

UNIVERSITY OF VAASA
FACULTY OF BUSINESS STUDIES
DEPARTMENT OF MANAGEMENT

Joonas Ranta

THE INFLUENCE OF EXTERNAL ACTORS ON STRATEGIC ACTIVITIES

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UNIVERSITY OF VAASA**Faculty of Business Studies****Author:**

Joonas Ranta

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Name of the Supervisor:

Annika Tidström

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ABSTRACT

The environment where the organizations operate in is saturated with different actors influencing their actions. This means that the actions taken by the organizations are quite often consequential to the interaction between these external actors and the organizations. Further, this interaction is rarely unintentional, and thus the actions of the organizations should not be examined in isolation from each other, but with the assumption that the interaction is a bidirectional process.

Simultaneously traditional branches of strategic management have faced criticism, often based on the argument that they have neglected the influence of individuals, and concentrated too much on the industry-level company performance, founding the examination on the analytical assessment of that performance. This has influenced the emergence of a new field of research, called strategy-as-practice. This field aims to explain how the strategizing done by the organizations unfolds as a social practice, i.e., to examine strategy as something that is done by the organizational members.

By combining these two viewpoints, the influence of various external actors on the strategic actions of the organizations, and the strategy-as-practice perspective as a theoretical foundation, this study aims to find out what are these external actors, and how exactly they influence the shaping of strategy within small Finnish technology organizations.

Based on the results of this study, four groups of external actors are recognized. Further, regarding the interaction between these external actors and organizations, it seems that a common feature is the informality of the interaction. Respectively, the consequences of this strategizing, or the outcomes, seem to vary depending on the external actor, and the nature of the strategizing.

KEYWORDS: Strategy-as-practice, external actors, strategizing, outcomes

1.0 INTRODUCTION

The field of strategic management has seen a rapid rise of a new perspective called strategy-as-practice. The basis for the new field of research rises from the discontent with the traditional strategy research that has regarded strategy as something that organizations have, instead of something that the actors within the organizations do (Johnson, Langley, Melin & Whittington 2007: 3; Jarzabkowski, Balogun & Seidl 2007: 6).

As we examine strategy for the purposes of strategy-as-practice, the examination should begin by defining strategy from this particular angle. Whittington et al. (2003) defined strategy by noting that it “includes the formation of goals, the choice of appropriate levels of scope and diversity, the design of organizational structure and systems, and the setting of policies for the definition and coordination of work” (Whittington, Jarzabkowski, Mayer, Mounoud, Nahapiet & Rouleau 2003: 398).

Thus it is the actual activity of the organizational members that is of focal interest within strategy-as-practice. The interest on the activities of the individuals expands to cover also the interaction between individuals, as naturally the strategy of an organization rarely is shaped by one person alone. Moreover, in many cases the organizational members might, in addition to the organizational goals, be pursuing a personal agenda as well. This easily leads to a gap between the intended and actual strategy of the organization, if the planned initiatives are not put to action as they were intended.

This action and interaction on different levels of the organization and between various external actors and the organization is what strategy-as-practice has set out to study, and it is evident that studying such phenomena should help us better understand the essence of strategic decision-making, and how these decisions are implemented in reality. This is because strategy is something that is done on all levels within the organization, and the causal connections that underlie strategic decisions are undoubtedly of a delicate nature. To fully understand the reasons and influencing factors behind actions, one should look into the characteristics of the interaction.

So far the strategy-as-practice literature has mostly concentrated on the activity within the organizations, or on the institution-level practice creation. For instance Samra-Fredericks (2003; 2005) concentrated on personal-level strategizing and discursive practices within organizations, Jarzabkowski (2003; 2005) on administrative practices, and Balogun & Johnson (2004; 2005) on group level strategizing within the organizations. Respectively Jarzabkowski (2004), Jarzabkowski & Wilson (2006), Seidl (2007), and Lounsbury & Crumley (2007) for example have examined the practice creation from the institutional perspective. Further, as the latter group has illustrated, the organizations and their members are indeed not alone, but the organizational field is saturated with actors influencing the practice creation.

In addition to the creation of strategic practices, these external actors influence the strategic direction of the organizations. Examples of these external actors vary from consultants and business schools to customers and government regulators. As defined in the literature, the common factor amongst them is that they are located outside the organization, thus they do not have a formal hierarchical position within the organization (Jarzabkowski & Spee 2009). Important is that they influence the strategic activity of organizations in various ways, and this study sets out to find out how. Concentrating on the influence of external actors also adds to the contribution of this study, as the strategy-as-practice literature has not examined such actors from this perspective so far.

A prime example illustrating the sometimes problematic interaction is the public conversation in the largest subscription newspaper in Finland, where a member of a public government organization accused consultants of ignorance regarding their work tasks, thus claiming that the use of consultants in restructuring the organization was useless (Helsingin Sanomat 341/2010: C6). A consultant firm replied to the post by discussing the role of external experts in a wider context, arguing that their role is to create added value from the customer's perspective by providing the organization with information (Helsingin Sanomat 343/2010: C7).

Based on the above, it becomes evident that actors representing different levels within the organization see the influence of external actors in a differing manner. These dissenting opinions clearly illustrate the gap between the perceived roles of external experts in shaping strategic activity. This might make the interaction between parties problematic as well, as

there is a high risk of poor co-operation if the other participant sees the actions of their counterpart as futile and potentially harmful.

1.1 Purpose of the study and research questions

The purpose of this study is to shed light on the practices that take place in the strategizing between external actors and micro-organizations. In other words, the aim is to examine the interaction between micro-organizations and consultants, media, pressure groups, customers, competitors, or business schools for instance. The perspective of the study is in fact novel, as thus far most of the research in the field of strategy-as-practice has concentrated on the interactions between organizational actors within the organizations, not outside. Thus there is an evident need for this kind of study. (Jarzabkowski & Spee 2009)

Drawing from the literature, the research questions that this study focuses on are:

- (i) How do external actors influence the shaping of strategy in organizations?
- (ii) What are the activities that are consequential to this influence?

Hence the second research question illustrates the aim of this study to answer to the need to build concrete outcomes in addition to mere theorizing (Jarzabkowski & Spee 2009). Here the aim is to explicitly find out what are the actions that derive from strategizing between external actors and organizations, i.e. to find out how the strategizing actually manifested itself into a strategic change. Basically these actions could be anything; a shift in strategic position in relation to other industry players, new pricing models or changes in the organization structure. Below is presented a figure illustrating the aim of the study and the research questions.

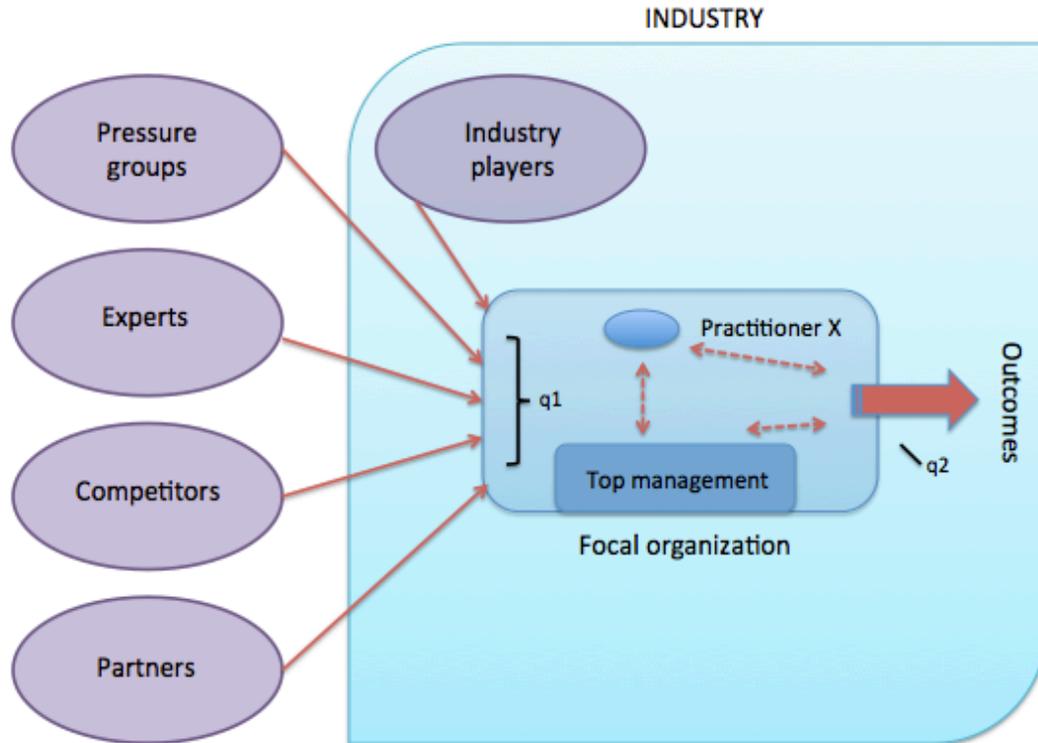


Figure 1: Research questions and the positioning of the study in relation to the overall context of s-as-p.

In the figure presented above, the external actors are positioned on the left hand side. They are classified into groups; namely, pressure groups, experts, competitors, partners and industry players. This classification is tentative and a more thorough classification will be presented later on in this study. The first research question is illustrated by the arrows leading from the external actors to the focal organization. Attributes of this interaction between the organization and external actors are what this study sets out to find out. The second research question is presented by the bigger arrow on the right hand side. This illustrates the actions or the activities that are consequential to the influence of the external actors. Thus this study offers a wholesome cross section of the strategizing process and the outcomes in organizations.

Moreover, it is noteworthy that as most of the strategy-as-practice studies concerning external aggregate actors have concentrated on the macro-level interaction taking place on

the institutional level, e.g. (Hendry 2000; Jarzabkowski 2004; Jarzabkowski & Wilson 2006; Lounsbury & Crumley 2007; Melin & Nordqvist 2007), this study examines the interaction strictly from an organizational-level (meso) perspective, thus contributing clearly to the strategy-as-practice research. In addition to the changes in the level of praxis, the actors that have been included in the earlier studies have been somewhat different from the study at hand. The dashed line describing the interaction between practitioner x and the top management in the figure presented above illustrates the focus of previous studies. Thus far it has been common to research the actions of individual organizational members or aggregate groups *inside* the organization. Due to this, the focus on *external* actors creates another point advocating the novelty of this study.

Further, strategy-as-practice literature is filled with terms that bear vaguely the same meaning with each other, and could thus lead into conflicts in terms of interpretation. For the sake of clarification, the central terms used in this study consist of strategizing, activity, practice, practices, praxis, actors or practitioners, and shaping of strategy. These terms should not be mixed with each other, even though they might seem quite similar. The relevant terms are presented in the table 1, followed by a further introduction below the table. As terms are further introduced in the text later on with proper references to the literature, these definitions serve mostly as a mere entry point into the central concepts of this study.

Table 1: Central terms used in the study.

<i>Term</i>	<i>Meaning</i>
Strategizing (activity)	The general actions or practices aimed to change the strategic direction of the organization
Practices & actions	The small-scale socially constructed episodes of action that comprise strategizing
Praxis	Comprises all the possible activities involved in the creation or execution of strategy, i.e. what is actually done
Outcomes	Consequential to strategizing, the actual change that is the result of strategizing, might take place on various levels, ranging from individual to institutional
Actor & practitioner	The subject performing the practices
Shaping of strategy	The crafting of strategy, where it is created and recreated bit by bit by the actors

Strategizing, or strategizing activity, refers to the overall stream of actions performed by the internal or external actors within, or in a close proximity to the organization. While defined in more depth later, strategizing comprises all the intentional actions aimed at changing the strategic direction of the organization, i.e. “how strategists think, talk, reflect, act, interact, emote, embellish and politicize, what tools and technologies they use, and the implications of different forms of strategizing for strategy as an organizational activity” (Jarzabkowski 2005: 3). Actions and practices then again refer back to strategizing, as they are the small-scale actions performed by actors that comprise strategizing. Noteworthy is that they can be of formal or informal nature. Further, praxis is the term describing what is actually done. As it is the level of action as it unfolds, literature has recognized three levels of praxis, namely micro, meso, and macro. These refer respectively individual, group or organizational, and finally, institutional levels of action.

