create problems. The strategic purchaser emphasized:

“It commonly takes a long time and money to find a partner that meets most of the requirements we need. This is a great cost that you want to avoid. Also, you never know how it will work with someone new. There are many details that must work out, and not everything can be covered in contracts, which creates ambiguity.”

In another dyad, C2 had important orders that their former supplier S2, could provide. Even though the firm had other options, C2 contacted S2: S2 had the capacity, technical capabilities, infrastructure, and knowledge, and the firm could use them immediately. As the former CEO at C2 emphasized:

“Designing and developing new industrial products is complex and takes many years. Another important aspect is the risk to start working with new suppliers, which is commonly quite high. This is a risk that you generally want to minimize. In addition, it’s very easy when you know the people. In previous cooperation, we developed together important essential knowledge, skills and equipment, which still exists, so we understood that the supplier had the capabilities to match our needs as they had done it in the past.”

The CEO at C11 made similar claims:

“In comparison to starting from scratch, working with someone you already know is relatively less expensive, there is a higher level of flexibility, and risks are commonly lower. The former supplier has a lot of knowledge about our operations and they understand our requirements.”

Also, after the dissolution of one relation and the beginning of another, companies, not surprisingly, compare their previous and current experiences. When previous relations were positive, new partners must perform particularly well. If they do not surpass the performance delivered by the previous partner, reactivation becomes a viable possibility. As one CEO at C12 noted:

“We had many problems with the supplier…. They did not live up to our expectations due to unreliable product quality and inconsistent deliveries. Thus, our relations with them decayed notably. This led us to reevaluate the relations with our previous supplier which had made interesting changes in their operations.”

The purchasing manager at C12 concurred:

“Issues with the present supplier, along with management changes at the former supplier, made us consider that mutual benefits could be gained if we reestablished relations with them. There were several actors in the market that could deliver the same product, but since this firm had made substantial management changes, we reconsidered the idea to start a negotiation. We knew the production facilities the supplier had, and we were confident of their capabilities to deliver high quality products on time. In the past, our main problems with this supplier were related to the people in the management team, and how they managed the firm but these people were not working in the company anymore.”

Not all of the possible relations in the sample reactivated. Despite long, complicated interactions, three of the thirteen dyads did not reactivate. One’s relations had been
broken for several years. C4 knew that S4 had gone bankrupt and was acquired by new owners. The customer also knew that the supplier had resources that could manufacture tailor-made products for them. Despite several efforts, however, the firms did not reconnect. In the words of C4’s CEO:

“The supplier has all the capabilities to produce high quality products and deliver on time. The problem that led to the rupture was related to personal disagreements with their management. It had nothing to do with production or quality. We had many problems with past owners so when we heard that new owners acquired the company we thought it would be a good opportunity to work together again. Unfortunately, things did not go as expected and it was not possible to reach an agreement.”

In another case (D5), although both parties met on several occasions to discuss the possibility to reactivate their relation, they did not reach a satisfactory agreement. From the customer’s perspective, reactivation was attractive but disagreements between senior executives (including the CEO and the board of directors) made it difficult to complete the process. At the same time, S5 reported that since the customer appeared to be less interested in working together, the supplier began to lose interest in reactivating. In the third case, although both companies had discussed the benefits of reactivation, the supplier lacked trust in C9. According to S9, individuals in the management team representing the customer firm did not express significant interest during meetings, which generated a lack of trust. S9 therefore decided not to continue the process. The CEO of the supplier firm noted that when trust is absent during negotiations, it becomes difficult to reach an agreement. C9, meanwhile, assumed that S9 was uninterested in reaching an agreement. This mutual suspicion resulted in the relation not being reactivated. In total, ten broken ties were reactivated and three were not.

DISCUSSION

Our data suggest that a set of basic positive-relational factors must be prevalent for reactivation to occur. As with the development of their initial relations, two firms must have positive interpersonal and positive economic connections. Understandably, their earlier exchanges can function as a constructive foundation for their new relations. Working again with familiar people and a familiar organization engenders lower costs than establishing a brand new partnership. Reactivation promotes an ease of information exchange, creation of distribution channels in the supply chain, and finding financial support for new activities. Reliability and coordination across a wide array of organizational activities, such as design, cost control, and quality improvement provide additional advantages. During the interviews, most customers emphasized that suppliers demonstrated a willingness and ability to deliver with precision and consistent quality - contributing immensely to rebuilding their relations and helping them achieve high levels of reliability and coordination. Reputation is another critically important factor influencing reactivation. For instance, C3 is one of the most prominent actors within this industry. The firm has a strong reputation for technological capability and innovation. A firm that proves to be a reliable and flexible supplier to C3 will improve its own reputation, which reduces the perceived uncertainty to the firm’s other customers. In fact, some respondents emphasized that the reputational benefits of reactivating such a relation can even outweigh whatever economic losses might be involved.