Actors naturally refer to the people and instances that perform these actions. While introduced properly in the second chapter, it is appropriate to emphasize at this point that the term “actors” does not necessarily refer to people as such, but that it can stand for collective instances, such as the media, too. Outcome is a slightly more troublesome term to define for it could refer to similar concepts with strategizing; representing something that is

done in order to change the strategic course of the organization. In this study there's an important distinction between outcomes and strategizing however, as outcome here refers to actions taken that are consequential to strategizing. By this is meant that outcome is the final product derived from strategizing, and that it refers to activity that can vary in width. Jarzabkowski and Spee (2009) defined five types for outcomes based on the level of strategy praxis. These five are: personal (individual), group, strategizing process, organizational and institutional. The primary focus of this study is mostly on the first three, while examples of organizational and institutional outcomes will not be overlooked either.

Shaping of the strategy is mostly synonymous with strategizing; it consists of the idea that strategy is something that can be "crafted", i.e. that strategy can be shaped bit by bit, through socially constructed practices. This is derived from Mintzberg (1987) and his famous analogue where strategy is seen as the clay that a potter crafts. This is also opposed to the perspective where strategy is seen as something formal that exists as a given factor after it has once been formed, as illustrated for instance by the planning school of strategy (Mintzberg, Ahlstrand & Lampel 1998).

Further, in order to be able to answer the research questions by utilizing these concepts presented above, this study researches seven Finnish micro-organizations and their strategizing activities, and the aim is to find out what are the external actors influencing their strategic actions. According to the nature of strategy-as-practice, the aim is not to build generalizable theories, but more to explain the phenomena under investigation in more depth. The next section presents the structure of this study, and the contents included in each chapter.

1.2 The structure of the study

The structure of the study follows the outline presented in the table below. This study is divided into five main chapters, which all are further divided into subchapters as is seen to be proper in order to ensure that the structure is easy to follow.

Table 2: Contents and structure of the study.

<i>Chapter</i>	<i>Issues</i>	<i>Emphasis</i>
Chapter 1	Introduction, research questions, structure	Introducing central terms in the study
Chapter 2	Strategy-as-practice, external actors, relevant literature and theoretical framework	Introducing the concept of strategy-as-practice and especially the external actor view, presenting the theoretical basis for the empirical analysis
Chapter 3	Methodology	Major emphasis on the methodological basis of the study and data collection. Ontological backgrounds are presented briefly
Chapter 4	Empirical analysis of the data	Introducing and analyzing the empirical data based on the theoretical framework, presenting relevant findings
Chapter 5	Conclusions	Presenting the conclusions along with managerial and theoretical implications, and limitations of the study

The first part mainly introduces the study and research questions. A brief review regarding the backgrounds of the study and its position in relation to the whole field is also presented. The second part consists of three major chapters, the first one introducing the concepts of strategy-as-practice perspective, the second concentrating on the external actor perspective and finally the third building the theoretical framework to be used later on in the analysis.

In the third part relevant methodological questions are examined and presented. This is mostly done by introducing content analysis as a tool for analysis, and reviewing the literature from the perspective of content analysis and strategy-as-practice research. After this the actual analysis is presented in the fourth part, concentrating mostly on the findings of the study. Finally conclusions are presented in the fifth part, along with managerial- and research related implications resulting from this study.

This table also concludes the first chapter, which aimed to introduce the central themes and concepts of this study to the reader. Thus the next chapter shall present the relevant

strategy-as-practice literature, and especially, the external actor view along with the tentative theoretical framework to be used later on in the analysis.

2.0 THE ROLE OF EXTERNAL ACTORS IN SHAPING STRATEGIC ACTIVITY

This chapter introduces the concepts of strategy-as-practice and the external actor perspective as they have been defined in the literature. Based on the existing literature, a tentative theoretical framework is also presented. The first part examines the background and basic theoretical attributes of strategy-as-practice. Three core concepts, namely practitioners, praxis and practices are identified. The second part takes the examination of practitioners further, presenting the concept of third actor perspective. Finally, in the third part a theoretical framework based on the literature review is presented and examined. The purpose of this framework is to integrate strategy-as-practice and the external actor perspective into one consistent concept.

2.1 Strategy-as-practice

The emergence of strategy-as-practice is based on the need to place the individual back to the center of the strategy research. The traditional research of strategic management has been criticized for not paying enough attention on the individuals behind the strategic action. As Johnson, Melin & Whittington (2003) put it, while the strategy research has traditionally emphasized the macro-level; the focus should now be changed to more micro-level activity. At the moment a relatively wide strategy-as-practice literature exists, and more research is done at increasing pace, making strategy-as-practice a rather hot topic in the modern strategy research.

Whittington (1996: 732) examined this then prominent field of research, proposing that strategy-as-practice shifts the focus from the core competence of the organization to the practical competence of the manager as a strategist. This shift in focus has been agreed upon on several pieces of research since then, and the emphasis in the actions of the individuals has become the core of strategy-as-practice research. For instance according to Jarzabkowski et al. (2007: 6), Jarzabkowski & Seidl (2008: 1391) and Johnson et al. (2007: 3) strategy is not something that an organization has but something its members do.

This sets the need for a wider understanding of what is actually going on in the organizations. All the delicate interactions that take place in everyday dialogue, strategy meetings, strategy away-days or general planning for instance are sources of strategizing. Whittington (1996) jestingly divides the doing of strategy into two classes, the inspirational part consisting of getting of ideas, the spotting of opportunities and the grasping of situations. The opposite side then again, labeled the perspiration side, consists of the meetings, filling of forms, and the hard, quantitative part of doing strategy. (Whittington 1996: 732)

The focus on micro-actions is prevalent in strategy-as-practice. This is connected to the aim to link the consequences more thoroughly into the macro-level, i.e. organization- and institution-wide outcomes. As Jarzabkowski & Spee (2009) notice, the importance of building outcomes is one of the essential aspects of strategy-as-practice. This means that strategy-as-practice aims to unfold causalities in a wider organizational context by researching micro-level actions. Thus these micro-actions are the ultimate core of the various strategic changes that the organizations make, and their examination is justified since if defined at all, the actual ways of implementing desired strategic changes often differ from those that were intended. Further, in the case of small organizations, the definition of the organizational direction, or the strategy can often be rather vague, when once again the everyday actions are what shape the organizational direction. Thus these both views illustrate how small and sometimes even seemingly irrelevant actions are indeed the building blocks of bigger entities, i.e. organizational changes manifesting themselves as the outcomes of strategizing. Moreover, that is why it is relevant to study the organizational activity as it actually unfolds in the everyday interaction.

The role of these micro-actions in shaping strategy is not unambiguous however. As Jarzabkowski and Seidl (2008) note, while Johnson et al. (2003) proposed that the focus should be shifted to the micro-actions through which strategic outcomes are shaped by actors, other researchers emphasize the need to understand these micro-actions within their social context (Jarzabkowski & Seidl: 2008: 1391). Inclusion of the social context does make sense, since as we can see, the strategy-as-practice research is in a close proximity with processual analysis (Johnson et al. 2007: 4; Jarzabkowski 2005: 4) and the importance of context in this type of a research has long been recognized by Pettigrew for instance, who wrote about the importance of context in which the action takes place when

performing processual analysis (Pettigrew 1997: 340). Moreover, the connection to social context draws from the social theory on which strategy-as-practice is partially based on. As Denis, Langley and Rouleau (2007: 196) put it: “knowledge coming from people must be connected to context or at least indexical meanings in order to be understood. Practical activity cannot be detached from wider social, cultural and historical development.”

Thus it is evident that the context in which actions take place must not be overlooked. When studying socially constructed phenomena such as strategy-as-practice, the delicate interactions of actors tend to bear connotations drawn from the social context around the actors. Johnson et al. (2007) did later amend their definition by proposing that strategy-as-practice should be regarded as a “concern with what people do in relation to strategy and how this is influenced by and influences their organizational and institutional context” (Johnson et al. 2007: 7).

According to Jarzabkowski et al. (2007: 7) the main questions for strategy-as-practice perspective to address are: What is strategy?, Who is a strategist?, What do strategists do?, What does an analysis of strategists and their doings explain?, and How can existing organization and social theory inform an analysis of strategy-as-practice? While some of these questions may seem quite obvious, one of the most important aspects of strategy-as-practice is to redefine who is a strategist. This is because the level of analysis has conventionally been substantially narrower; focusing mostly on aggregate or individual actors within the organization, e.g. top management or the CEO. Strategy-as-practice then again aims to widen the level of analysis to regard all layers of action within and outside the organization.

Whittington (2006) sees the emergence of strategy-as-practice as something that will guide the strategy research into two directions. First of all, it is an invitation to research the intra-organizational doing of strategy in all of its delicate aspects. On the other hand this strategic activity aggregates into a bigger phenomenon, allowing researchers to examine strategy as an industry that is being shaped by numerous actors. (Whittington 2006: 613)

Seeing strategy as an industry is surely beneficial since it allows us to examine the strategic activity as something separate from the organizations. This means that strategy can be formed by various actors and the strategic activity does not necessarily have to be intra-

organizational. Then again examining strategy as an industry also sets the need for a wider discussion regarding the overall source of strategy, and the strategic practices applicable by the practitioners, which is well outside this study's scope. Deriving from this thought however, Whittington (2006) proposes a theoretical framework that identifies three main concepts forming the foundation of strategy-as-practice. A strong consensus prevails that the theoretical framework of *praxis*, *practices* and *practitioners* offers researchers access to study strategy from a more wholesome aspect. These three should be seen as separate, yet interlinked concepts that form the foundation of strategy-as-practice research. It is worth noticing that strategy is made through the interaction of all these three, and that at the center of the analysis are the human actors and their interactions. Below is presented a graphic depiction of praxis, practices and practitioners, as originally introduced by Jarzabkowski et al. (2007).

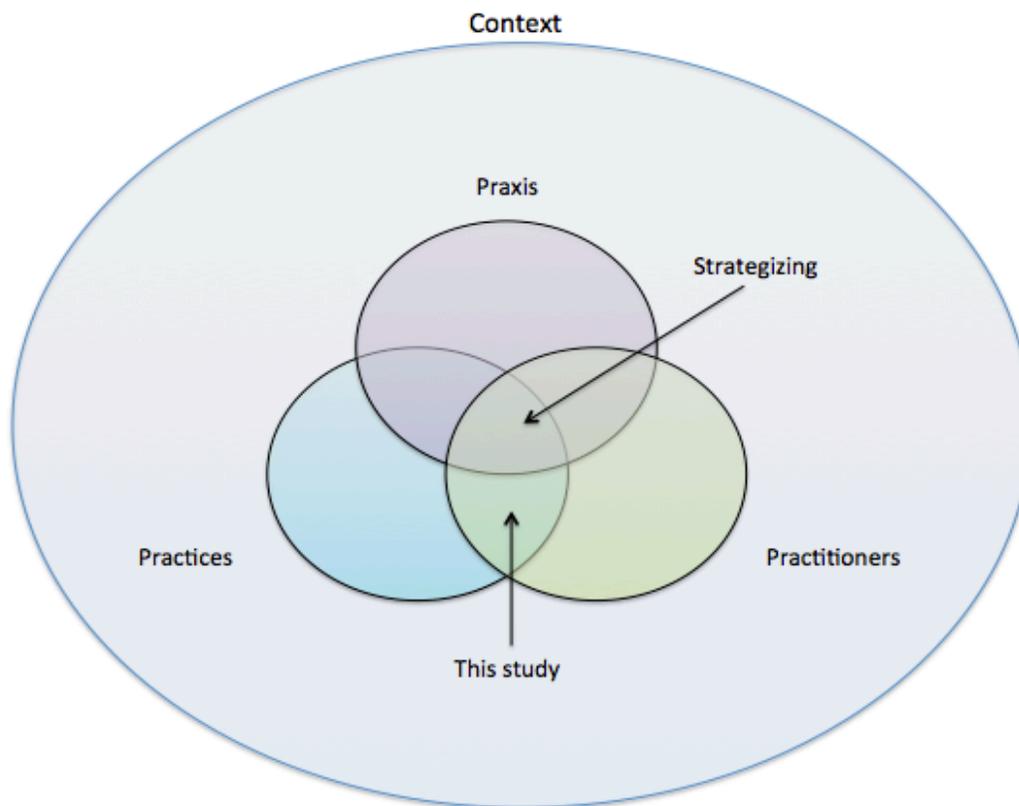


Figure 2: Interconnectedness between praxis, practices, practitioners and the context. (Modified Jarzabkowski et al. 2007: 11)

In the figure presented above, praxis, practices and practitioners are defined in relation to each other, placing the strategizing in their nexus as an outcome of the interplay between all three. The surrounding context was added based on the discussion presented above, which recognized the importance of context in strategizing. This is reasonable since if the practices, praxis and practitioners all draw from the surrounding social or institutional context, we surely should not ignore its existence. Further, Jarzabkowski et al. (2007) also emphasized that strategy-as-practice research should automatically concern all three concepts of praxis, practitioners and practices, while the actual focus could be aimed at the junction of two at a time, leaving one of the factors on the background in order to give more space on the empirical examination of the interaction (Jarzabkowski et al. 2007: 11). In the case of this study, the two concepts examined more thoroughly are undeniably practitioners and practices, while praxis, i.e. the level of analysis is allowed to fluctuate between micro and meso. Thus the positioning of this study is also illustrated in the figure.

What this means in terms of this study is that as the analysis takes place on micro- and meso levels of praxis, the examples that will be provided shall include personal, as well as organizational strategizing. Furthermore, one could argue that in the case of small organizations, these levels are often combined, as the owner-CEO is often engaged with the operational actions, and thus individual strategizing has strong organizational implications.

This subchapter examined the general underpinnings of strategy-as-practice. As mentioned in the beginning of the chapter, the field of study is relatively fresh in age, and thus no consistent body of critique seems to exist yet. Thus far, for instance Carter, Clegg & Kornberger (2008) have attempted to forward such a standpoint however. They criticized mostly the geographic division between North America and Europe, claiming that strategy-as-practice is a European invention. While this is possibly true, one should bear in mind that this is surely also in contact with the wider differences in the scientific field between these regions.

However, the so far rather concise body of authors within strategy-as-practice could be regarded as a deficit. The amount of authors is not as extensive as one could hope for, however, this is also bound to change, as the field of study attracts more authors to conduct research using the practice perspective. Further, this should help the perspective to gain a firmer foothold outside Europe as well.

2.1.1 Practitioners

The first of the three main concepts of strategy-as-practice, practitioners refers to the actors that perform the strategizing. As mentioned earlier, Jarzabkowski et al. (2007) defined the question *who is a strategist?* as one of the core questions regarding strategy-as-practice. According to them, practitioners are “active participants in the construction of activity that is consequential for the organization and its survival.” Furthermore they “shape strategic activity through *who* they are, *how* they act and *what* practices they draw upon in that action.” (Jarzabkowski et al. 2007: 10)

Whittington (2006: 619) emphasizes the plurality of the actors. He reminds that strategizing is done on several levels, and not just by the top management. He also adds outside advisers into the equation, naming business gurus, corporate lawyers, business schools and consultants as practitioners as well. Thus the inclusion of external and lower level actors widens the base of strategy practitioners substantially.

Jarzabkowski and Spee (2009) reviewed the current literature and presented a typology of different kinds of actors. First of all, like Whittington (2006), they also made the distinction whether the actor is located inside or outside the organizational boundaries. The second attribute they used to classify actors with is whether they are individual or aggregate actors. Drawing from this, they defined four types of practitioners; individual actors within the organization boundaries, aggregate actors within the organization, individual actors outside the organization boundaries, and aggregate actors outside the organization. It should be noted that while Jarzabkowski and Spee reviewed the literature, they did not find references to extra-organizational individual actors (Jarzabkowski & Spee 2009: 72). This means that consultants for instance were always seen as aggregate actors, the passive of consultants, instead of researching them as individual consultants. They do suspect however this to be a phase in the evolution of the field of study.

The difference between intra-organizational and extra-organizational actors is the level of hierarchy. External actors might be just as connected to the formulation of strategy, but they lack the official status and role within the organization. As this study concerns extra-organizational aggregate actors, or external actors as they are referred to in this study, their attributes shall be examined more thoroughly than others.

As these examples demonstrate, the boundaries for the definition of a practitioner are loose to say the least. Relevant is the influence of the practitioner to the formulation of the strategy. Basically this influence can be direct or indirect. In the case of direct influence the definition and individualization of the practitioner is fairly simple. A manager or a consultant doing strategy can be defined as a strategy practitioner. Then again defining practitioners that have an indirect influence to the formulation of the strategy is a bit more complex. For instance as mentioned earlier, the business schools, gurus, investment bankers and the media have an indirect influence on strategy because they mold the overall context and the climate of opinion in which strategy is formulated. Further, in addition to these external actors, as the strategy-as-practice literature has not thus far examined the implications of strategizing between customers or competitors, and the organizations, these shall be added to the focal actors of interest in this study.

Thus this addition creates a link between strategy-as-practice literature and the business network research. As the examination of the interaction within the networks created by customers and competitors has been of focal interest within that field, combining these two streams of research would surely contribute to both fields. For instance Bengtsson, Eriksson & Wincent (2010) and Bengtsson & Kock (2000) have suggested that combining competition with cooperation, or cooptation as they call the concept, would further create advantages for the companies to exploit in their actions.

Regarding the research, various practitioners have also been examined by Whittington (1996) who discussed their influence on the choice of methodology when doing strategy research. According to Whittington (1996: 733), the roles of different strategy practitioners can be very far from each other. Actions of the CEO or even a middle-manager are bound to differ from the actions of a low-level employee, thus causing an enormous gap between the strategic practices that these practitioners employ in their strategizing. This is an aspect that should not be overlooked, since if the roles within the organization differ, one could argue that they are bound to differ even more as we examine the actions of external actors.

Jarzabkowski et al. (2007) agree with Whittington (1996; 2006) on the importance of lower-level employees that should not be overlooked for they often are a significant source of strategic action, be that conscious strategizing or not. The unconscious strategizing might take place when lower-level employees do not try to intentionally affect the strategic course

of the organization, but do perform actions that are significant for the organizational survival and performance (Jarzabkowski et al. 2007: 12). Thus they are also connected to the external actors, as this would suggest that the interaction takes place on all levels of the organization, and hence we should not limit the focus on the interaction between top management and external actors.

The examples of external actors are somewhat basic and logical. So far the examination of these actors in the present literature has been rather scarce though. For instance Jarzabkowski and Spee (2009) found only a few studies concerning external actors. In addition, the studies concerning external aggregate actors on the macro level were mostly theoretical in nature. (Jarzabkowski & Spee 2009: 74)

2.1.2 Praxis and practices

The concept of strategy-as-practice has two more dimensions mentioned earlier, namely praxis and practices. The distinction between these two is not entirely simple, but examining the time scope of the concepts is what at latest helps understand how they are divided in the literature. For instance Reckwitz's (2002) social theory's practice turn-based distinction between praxis and practices has been widely cited in the literature (Jarzabkowski et al. 2007: 9; Whittington 2006: 619; Palmer & O'Kane 2007: 517).

This makes sense since as mentioned earlier; the whole strategy-as-practice perspective is partly rooted on the practice turn of the social theory (Johnson et al. 2007). According to Reckwitz (2002), a practice is "a routinized type of behaviour which consists of several elements, interconnected to one another: forms of bodily activities, forms of mental activities, 'things' and their use, a background knowledge in the form of understanding, know-how, states of emotion and motivational knowledge" (Reckwitz 2002: 249). He further proceeds to note that practices are social, for they appear in different locations and points of time. This does not necessitate interaction however.

To further illustrate the division between practices and praxis, Jarzabkowski (2003) presents similar arguments with Reckwitz (2002), as she illustrates how practices are the building blocks of social modes of operation, habits and material objects that essentially constitute the continuous stream of activity, to which she at that point referred as practice.

Later on, a new concept of praxis has taken over, but it is evident how what is above referred to as practice, is essentially synonymous with praxis. Thus, the concept of praxis shall be next examined in more depth, and afterwards the examination is returned to practices in the singular form.

Praxis refers to the overall action that takes place in a socially structured episode by the various actors as they execute the strategic practices. Whittington (2006) strove to unite the definition of praxis into one unambiguous concept. Originally the Greek word “praxis” stands for the actual activity, i.e. what is actually done by people in practice. Hence Whittington defines praxis as “all the various activities involved in the deliberate formulation and implementation of strategy” and “the intra-organizational work required for making strategy and getting it executed”. (Whittington 2006: 619)

Thus, according to Whittington’s (2006) definition praxis stands for the actual work that is done by the practitioners within and around organizations. This could comprise the strategy meetings, budgeting, formal and informal discussions, direct commands and even the ways of communication that might constitute the meaning of organizational habits or material artefacts. Important is that praxis is the overall stream where all these practices take place, thus it comprises the interaction between more than one practitioner too.

Jarzabkowski et al. (2007) seem to agree with Whittington, since they remind us how praxis “comprises the interconnection between the actions of different, dispersed individuals and groups and those socially, politically, and economically embedded institutions within which individuals act and to which they contribute.” They further proceed to note how “praxis is both an embedded concept that may be operationalized at different levels from the institutional to the micro, and also dynamic, shifting fluidly through the interactions between levels.” (Jarzabkowski et al. 2007: 9) As we can see, they added the social embeddedness and the possibility of multi-level operationalization, thus broadening the definition to cover the interaction of a greater base of actors.

Jarzabkowski and Spee (2009: 73) agree with the earlier notions presented above and define praxis as the “stream of activity that interconnects the micro actions of individuals and groups with the wider institutions in which those actions are located and to which they contribute”. They do take the idea of multi-level operationalization further though; as they

carry on to specify three levels of praxis: namely micro-, meso- and macro levels. Their argument is that according to the literature, the research done so far has identified these three levels, usually concentrating on one level of action at a time, even though the levels are interconnected. Micro refers to studies examining strategic action, or the praxis on the level of an individual or a group for instance. Meso then again contains praxis on the level of an organization or a part of it, an attempt to shift the strategic course of an organization for instance. Finally macro is the institutional level, usually related to strategic action on an industry level. (Jarzabkowski & Spee 2009)

From the perspective of this particular study, praxis is defined as the stream of activity that is constantly in a flux, and that comprises all the single episodes of action and practices, which through sequential and sometimes simultaneous occurrence create the wider phenomenon manifesting itself as the social reality of strategizing. This definition draws heavily on the previous literature, but also recognizes how the stream of activity is constantly created and re-created, making the precise definition and description of praxis rather problematic as the only accurate descriptions of praxis are those that have already taken place. Hence, for instance in the case of a consultancy project, the praxis would consist of the stream of interaction that emerges between the participants. This would include all the practices that they draw on, such as workshops, formal planning, ideation and so on. Moreover, the praxis would in this case also comprise the communication, and the ways of constituting meaning to that communication, as well as ways of interpreting it.

Further, relevant levels of praxis in terms of this study are definitely micro and meso levels. As mentioned earlier though, the movement from one level to another is natural; hence the macro level should not be entirely ignored either since strategic actions of different actors can often have implications on all levels of action. Thus praxis is the ultimate concept combining micro and macro. Due to the limitations of this study, it is impossible to address the implications of macro level praxis other than from the declaratory point of view, however.