Firms always take risks when they work with a new partner. As an example, suppliers who fail to meet required production levels, do not make deliveries on time, or provide poor quality products create substantial costs for their customers. In contrast, suppliers may make noteworthy modifications in their production procedures to be able to fulfill their customers’ idiosyncratic needs; this usually requires substantial
investments. It is a costly risk because on the one hand, opportunistic customers can then take advantage of the opportunity to push down prices. On the other hand, it also gives suppliers the chance to increase prices when they consider that customers are dependent on them. These types of situations cause uncertainties that firms analyze as they consider whether to work with a new or a former partner. Uncertainty which can translate into costs, loom large in their decision making process. With unpredictable futures, uncertainty lead firms to make decisions and predictions based on an analysis of their past experiences. In this regard, reactivating an old tie can be particularly beneficial. Companies in our sample recognized that trust can help them cope with uncertainties, and they therefore increase the chances of a reactivation. The vast majority of the respondents note that a way to decrease uncertainties is to work with former partners as it involves less costs and lower risk than working with new partners. This also drove firms to keep in contact, even during dormancy, because they wanted to reduce the uncertainty associated with accessing needed resources from other organizations. On the other hand, although a positive history makes the possibility of reactivation higher, it is also possible for a firm to have no choice but to return to a prior partner with whom their prior relationships had been so poor before breaking up. Circumstances where in spite of such an experience reactivation of the relationship might occur may comprise, for instance, shortages of capacity in the supply market, the fact a firm has unique capabilities and the instruction by a customer to purchase supplies from a specified source.

**Relations that had a low chance of reactivation**

Our data reveal that factors such as low quality products, failure in the coordination of business activities, opportunistic and self-interested behavior, all contributed to reduce trust, which in turn decreased the probability of reactivation. Reactivation was unlikely when its costs exceeded the costs of other available alternatives. In addition, if the firms’ previous dissolution process was painful, then the chances of reactivation were also low. As in love and marriage, when the relation ends in divorce, there must have been something that did not work out. Reactivation was less likely to occur when there were strains in the prior relationship. For a relation that has gone through a complicated dissolution process with negative outcomes, the retention of resources like manufacturing facilities may not be sufficient to facilitate reactivation. Perceptions can change radically as companies evolve, however, particularly when they have brought in new management teams. Critical events can therefore push companies to reconsider reactivations that would not have been possible if they had not undergone substantial changes. Thus, of all the factors that affected reactivation, the most important was a restructuring.

The data reveal that 15 of the 22 companies in our sample experienced a reorganization, merger, or an acquisition (RMA). RMAs are often associated with a change in a company’s focus, and they also may allow both its employees and those of other organizations to view the company in a different way. RMAs can therefore not only open the possibility of new relations but it also increases the probability of reactivation. As part of their goal of improving production and reducing operating costs, firms that experience RMA may find that collaborating with former partners provides advantages over working with a new partner. Our data also indicate that in reactivations involving companies that have experienced RMAs, each side was equally involved in attempting to reestablish the connection.

Although we expected that suppliers would be more active in trying to reacquire customers, the data indicate that customers were just as likely to initiate a reconnection that led to reactivation. We have shown that after dissolution, business relationships go into a state of dormancy that can lead to reactivation under the
appropriate circumstances. Dormant relations thus retain considerable potential, and they contain a host of critical resources. Nonetheless, this stage of dormancy can become a new beginning because it creates possibilities to break off from issues such as institutionalization, routinization and overdependence of a relationship, as it gives firms involved the opportunities not only to learn new different things but also to acquire innovative knowledge and information. People who were involved in conflicts affecting the business relationship may move to a different position or shift to another company, and when firms go through RMAs, they reconsider their past actions and often discover that reactivation makes sense, particularly in comparison to the costs of establishing a new connection. Not surprisingly, previous relations that had included high levels of trust appear to have a disproportionately higher chance of being reactivated. Critical events, most notably firm restructurings, also increase the possibility of reconnections. When a set of substantive elements that can easily accommodate and support the work that is necessary following a reconnection is in place, and a positive relational context still exists, the odds of reconnection increase considerably, especially in the presence of a catalyst. Add to this the fact that two former partners have more information about each other than previously unaffiliated organizations do, and this also makes the potential for a reactivation high (all dyads that reactivated, reported to be successful), especially compared to building a new relation from scratch. This is the case of C4 that started a relationship with a new company which they had never worked with before, and the outcomes turned out to be negative. Still, not all cases of reactivation are better than the alternatives. In some cases, past experiences may have been negative enough that reactivation is not a viable option.

CONCLUDING REMARKS

Not every pair of firms that dissolves their relations reactivates them later. Instead, the candidates for reactivation commonly have a positive history together, personally and financially. Reactivation also depends on these two factors remaining or reemerging as positive. Although people are often reticent to reactivate personal relationships, research has shown that, when they do contact old ties, they tend to choose people whom they feel positively about and whom they think will react positively to renewed contact (Levin et al, 2010; Walter et al, 2015). When considering reactivation at the organizational level, positive interpersonal connections are necessary, and that a residual feeling of trust still exists. Positive economic possibilities are, obviously, also necessary for reactivation: firms do not reconnect just to reconnect. Instead, they consider reactivation and pursue it, with effort, when they believe that it will be economically profitable. These two basic and obvious foundational elements are necessary conditions for reactivation to occur. Hence, firms reactivate old ties only when they include people who have positive relations with one another and when they can reap economic benefits from doing so. Our study proposes that RMAs are important triggers of reactivation. In most cases, when one of the two companies involved in a relationship goes through any of these processes, there will be changes that have the potential to reactivate previously broken relationships.
REFERENCES