As mentioned in the beginning of this section, practices obviously refer to the various actions of practitioners. While the definitions of practices according to Reckwitz (2002) and Jarzabkowski (2003) were rather heavily based on philosophy of science, for the purposes of this study it is relevant to note how practices can consist of vast array of

various actions, even use of different artifacts. Citing Reckwitz (2002), Jarzabkowski et al. (2007) define practices as “cognitive, behavioral, procedural, discursive, motivational and physical practices that are combined and adapted to construct practice” (Jarzabkowski et al. 2007: 11). Another important implication related to practices is that they can be shared and operate on a higher level (Whittington 2006: 620), meaning that some practices can be society or industry related i.e. function on a higher level than the focal organization.

While introduced properly later with regard to the perspective of this study, different practices as they appear in the strategy-as-practice literature are usually related to the discourse on some level. For instance meetings, such as workshops, dinners, telephone conversations, marketing (diffusion) of new practices, and creation of symbolic artifacts or public discussion in the newspapers are all relevant practices. Other examples include certain kind of behavior in response to external pressures and expectations, politics, even unintentional body language and certain kind of dialogue or argumentation.

Based on above, the term strategizing covers a multitude of actions. As this study examines the external actors as a focal point of interest, the practices employed by these actors as they appear in the literature shall be more thoroughly examined after the following subchapters, when the focus is shifted on the external actors. Interaction and strategizing is a two-way relationship however, and thus the possible practices and roles employed in the other end of the chain, i.e. the organization, will be briefly addressed next, before moving on to the outcomes and external actors.

2.1.3 Internal actors

Different levels within the organization usually have different means of strategizing too. Floyd and Lane (2000) studied strategizing and strategic renewal by researching strategic roles associated with managers on different levels in organizations. While their study primarily set out to examine strategic role conflicts, it also contributes to the field of strategy-as-practice by illustrating various strategizing activities within organizations. By assuming that strategic renewal is consequential to environmental change and that it is an “intensely social process involving certain crucial interactions between levels of management” (Floyd & Lane 2000: 155–158), they further connect strategizing to the study at hand, as external actors, and especially customers and competitors are often the force

creating changes in the business environment and since strategy-as-practice has already been established as socially constructed phenomena.

They present an extract from the literature, introducing ten managerial roles altogether. Roles are divided into three groups; namely top management, middle management and operating management. As this study concerns SME's, the behaviors describing the actions of the top management are of interest here, since they are the practitioners and interviewees providing the research material for this study. Top management roles consist of decision making roles, such as ratifying, recognizing and directing, whereas middle managers then again have four roles embedded in their group; championing, synthesizing, facilitating and implementing. The last group, operation management consists of three roles; experimenting, adjusting and conforming. (Floyd & Lane 2000: 159) The roles of the top management, along with the corresponding behaviors are presented in the table below, followed by a brief discussion of their characteristics and linkages to the strategy-as-practice literature. These roles and behaviors are presented here since as the aim is to better understand the interaction between external actors, recognizing the possible actions and roles of their counterparts should add to the more wholesome understanding of the activity between them. Further, these roles are also related to the wider strategy-as-practice discussion, as illustrated below the table.

Table 3: Illustration of managerial roles and related behaviors according to Floyd and Lane (2000: 159).

<i>Roles</i>	<i>Behaviors</i>
Ratifying	Articulate strategic intent, monitor, endorse and support
Recognizing	Recognize strategic potential, set strategic direction, empower and enable
Directing	Plan, deploy resources, command

Roles presented in the table above are extracted from the previous literature, and connections to the strategizing literature are easy to find indeed. By looking at the roles in the table, it is evident that setting of the strategic direction and monitoring of the progress should be a task that is performed by the top management. Further, Jarzabkowski (2008)

studied the shaping of strategy as a structuration process and her results support the roles in the table. She examined the strategic change in three UK universities and based on this she distinguished three different strategizing patterns employed by the top management. These patterns consist of interactive strategizing, procedural strategizing and integrative strategizing. Interactive strategizing obviously was mostly related to the direct, face-to-face interaction between organization members. The second group includes formal strategizing procedures, such as budgeting, performance indicators, monitoring systems and control, while integrative strategizing consisted of both previous patterns. (Jarzabkowski 2008: 626)

Furthermore, interactive strategizing was often followed by procedural strategizing, making these two more or less sequential strategizing patterns. Compared to integrative strategizing, which is considered simultaneous in terms of action and institutional effects, this means that in sequential strategizing the aim was, in the spirit of structuration theory, first to influence the meaning and norms of interaction, and after this the structures that are created by the interaction. (Jarzabkowski 2008: 623; 638) This is also consistent with what Nordqvist & Melin (2008) wrote about the strategic planning champions. While they assumedly discussed the characteristics of strategic practitioners on a general level without making a clear distinction between internal and external, they did introduce three roles that are crucial to the successful performance of these practitioners. These roles comprise the social craftsperson, the artful interpreter and the known stranger, and obviously the first refers to similar concepts with interactive strategizing, while the second refers to the structural side, labeled as procedures by Jarzabkowski (2008).

In addition, Jarzabkowski's findings did not only support the prevalent view on managerial roles and actions related to these roles. She also came to the conclusion that the best course of action for the top management to take when pursuing strategic change depends on the institutional strength of the prevalent strategy (Jarzabkowski 2008: 642). Thus her study explicitly recognizes the need for the top management to examine their environment carefully when planning strategic actions and hence defines strategizing as socially structured phenomena. Further, she also justifies the different roles of recognizing, ratifying and directing, since as presented here, some actions were aimed at changing the meaning and norms of interaction, corresponding with the behaviors of empowering and supporting, and some were of more commanding nature, such as deploying resources, influencing the structural side of strategic change.

Studying these roles, or the roles of the external actors as an independent phenomenon is not enough however, if the field of strategy-as-practice is to uncover the true nature of the organizational activity. Further, as one essential part of this activity is the results, the different outcomes that might follow the interaction between external and internal actors are briefly introduced next, before the focus is shifted on the external actors and the interaction between them and the organizations.

2.1.4 Outcomes

Another side of the practice perspective is the outcomes that derive from the actual strategizing. While examining what happens during the interaction between external actors and the organizations is without doubt useful, it is even more useful to connect this interaction with the outcomes, i.e. the strategic actions that organizations take. The pool of actions is vast to say the least; possible actions include new pricing models, shifts in the strategic focus and positioning, or structural changes for instance.

In the literature these actions have unfortunately been reviewed rather poorly. Especially regarding the strategy-as-practice literature, examination of practices is often more concentrated on introducing workshops and other such methods that could also be grouped as tools, instead of examining the strategic outcomes that take place due to the strategizing. Thus this study draws from the other strategy literature to present examples of possible strategic outcomes. While these have been examined thoroughly from the organizational side, individual outcomes have still not been assessed that extensively.

To begin with the strategy-as-practice literature however, Jarzabkowski & Spee (2009) recognized five types of outcomes from the current literature. These five types, or levels of outcomes are personal, group, strategizing process, organizational and institutional outcomes. For the sake of clarity, one should bear in mind that the level of outcomes is not synonymous with the earlier discussion regarding the level of praxis; obviously micro praxis could produce organizational outcomes, if the influence of the actor to the organization is strong enough.

Even if the aim to recognize the outcomes and to connect these to the business life is prevalent within the strategy-as-practice field (Jarzabkowski & Spee 2009), one could argue that this is one of the major deficits of the field as well. This is since the amount of studies providing us with these outcomes seems to be smaller than one could hope for. Further, the linkages to business organizations' performance could be stronger, since as some central empirical studies regard universities (Jarzabkowski 2003; 2008; Jarzabkowski & Seidl 2008) or other public instances (Hoon 2007), one could argue that the strategy-as-practice field lacks studies that would clearly illustrate the implications of strategizing to the financial performance of the company. While the studies mentioned above contain without question important considerations in terms of better understanding the dynamics of strategizing, considering that focusing on the process- and qualitative side of matters is an explicit aim embedded in strategy-as-practice, one could hope for a stronger connection to the business life, and to the principles of enhancing the performance, i.e. profit, within the organization.

From the perspective of the general strategic management literature, the strategic outcomes could be examined from multiple perspectives. Further, these are often more connected to the competitive characteristics of the organizations. For instance the standpoint labeled as the positioning school by Mintzberg et al. (1998) sees the ways of competing for the companies to be based on competition avoidance. This is usually illustrated by Porter (1979) for instance. Here the ultimate goal is to avoid competition by altering the position of the company and building barriers to protect the current position, thus we could see the organizational outcomes applicable to this study as shifts in the organization's position, such as a new marketing strategy aimed to exploit fresh markets, or an internationalization process, or as new barriers, such as protecting the position by contractual arrangements with the suppliers.

Alternative ways of seeing the strategic outcomes could be related to the organizational competences. This has been illustrated by Prahalad & Hamel (1990) and their considerations regarding the core competences of the organization. As they argued that the competitive advantages of the companies are rooted in their organizational abilities, we could see the outcomes from this perspective to be related to the reinvention and reconfiguration of these abilities. Thus a possible example could be an organization-wide project of implementing new internal communication methods, hence aiming to ensure a

better flow of information and further, probably contributing to the production quality for instance.

Thus the options are numerous, and other examples in addition to the ones presented here surely exist. As the explicit focus of this study is on the interaction between the external actors and the organizations, the examination of outcomes is performed more from a declaratory point of view, i.e. the aim is to recognize them, but due to the focus of the study, more in-depth examination had to be left outside the analysis

2.2 External actor perspective

So far the research on the third actor perspective, examining external actors' influence on strategy has been relatively scarce. As Jarzabkowski & Spee (2009) note, more emphasis has been laid on researching actors within organizations. Moreover, micro and meso level research on external actors seems to be, if possible, even more scarce. Due to this, in the theoretical framework built for this study some of the practices recognized by the macro level research are included in the theoretical examination. This does not change the level of analysis in this particular study, but bears the connotation that some practices used in the macro level interaction can be generalized into micro and meso level interaction.

This chapter reviews the literature concerning different external actors as they have appeared in the strategy-as-practice research. The examination of the third actor view is begun by the following table presenting the external actors as they have appeared in the literature.

Table 4: Classification of external actors as they have appeared in the literature.

<i>External experts</i>	<i>Studies</i>
Academia & Business schools	Mazza & Alvarez (2000); Whittington et al. (2003); Jarzabkowski (2004); Jarzabkowski & Wilson (2006)
Consultants	Mazza & Alvarez (2000); Whittington et al. (2003); Jarzabkowski (2004); Sminia (2005), Jarzabkowski & Wilson (2006); Hodgkinson et al. (2006); Sturdy et al. (2006); Whittington et al. (2006); Hoon (2007); Melin & Nordqvist (2007); Seidl (2007)
Family councils	Melin & Nordqvist (2007)
Gurus	Whittington et al. (2003)
Management teams, Industry incumbents	Whittington et al. (2003); Lounsbury & Crumley (2007)
Media	Mazza & Alvarez (2000); Whittington et al. (2003); Jarzabkowski (2004); Jarzabkowski & Wilson (2006); Lounsbury & Crumley (2007)
Security analysts, financial institutions	Whittington et al. (2003); Palmer & O'Kane (2007)
State institutions	Whittington et al. (2003)
Strategic planning champions	Nordqvist & Melin (2008)
Additions:	Customers, suppliers, partners, competitors

By looking at the table it is obvious that thus far consultants have been of major interest in the strategy-as-practice literature. However, studying the less apparent actors should add to the robustness of the field, since organizations interact with numerous instances and understanding this interaction should create opportunities for better performance. In addition to the actors presented in the literature, the table above adds customers, suppliers, partners and competitors to the pool of external actors. As the only reference to such actors is the inclusion of industrial actors in Jarzabkowski (2004), it is fair to argue that these have

not been addressed in the strategy-as-practice literature properly earlier, and thus this is obviously a factor advocating for the contribution of this study. Further, while being able to introduce new actors to the literature is undoubtedly positive, it also creates a rather significant challenge as the scarcity of references in the literature makes the comparison of results and the literature virtually impossible. Hence this study assumes that the nature of interaction and the practices employed can be generalized to cover these previously unexamined actors as well, and the possible corrections to the description of the relationship are made in the concluding chapter.

Another way of illustrating the field of external actors is the modified figure presented shortly, originally introduced by Whittington et al. (2003). The figure illustrates how different actors are located in relation to each other on bipolar dimensions of dependence vs. independence and producers vs. consumers. These external actors mentioned in the table above, and the figure below are next assessed and further introduced. The focus moves from the more macro-level examples of the creation of strategic practices towards micro-level, and more specific examples of the interaction.

While the original authors did not emphasize the plurality of management teams, they are here added to the figure in order to complete the picture of the actors that influence organizations in their daily life. This means that the management teams presented in the figure illustrate the location of competitors, partners and customers in the field. They are presented as overlapping actors, since one could assume that despite their possible location within the industry, the positioning on these particular dimensions of financial independence vs. producing or consuming role in the creation of strategic practices does not vary. Thus, of the dimensions presented in the figure, dependence vs. independence measures the financial dependence of the actors from the corporations. For instance pressure groups, such as environmentalists are fairly independent when it comes to financing their operations. In contrast, management teams, i.e. competing organizations or customers are highly dependent of their field financially, as that is what generates their income. Horizontal dimension measures the roles in producing and consuming strategic ideas. Hence it is evident that gurus are located in the producer-end of this dimension. (Whittington et al. 2003: 398) Further, these dimensions were considered proper from the point of view of this study as well, since by utilizing the same dimensions it is possible to

illustrate the mutual interdependence of the various actors, and thus to clarify the roles attached to these actors.

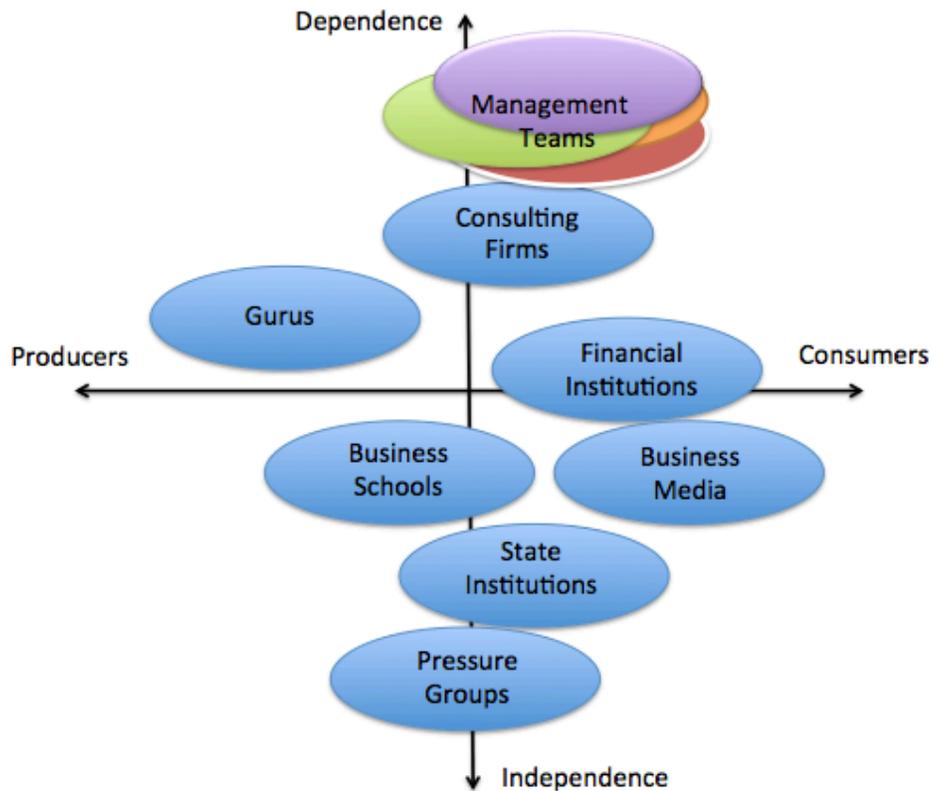


Figure 3: Illustration of external actors (Modified Whittington et al. 2003).

The roles of external actors vary greatly according to the literature. The figure presented above illustrates explicitly how the external actor perspective, along with the whole field of strategy-as-practice, can be analyzed on different levels. Further, it helps to illustrate the positioning of this particular study within this field. While the producer-end of the table along with independent instances is often related to the creation of strategic practices i.e. the macro praxis, the micro and meso level activity exist in this particular figure within and between these groups of actors.

This is also what Whittington (2006) touched upon when he defined strategy as the actions performed by the actors within the companies, and simultaneously as an industry, which is collectively produced by different actors (Whittington 2006: 613). In terms of this particular study, the focal point is within different management teams, i.e. the organizations, and the interaction between those firms, and other actors presented in the figure. Noteworthy is that this study aims to examine the interaction between various management teams, assuming that competing and cooperating teams along with partners for instance shape the strategic action. Due to the focus on small organizations, these managerial teams in the case of this study are competing and cooperating companies.

All the actors presented in the figure above have not been exhaustively examined in the strategy-as-practice literature. Beginning from the macro-level practice creation, best examples within the strategy-as-practice literature are definitely Lounsbury & Crumley (2007), Mazza & Alvarez (2000) and Seidl (2007). These authors all discussed the practice creation as a more or less dialectic process, each also involving the influence of external actors. Dialectic change process, as illustrated by Garud & Van De Ven (2002) for instance, refers to a process where thesis and antithesis are combined through conflict, or oscillation, eventually forming a synthesis presenting both sides.

Starting with the most general level, Lounsbury & Crumley (2007) and Mazza & Alvarez (2000) discussed the creation of practices through the interaction of various external actors, such as the *media*. Both studies seem to recognize three phases, starting from the creation of a practice and evolving through diffusion into legitimation. While Lounsbury & Crumley illustrate this blind spot within the existing literature regarding the diffusion and legitimization of new practice creation, noting: “Neoinstitutionalists have developed a rich array of theoretical and empirical insights about how new practices become established via legitimacy and diffusion, but have paid scant attention to their origins” (Lounsbury & Crumley 2007: 993), Mazza & Alvarez took a slightly more wholesome standpoint by defining three phases, namely (1) production, (2) diffusion, and (3) legitimation in the first place. The two first concepts, i.e. the production and diffusion are rather obvious, but the third refers to the role of some actors in justifying the proposed practices. In other words, they might not be accepted as generally feasible practices, until some instance with proper authority has authenticated them as such.

Lounsbury & Crumley propose that the creation of a practice is rooted in an endogenous mechanism in the practice field. Through variation in activities it changes over time, thus creating new concepts that are further developed by new actors if they are first socially recognized as problems by the field-level actors, such as the media. After being developed further, these new practices are diffused by various actors, while simultaneously being opposed by the industry incumbents trying to protect their extant practices. Then in time these new practices may either lead to the reconfiguration of the current practice field, or to the creation of a new practice field. (Lounsbury & Crumley 2007: 1004–1006)

Mazza & Alvarez (2000) seem to agree, as they propose that the practice creation might happen when the discussion oscillates back and forth, for instance between *academia* and the *media*. This is curious, as for instance the role of media has been, according to earlier studies more on the diffusion and legitimation of the practices, instead of their creation. This is further illustrated by the previous figure, where Whittington et al. (2003) positioned the media to the consumer-end of the producer vs. consumer axis.

While both studies, and especially Lounsbury & Crumley (2007) undeniably do describe the creation of new practices with utmost piety, the generalizability of their findings in terms of this study are limited. This is because they concentrate on the macro-level of practice creation, instead of lower levels. What would have been interesting however, is the relationship and activity between the industry incumbents and other actors diffusing the new practices, and if this process of new practice creation is similar enough within the organizations, that some factors could be generalized into that kind of meso level activity. Furthermore, one could criticize the overall generalizability of their findings on the basis that their case study concerned a field that essentially neither had well-defined practices, nor a dedicated field of study in the academia before the creation of the new practices. One could argue that the outcome might have been different in case of properly constructed industry with saturated field of practices in use.

While the same applies to Mazza & Alvarez (2000), they do contribute to the study at hand by introducing another external actor, namely the *academia*, which has a role in the practice creation. The influence of the academia has also been discussed by Seidl (2007), Jarzabkowski (2004), and Jarzabkowski & Wilson (2006). Their underlying argument was that the practices are created in the academia, and then diffused into the managerial field,

where they are further employed by the practitioners, who might adapt them to fit their particular needs.

This diffusion partially takes place through the media, as has been established. Another group of actors, and probably the most researched group are the *consultants*, who have been discussed widely in the strategy-as-practice literature regarding the actions of external actors. For instance Mazza & Alvarez (2000), Whittington, Molloy, Mayer & Smith (2006), Hoon (2007), Sturdy, Schwarz & Spicer (2006), Seidl (2007) and Hodgkinson, Whittington, Johnson & Schwarz (2006) have all discussed the role of consultants within the strategy-as-practice field.

Consultants are usually related to the justification of strategic actions on some level. So to say, they are not necessarily the actual force behind the crafting of strategy, but more the external authority to be used as experts, or in building leverage in the political strategizing process within a company employing their services. Most of the strategy research applicable to this study is related to the actions of consultants, but other examples exist as well.

For instance, Mazza & Alvarez (2000) propose that the role of the consultants is on production, diffusion and legitimation of practices. What is more interesting from the point of view of this study however, is how these consultants have influenced the organizations and their strategizing. To begin with Hoon (2007), who illustrated how an organization utilized committees including the use of consultants as a strategic practice in a personnel development project. The actual strategizing was mostly carried out through strategic conversations, and the major finding of the study was that the strategic issues were mostly discussed informally around the committees. Moreover, consultants in this particular case were called in to justify middle managers' claims regarding strategic actions. In addition to this role, the consultants were used as a source for gathering information. (Hoon 2007: 929–933)

Hence this illustrates the role of consultants in diffusing and legitimizing strategic practices. Their importance in producing information and justifying the planned initiatives reflects their role as an actor holding expertise, and thus advocating for their authority to legitimize the practices. This has been further confirmed by Whittington et al. (2006), who recognized

the influence of consultants in their study regarding the strategic practices used in reorganizing companies. They recognized three major practices, namely strategic workshops, project management of strategic and organizational initiatives and creation of symbolic artefacts. Out of these the one most relevant with regard to external actors was the use of strategic workshops. In their fairly extensive case study they introduced a company that had hired an external *consulting company* to assist in organizing strategy workshops aimed to reorganize the whole organization. (Whittington et al. 2006: 615–620)

The actual activity executed by these consultants was mostly related to assisting the chief executive in achieving the desired outcome. They helped compose the schedule and overall structure of the workshops and moreover, they were available to be used as assistance for all the participants in the actual workshops, and they presented a presentation regarding the possible strategic actions to be taken (Whittington et al. 2006: 620).

All in all this seems to be a rather accurate counterpart for Hoon's (2007) notion of using consultants in legitimizing the planned strategic actions. This time the need for legitimation just arose from the chief executive. This is more or less confirmed by Whittington et al. (2006: 620) when they note: "The chief executive was more concerned with ensuring that the proposed design was accepted rather than optimizing it by further analysis with those she was ostensibly consulting."

Thus Whittington et al. (2006) also introduced a specific practice often mentioned in conjunction with consultants, namely strategic workshops. Examining these workshops further illustrates the role of consultants, as confirmed by Hodgkinson et al. (2006), who discussed the implications that strategic workshops have on strategy formulation. As mentioned earlier, strategy workshops appear to be one of the most frequently used practices when crafting strategy. This is further confirmed by the study of Hodgkinson et al. (2006), for they note that of all of their participant organizations 77% had arranged a strategy workshop at some point. The role of workshops is noteworthy in many ways; however the role of *consultants* in these workshops seems to be less important and more ambiguous than easily assumed. Of the respondents, less than 20% reported that the last workshop they had attended included the presence of an external consultant. Thus the authors' argument regarding the roles of consultants is congruent with Seidl (2007: 214), who suggests, that it is the client who is supposed to come up with the new strategy concept,

and not the other way around. This notion leads back to the previously discussed matter of the power of external actors in legitimizing strategic actions instead of creating them, and even further back to the notion of the top management as the instance who really defines the strategic direction (Floyd & Lane 2000).

In case of this study this might have interesting implications, as the focal point of interest here are small organizations. Due to this one could assume that the role of consultants might be even less significant, as these organizations rarely share the characteristics of bigger organizations with several levels of hierarchy. Thus the strategic planning process might be more endogenous, suggesting that the influence of external experts, i.e. the consultants is smaller. Further, smaller organizations also suggest greater informality, as they are often more agile in terms of organizational flexibility.

From the point of view of informality, *consultants* have been examined by Sturdy et al. (2006), who studied the “informal political practices of the consultants and clients which happened over meals” (Sturdy et al. 2006: 931). Even though they did not compose a strategy-as-practice study per se, their focus on these political practices makes their study interesting in various ways. They observed the actions of the consultants in various instances, such as workshops, telephone conversations and dinner meetings. As it turned out, again the informal interaction was the most effective way when building momentum for the change at hand. The consultants and the CEO all encouraged informal meetings to break the barriers of communication. While focusing on the liminal spaces, the authors did introduce several practices employed by the CEO or the consultants. They presented these practices in two classes, namely the formal and informal consultant practices. Formal practices consisted of shareholder meetings, meetings with the senior management board, workshops, individual meetings and working group meetings. The informal practices then again consisted of telephone conversations, lunch meetings, dinners, activity observations, coffee breaks and informal workshops. (Sturdy et al. 2006)

The liminal spaces mentioned above refer to the organizational locations of different actors. As Sturdy et al. (2006) defined this concept; their underlying argument was that some actors are located in indefinable spaces in relation to the organizations. For example *consultants* were seen to be “not part of one organization or another” (Sturdy et al. 2006: 929–930). This is interesting because the study at hand supposes consultants to be located

outside the organization, hence also the name external actor. Here they on the other hand confirm the externality of the consultants, and on the other hand include them to be at least part of the organizational sphere of interest. Moreover, one could see this as an indication of more informal interaction, as the relationship is of ambiguous nature to begin with.

The concept of liminal spaces is indeed curious, and it could be seen to underpin the definition of the next external actor that emerged from the literature. Thus the concept of liminal spaces seems to be related to the practitioners called *strategic planning champions* introduced by Nordqvist & Melin (2008), who are seen as the craftspersons that shape the strategy of the organizations. According to the authors, they have a “stronger affiliation with the focal organization than a traditional strategy consultant and he or she emerges informally through co-operation and positive interaction with other actors involved in the strategy work.” In other words, this implies that the SPC’s are located in the very same liminal spaces introduced above by Sturdy et al. (2006), thus making them external to the organizations at least to some extent. The authors do not take a clear stand on whether these actors are located within or outside the focal organization, thus we can assume them to be both, depending on the case. Further, this makes sense, as the personal attributes of the practitioner crafting the strategy surely are generalizable at least to some extent, regardless of whether he or she is internal or external in relation to the organization.

Another example of the ambiguous locations of the actors is the study of Melin and Nordqvist (2007), which illustrated a governance mechanism in family businesses, namely the *family council*. This group of actors was practically located as what Sturdy et al. (2006) defined as a liminal space, since as a forum for discussion regarding family business, all the members of the council were not operational members of the organization, but external actors with close ties to the organization nonetheless. As the authors proceed to note, this makes it a formal practice aimed at organizational governance (Melin & Nordqvist 2007: 325). In relation to the earlier discussions regarding the three phases of strategy creation, diffusion and legitimation, this places the influence of these external actors clearly on the legitimation. Moreover, their study further confirms the role of consultants in diffusing practices as they reveal how these councils were usually marketed by them and other institutional actors.

Another example regarding the influence that institutional actors have on the strategizing of organizations is the study of Palmer and O’Kane (2007), examining argumentation between *security analysts* and transnational corporations’ management in retailing as a strategic practice. Their study aimed to examine the discourse between security analysts and the management, and according to them, the argumentation back and forth between analysts and the management shapes the strategy more than might have been perceived earlier. This is relevant, since as we have earlier defined discourse as one of the social practices influencing strategy, the analysts clearly represent an external pressure group, thus making Palmer and O’Kane’s study relevant from the point of view of this study.

They proceed to state how “the texts, statements and diagrams do not merely describe or illustrate things, they do things in terms of adaptation and shaping behavioral courses of action over time” (Palmer & O’Kane 2007: 523), hence confirming the influence of such practices in shaping strategy. They further defend their claims by arguing how “the interactive governance space allows securities analysts to align or reconstruct the norms of legitimacy by virtue of the advances, questions, challenges and critiques of management’s arguments” (Palmer & O’Kane 2007: 526). This explicitly means that the formulation of strategy is the sum of conscious strategizing between security analysts and management. This oscillation between arguments and counterarguments resembles a lot the dialectic change process mentioned earlier (Garud & Van de Ven 2002: 207–212) where thesis and antithesis evolve through conflict into synthesis.

Further, they see that via argumentation, the security analysts can influence which strategies are seen as legitimate. This is connected to the legitimation of strategic actions discussed earlier. This time there’s a difference though, since while earlier external actors have been used from the initiative from the organization, the external pressure group (security analysts) are a lot more independent than consultants hired by management.

Finally, in an article taking a slightly differing tone, Whittington et al. (2003: 397) call out for stronger responsibility for all the actors producing and diffusing strategic practices. This is related to the legitimation, which has been discussed already earlier in this study. As it seems that strategizing is in many cases related to the search of legitimation for the desired strategic actions, one aspect of strategy-as-practice would be to ensure that different practitioners, media, pressure groups, consultants, financial institutions or managers for

instance are not too gullible in terms of strategizing. As history has illustrated, there will always be someone ready to take advantage of those not thoroughly informed, hence the need for stronger informal governance. Further, while the authors did not explicitly mention customers and competitors as external actors, the importance of this notion only increases as one could argue that these are the actors that are most likely to pursue advantages at someone else's expense.

As this study has thus far presented the literature regarding actions of external actors in shaping of strategy along with more general examples regarding the underlying concepts that constitute the field of strategy-as-practice, the next part shall aim to combine these actions and practices into one framework to be used in the analysis later on. Noteworthy is that since some of the literature is more related to the macro-level of praxis as illustrated above, some generalizations were made in order to obtain enough material to build the framework. This should not be an insuperable obstacle however, since even if some examples (e.g. Mazza & Alvarez 2000; Lounsbury & Crumley 2007) concerned institution-wide practice creation, there's no need to assume that for instance the role that the media or the consultants have would differ when the scope of analysis is changed from institutional to meso or micro. And further even if it would, the current literature does not recognize such difference.

2.3 Tentative theoretical framework

As we have seen earlier, the practices that are used either by organizational members, or the external experts are numerous to say the least. There are some underlying patterns however; for instance the utilization of workshops seems to be rather common, and the interaction was described as informal in many cases. This section aims to build a consistent framework illustrating the strategizing activities between external actors and the organizations, as well as to introduce some central themes that could describe this interaction. This framework will further be evaluated in relation to the interviews in the fourth chapter.

Beginning from the classification of the external actors, and based on the strategy-as-practice literature reviewed earlier, possible classifications for the external actors are numerous. For the purposes of this study, the external actors that are of analytical interest

comprise the ones introduced in the table 4., i.e. the academia & business schools, consultants, family councils, gurus, management teams & industrial incumbents, the media, security analysts & financial institutions, state institutions, and strategic planning champions. However, in addition to these, this study aims to describe the influence of customers, suppliers, partners, and competitors as well.

In the classification of the actors presented in the table 4., there are certain obvious actors, such as consultants, that are easy to classify into one group. The same applies to gurus and business schools (academia), who could easily constitute a group labeled public education. Third group, labeled institutional actors could consist of the media (business press), state institutions, security analysts, financial institutions and pressure groups. At this point, of those that are left, the industry incumbents, competitors and other management teams could form a group called rivals, and finally, customers and partners, along with cooperative management groups could be grouped under the label partners. Thus what is left, are the two instances of most liminal locations; strategic planning champions and family councils. Due to their relatedness to consultants, they could probably be placed into the same group, thus forming a group called external experts, which better illustrates their roles as a confidantes (Eisenhardt 1989a) with business expertise, who are not necessary in a consulting relationship with the focal organization. Thus we would have five groups of actors that are presented in the table below.

Table 5: Grouping of external actors as they have emerged in the literature.

<i>Group</i>	<i>Practitioners</i>
External experts	Consultants, strategic planning champions, family councils
Public education	Gurus, business schools, academia
Institutional actors	Media, business press, state institutions, security analysts, financial institutions, pressure groups
Rivals	Industry incumbents, competitors, other management teams
Partners	Customers, partners

This classification is not by any means neither exhaustive nor decisive. It is merely one alternative way of grouping the external actors emerged thus far in the literature. Moreover, the final classification shall be done in the fourth chapter, when the actors emerging from the field study composed within this study are presented. This classification serves as a practicable frame however, and it will form the basis for the empirical examination of research data.

Based on Sturdy et al. (2006), this study also makes the distinction between formal and informal practices. This distinction is not absolutely strict however, and many practices share characteristics from both sides. Further, many of the studies refer to the creation and philosophical essence of practices. Thus as this aspect is not particularly the focus of this study, the table below presents the practices employed in the interaction as they have appeared in the literature. Moreover, while Sturdy et al. (2006) examined only consultancy practices, this study aims to make a more general level division that covers a wider base of managerial strategizing practices employed by organizations and external actors. Formal and informal practices as they have appeared in the literature are further presented in the following table.

Table 6: Classification of informal and formal practices as they have appeared in the literature.

<i>Study</i>	<i>Informal practices</i>	<i>Formal practices</i>
Sminia (2005)	Discussions	Discussions
Hodgkinson et al. (2006)	-	Strategic workshops
Sturdy et al. (2006)	Lunch meetings, telephone conversations, dinners, breaks, observation, informal workshops	Meetings, workshops
Jarzabkowski & Wilson (2006)	-	Knowledge artifacts
Whittington et al. (2006)	-	Workshops, project management, creation of artefacts
Seidl (2007)	-	SWOT, Portfolio analysis, 5F, TQM, lean management, core competences
Lounsbury & Crumley (2007)	-	Active money management
Hoon (2007)	Informal discussions	Comittees
Melin & Nordqvist (2007)	Family councils	Family councils
Palmer & O’Kane (2007)	Argumentation	Argumentation
Nordqvist & Melin (2008)	Meetings	Meetings, workshops

As is apparent, the practices utilized by actors are numerous, and no clear pattern characterizing or classifying them all exists. The factors based on which this study draws the distinction between formal and informal are the concreteness and the possible official nature of the practice however. The concreteness refers to possible tangible objects utilized within the practice, as well as to the intentionality from the organization’s point of view. For instance a discussion could be somewhat neutral a practice in terms of this division, but a strategic discussion taking place in a strategy workshop or an executive board meeting is a formal practice. Respectively a discussion between colleagues in the company coffee room regarding the new strategic initiatives is an informal practice despite the strategic nature of the topic. Thus the definition for a practice is very abstract, and overlaps are bound to occur.

Further, the classification of practices bears a rather important connotation in terms of this study. Namely, even if the practices are seen as either formal, or informal, this does not necessarily indicate the nature of interaction to be of respective class. In other words, this means that formal practices can sometimes be used within informal interaction, and vice versa. Jarzabkowski (2008) actually touched on this subject by proposing how formal practices often followed more informal interaction, or were intertwined into a simultaneous process.

As the practices between external actors and organizations can be divided into two broad categories, namely formal and informal, the ultimate nature of the activity is still undefined. While some of the strategy-as-practice literature has considered all of the action as one unequivocal mass of practices, this study tries to look beyond the dominant examples of practices such as workshops, and to unveil the real nature of interaction and more importantly, consequences of this interaction, i.e. the outcomes. The following figure highlights the points of interest and analysis in the stream of interaction between the external actors and the organization. It should be noted however that as the interaction is often bidirectional, sometimes even oscillating back and forth between the external actor and the organization in the shape of discourse (Palmer & O’Kane 2007), describing all the episodes included in this is graphically challenging and thus in the figure below this interaction is highly simplified.

This oscillation is also related to the creation and modification of new practices. While the focus here is not to find out how new practices are created, as Seidl (2007) and Jarzabkowski & Wilson (2006) have discussed the matter, they have also touched a factor highly relevant in terms of this study. Seidl (2007: 197) is without question more extreme in his opinion when he notes how “no transfer of strategy concepts across different discourses is possible.” Virtually he argues for the constantly changing nature of the practices by suggesting that even if they might draw from the same theoretical backgrounds, they are always adapted to fit the particular situation. Jarzabkowski & Wilson (2006) agree, as they argue for the dissociation between theory and practice, suggesting that practitioners often use the tools and frameworks without explicit knowledge of their theoretical origin. Thus there is a gap between what organizations think that they do, and what they actually do. Further, these situations, referred to as discourses by Seidl, are illustrated as strategizing

episodes in the figure below. These episodes are cross-sections of time allowing us to examine the practice employed in the stream of interaction.

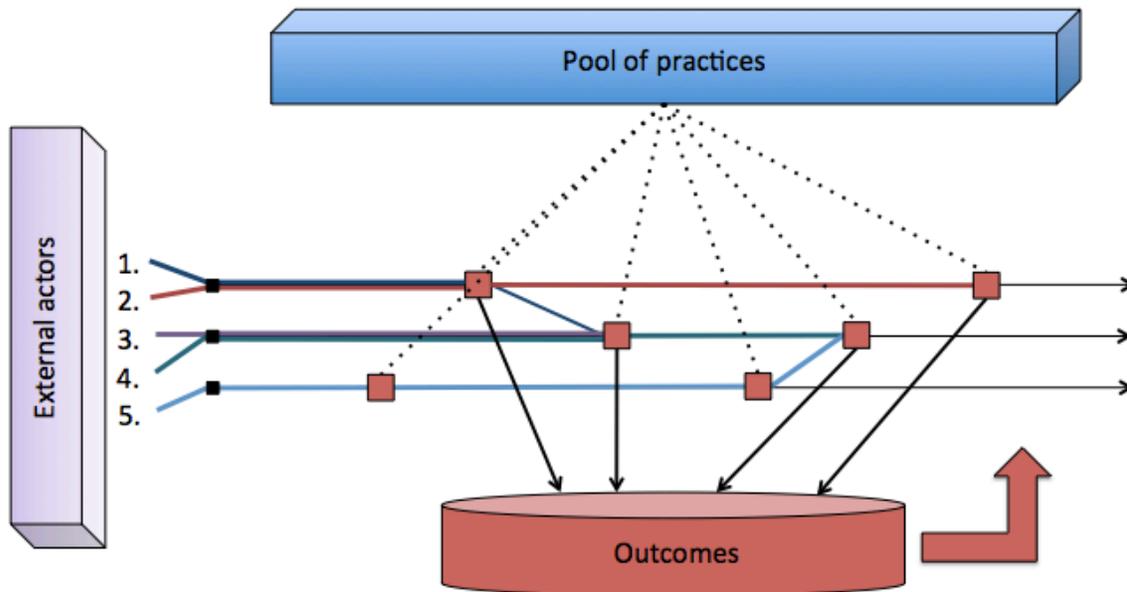


Figure 4: Graphic illustration of the strategizing stream.

In the figure above, the stream of strategizing is illustrated by the three arrows moving from left to right. This organizational activity constituted by the interaction between the pool of external actors and the organization is what creates the “concrete, situated doing of strategy” (Golsorkhi, Rouleau, Seidl & Vaara 2010: 4), i.e. the praxis in this case. It also illustrates how this study sees the praxis as something that is constantly in a flux, thus essentially constituting a continuum. Within is also integrated the context; as the figure illustrates strategizing on a general level, all episodes could be located within different contexts, based on the external actor in question. Thus the context is not depicted, but it still exists within the stream of strategizing. The influence of external actors is illustrated by the colored lines leading from the pool of actors to the episodes of strategizing. Further, one should note how the figure suggests that the actors can move from episode to episode within the praxis, and hence more than one external actor can also be involved within an episode. Furthermore, while the internal actors are not explicitly depicted here, they exist

within the organizational stream of strategizing; hence the red squares within the stream represent the points of interaction where the external and internal actors utilize the practices, illustrated by the box above the strategizing stream. Thus the figure also recognizes the episodic nature of strategizing, as suggested by Seidl (2007).

It should be noted that the nature of practices is not specified here, thus they can be of formal or informal nature. Further, the practices are the building blocks that generate the stream of activity, manifesting themselves as the interaction between the external actors and organizations. This is congruent with Jarzabkowski (2003: 24) who recognized the difference between practices and practice, referring to the latter as the “ongoing stream of strategic activity”, which was created by practices. It should also be noted how these practices are often consequential to each other, and thus they occur as a continuous pattern, and usually no single practice can create what was earlier referred to as the stream of activity. This means that as practices are embedded within the interaction, we cannot examine interaction without recognizing the practices within. Hence, this study aims to distinguish the practices within the interaction in order to be better able to describe how the interaction unfolds between external actors and the organizations in reality.

The outcomes are drawn from the episodes of strategizing, and one should notice how the figure suggests that sometimes the episode of strategizing does not lead to an unambiguous outcome, but to a new episode, which then might, or might not precede an outcome. Moreover, the figure illustrates how the stream of activity does not end into an outcome, but is a continuum which is further altered by the outcomes, for instance as a new business area shaping the organizational direction, and hence leading to new episodes of strategizing.

Based on the above, the transition from the examination of practices to the examination of interaction should be frictionless. As it has been established that practices are embedded within the interaction, the assumption that formal practices connote formal interaction would easily follow. This is not quite the case however, as for instance Jarzabkowski (2008) has argued for what she dubbed as integrative strategizing, where formal procedures are intertwined with direct interaction. This assumption is made in this study as well, with the addition of seeing interaction as essentially direct or indirect. The former refers to interaction which unfolds through formal channels, and the latter respectively through informal. Further, the intentionality of the strategic activity does not make a difference here,

or in other words, in terms of direct and indirect information, the strategizing can be either conscious or unconscious in both classes.

As the practices that the actors draw on have been introduced earlier, and bearing in mind how the aim of this chapter was to build a consistent framework of the interaction between external actors and the organization, the examination is continued by gathering common features regarding the relationship between external actors and the organization as they have been mentioned in the literature. These features exemplify the relationship between external actors and organizations, and are thus useful in the analysis as they are used to build themes that could describe the interaction. The table below presenting the main themes is not by any means exhaustive, as all the examples provided in the literature review are not included. Instead these themes are the most prevalent ones that were formed by combining the examples.

Table 7: Central themes regarding the interaction related to external actors

<i>Theme</i>	
External experts facilitating change	External experts as facilitators of change
Nature of interaction	Informal interaction and emphasis on discussions promote dialectical change
Physical location of actors	Ambiguity in the location of external actors

Regarding the interaction between the group classified as external experts and the organizations, it seems that the practices are mostly based on discussion. Further, the role attached to these external experts was mostly related to justification of the planned initiatives and facilitating the change by assisting the managers. In other words, they were not the ultimate force behind the strategic shift, but more like facilitators ensuring smooth transition and adding their competence to the planning phase. The most frequent formal practice that they employed was strategic workshops, as they appeared often in the literature. Moreover, external experts were used as the source of gathering information for organizational actors (Hoon 2007; Whittington et al. 2006; Sturdy et al. 2006; Seidl 2007)

Another common theme seemed to be the informal nature of the interaction between parties (Hoon 2007; Sturdy et al. 2006). Informality might be a little surprising as one could assume that external actors would communicate through formal channels. Then again this kind of activity often requires a lot of “pulling strings”, which could point at more informal interaction. Informality also leads to the already mentioned factor, namely the perceived dialectical nature of the strategizing process. As discussions have been suggested as one of the major practices of strategizing, it is easy to reason how the two directional interaction leads into a dialectical discussion oscillating from one side to another. This was indeed the case with security analysts and the focal organization according to Palmer and O’Kane (2007).

Another noteworthy factor, and the third theme is the sometimes ambiguous location of the actors, labeled as liminal spaces by Sturdy et al. (2006), which means that the actors that have an effect on the shaping of the strategy can sometimes be difficult to position in relation to the organization. Similar findings were noted by Nordqvist and Melin (2008) who presented the so-called strategic planning champions, describing them as known strangers. This refers to the idea, that strategic planning champions are located close enough to the organization to be well informed about the strategic matters, yet far enough not to pose a threat to anyone’s position within the organization, hence allowing the crucial trust to be formed between parties (Nordqvist & Melin 2008: 329).

Based on these considerations we can take the idea of strategizing further by examining the interaction between actors based on Jarzabkowski’s (2008) notion regarding direct interaction, and by adding the counterpart, indirect interaction. This creates the two by two table presented in the figure below, which introduces four domains of strategizing based on two bipolar dimensions, namely the level of interaction, and formality of practices. The figure below presents some of the examples referred to in this study as they are positioned into these four domains. Noteworthy is that all of the examples could not be positioned into unequivocal classes, thus the classification is suggestive at best.

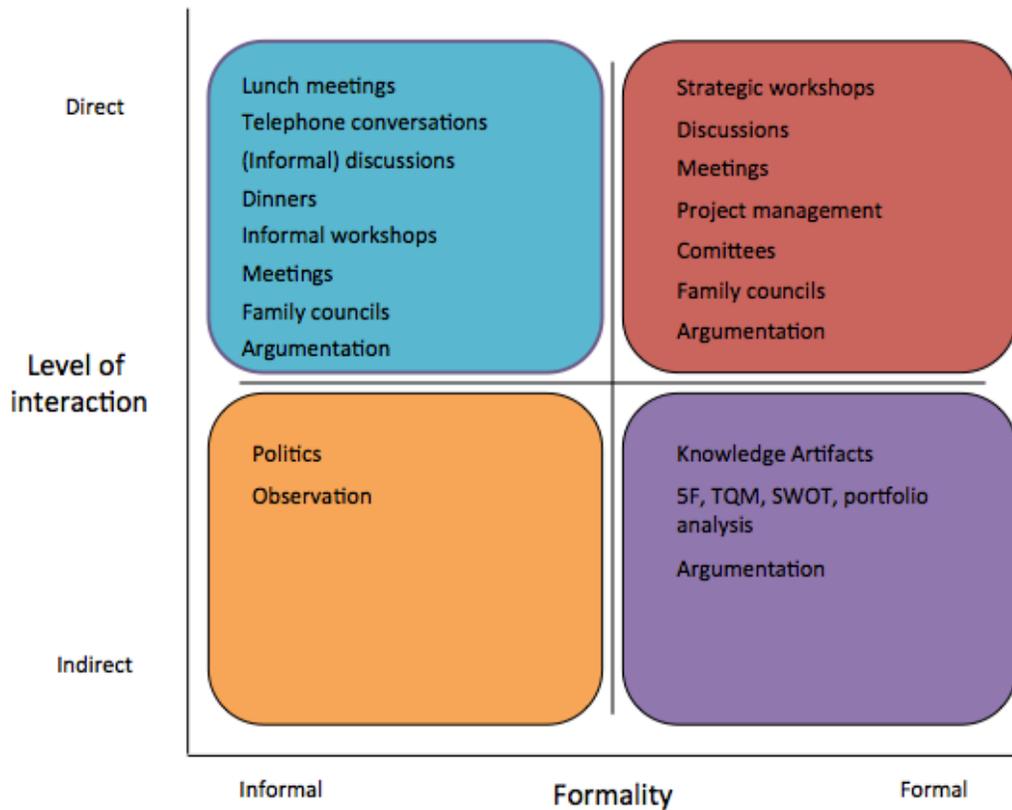


Figure 5: Four domains of strategizing.

The figure above presents four domains of strategizing that can be seen to lead into outcomes in the organizational setting. Noteworthy is that these domains are not unambiguous; strategy-as-practice literature has numerous examples of studies introducing strategizing practices that could fit into more than one domain. Further, as has been mentioned earlier, practices are sometimes simultaneous and occur in sequential patterns, and moreover, are intertwined with the interaction. Hence many studies are located in more than one domain, depending on the examples found within them. These four domains will be further completed with the examples found within the research material of this study, thus contributing to the field by providing more illustrative material regarding strategizing between external actors and organizations.

As has been presented in this chapter, the strategy-as-practice literature regarding external actors is not by any means nonexistent, but still incomplete at best. Due to this some examples and considerations were drawn from outside the strategy-as-practice field, still bearing in mind the focus on micro activity that is prevalent within strategy-as-practice. Examples regarding the actions related to competitors and customers did not exist however, thus they shall be presented in the fourth chapter analyzing the results of the research data as they appeared in the interviews, and further comparing the characteristics of that interaction to the attributes of other groups when applicable.

As this chapter has now illustrated the tentative theoretical framework utilized in this study, the next chapter shall present the methodological underpinnings forming the base of the empirical analysis. This includes the background in philosophy of science as well as the methods of data gathering and analysis.

3.0 METHODOLOGY

This chapter introduces the empirical part of the study. The aim of the chapter is first to introduce the background in philosophy of science that this study is premised on. This includes ontological as well as epistemological considerations. Then inductive approach is introduced and examined in the context related to this study, and after this the wider concept of qualitative research and characteristics of comparative case studies are introduced in the extent that is necessary. Next the data used in the analysis is introduced, along with the methods of its gathering and the attributes of research subjects. Finally the general trustworthiness, i.e. the reliability and validity of the study is assessed.

3.1 Philosophy of science

The linkage between ontology, epistemology and research methodology is rather obvious. This causality continues to unfold even further down to research questions and methods of collecting data, along with ways of interpreting this data (Andersen & Skaates 2004: 470; Burrell & Morgan 1985: 3). In terms of ontology, strategy-as-practice perspective has been seen to cause a shift from traditional considerations due to the nature of practice as a phenomenon, perspective or a philosophy. As this study primarily focuses on seeing practice as a phenomenon, the underlying implication is that what practitioners do in practice is what creates the realm of examination and interest in this kind of a study. This also bears the connotation that there exists a noticeable gap between the everyday reality within the organizations and the attributes of this reality presented in the theoretical literature. Thus the ultimate goal is to link these two differing concepts by providing more in depth information regarding the everyday actions of strategy practitioners. (Orlikowski 2010: 23–24)

Based on above, it is evident that this study adopts ontologically a loosely realistic perspective. As presented above and earlier in this study, strategic practices are seen as the phenomena that exists as an independent reality, created by actors. This is partially in line with Burrell and Morgan (1985: 4), who describe the realism-based ontologies as structures that exist outside one's cognition whether or not we are aware of them. Perspective of this

study is described to be loosely realist however, since as the reality of strategic practices is created by the actors, it does not fulfill the demand of independent existence in the strict nature of realism (Niiniluoto 2002: 124). Neither does it fulfill the demand of strict, or naïve realism that presupposes the reality to be something that could be perfectly understood through scientific methods (Raatikainen 2004: 70–74).

Epistemologically this study follows essentially post-positivism. This includes the assumption that there exists a fairly independent reality of strategizing, which can be analyzed and accessed by examining the research data. Thus the further assumption is that in order to be able to gain knowledge, one has to be able to perceive the phenomena under investigation through concrete experiences. This is in line with Burrell and Morgan (1985: 5), who argued that positivists “seek to explain and predict what happens in the social world by searching for regularities and causal relationships between its constituent elements.” This study does, however, assume that of the created assumptions it would probably be easier to falsify the incorrect ones in order to produce the most accurate knowledge possible, in contrast to the viewpoint of using verification of assumptions to achieve the same goal. Further, while Burrell & Morgan (1985: 5) do not exclude falsificationists from the positivist field, Guba & Lincoln (1994: 110) argue that preferring falsification to verification is a factor distinguishing strict positivists from post-positivists.

As the aim of this study is to describe the strategizing activity as well as possible, this preference to falsification and ambiguous results moves the epistemological standpoint of this study towards post-positivism, as it is also recognized that the observations made are always to some extent personally biased, and that universal truth regarding the matters can not be achieved. Hence the aim is to better describe the processes of strategizing by developing a probably true description of the matters, not to develop a universal truth regarding them.

According to Guba & Lincoln (1994) these considerations are congruent with post-positivism. They define the ontological background of post-positivism to be critical realism however. Defining the ontological background as critical realism also bears the connotation of seeing the reality as something that cannot be perfectly apprehended, which takes us back to the notion presented earlier in this chapter, that describes the ontological background of this study as loosely realistic. Epistemologically post-positivism then again

differs from classical positivism in the aim to falsify the results, rather than verify. This means that the results should always be subjected to wide criticism in order to assess their accuracy. Hence the assumption of only probably correct results is embedded within post-positivism. (Guba & Lincoln 1994: 108–111)

The epistemological standpoint of this study is also congruent with the previous strategy-as-practice research. For instance Johnson et al. (2007: 53) describe post-positivism as one possible option for strategy-as-practice research. The example that they use is the study conducted by Eisenhardt (1989a), which theorizes about decision speed related to various strategic decision making patterns. There are other points of convergence with Eisenhardt's (1989a) study and this one as well. For instance both studies are comparative case studies aiming to produce theoretical suggestions regarding the phenomena under examination. Thus the ontological and epistemological background of this study is proved appropriate in the literature.

3.2 Inductive approach

Inductive reasoning refers to the idea of presenting assumptions based on single pieces information, which could be generalized to explain the phenomenon that is investigated. However, the truthfulness of the conclusion might not automatically follow from the truthfulness of the premises. Hence the approach of this study, while definitely inductive as the aim is to draw generalizations from a constricted amount of examples, does not implicate universally true generalizations. This means that even if the aim, as is congruent with inductive approaches, is to generate theory based on the data (Atkinson & Delamont 2005; Dubois & Gadde 2002), these theoretical considerations are more aimed at further improving then current base of research, than to reinvent it.

This has been referred to in the management literature as theory elaboration by Bluhm, Harman, Lee & Mitchell (2010: 9), who suggest that in relation to other types of research, “the study being driven by pre-existing conceptual ideas or a preliminary model is theory elaboration”. Further, induction is seen as a proper in the context of this study, as the research questions, asking *how* the strategizing unfolds, indicate descriptive answers. Thus the logical way of achieving this is to induce theory from the data, instead of trying to force

previous findings to match the ones produced in this study, especially as the nature of the phenomenon is highly context related.

3.3 Qualitative research

This study uses qualitative methods in the analysis of the data gathered for this study. More accurately, this is a comparative case study utilizing content analysis as a methodological tool. Qualitative research as a research method in strategy-as-practice research is widely recognized as appropriate (Johnson et al. 2007: 52). There are many reasons for this, but as the nature of the subject is highly ambiguous and the general aim is to actually examine the interaction between actors, descriptive methods are often more efficient in capturing the essence of a phenomena such as this. This is further illustrated by Bluhm et al. (2010: 5) who highlight the ability of qualitative research to uncover “deeper processes in individuals, teams, and organizations, and understanding how those processes unfold over time”. This further justifies the qualitative perspective adopted for this study.

The attributes of comparative case studies will be introduced first, as they are not exactly a methodological choice, but more a choice of what will be studied (Stake 2005: 443). It is commonly known that one could conduct a multiple-case study using quantitative methods as well. Then, as content analysis is the factual method of analysis, its characteristics will be examined after those of comparative case studies’.

3.3.1 Comparative case study

As the aim of this study is to generate answers for two particular questions, (i) How do external actors influence the shaping of strategy in organizations and (ii) What are the activities that are consequential to this activity, the setting of research questions implies the usefulness of a multiple-case study. This has been suggested for instance by Yin (2003), who claimed that multiple cases would add to the robustness of the study. As here the aim is to find out *how* a phenomenon unfolds, the obvious implication is that by looking at more than one cases, we are able to better describe the nature of strategizing. Moreover, according to Yin, multiple cases are bound to exist in a differing context, which further contributes to deeper understanding of the phenomena. On the other hand, this has

implications on the generalizability of the results, and thus the results are “generalizable to theoretical propositions and not to populations or universes” (Yin 2003: 10). Hence, as mentioned before, the results seek to improve and to further complete the current theoretical base; not to unequivocally define how strategizing between organizations and external actors always occurs.

Respectively, while multiple cases might partially obscure the examination of a particular case in the deepest possible level, the benefit to be gained is the possibility of comparing results of different cases, and further, to produce more descriptive results of the interaction between organizations and external actors to contribute to the field of research. This is also exemplified by Stake (2005) who proposes that comparing case studies might produce less reliable information in terms of measured differences between studies, but then again it can provide valuable and reliable knowledge when illustrating how a phenomenon occurs (Stake 2005: 458–459). Thus using multiple cases in this study does not implicate comparing them with each other in terms of reciprocal superiority, but with the aim of finding common factors and characteristics that could lead into generalizations and further, to deeper understanding of strategizing between organizations and external actors.

Previous literature plays an important role in the analysis of the data. The classification and data reduction are grounded in the previous literature since as Miles & Huberman (1984) suggest, having a framework to support the analysis is of utmost importance, as otherwise the researcher faces the pitfall of data overload and inability to compare cases with each other (Miles & Huberman 1984: 28). The process of analysis is presented in the figure 6., which explains how this study aims to answer the research questions presented above. Below the figure is also explained how the relevant literature is utilized in the analysis, in order to avoid the pitfall discussed above.

3.3.2 Sampling

Research data consists of seven unstructured interviews. In addition to these seven interviews, one interview had to be discarded due to the poor audio quality of the recording, which did not allow transcribing the interview. Average length of the interviews was roughly one hour, which provided approximately seven hours of research material, and after transcription the amount of material to be analyzed was roughly 150 pages. All

companies and persons wished to remain anonymous, thus their names will not be published, and all references will be made to Companies A, B C, and so forth, and corresponding research subjects within them. The next sub-chapter introduces the methods of sampling along with the basic characteristics of the case companies. More thorough case organization descriptions are provided in the appendix 1.

Research companies were chosen to match the profile of small Finnish technology companies, and of the interviewees all but one were CEO's of their companies. This one exception was a newly appointed development manager, who participated in the interview along with his CEO. Technology industry was chosen due to the partial relatedness of this study to a wider strategy-as-practice research program. All the companies were small in personnel size, but due to the different areas of operation, the range of revenues within the research companies varied greatly. Furthermore, most of them were relatively young in age, while some had been operating longer. These choices are also in line with Eisenhardt (1989b) who suggests that controlling the areas of operation within the research organizations is important in order to control the environmental variance, and to be able to generalize the results into a wider context. According to her, this must not be taken to extreme however, since it is desirable to have examples of different areas of interest, as long as they can be reasonably observed. Thus this study comprises examples of various manufacturing organizations, as well as ICT- and Internet technology, and even one consultant company. The amount of case organizations is also proper according to Eisenhardt (1989b), who claimed that researching four to ten cases should be an adequate number when conducting qualitative research as a comparative case study (Eisenhardt 1989b). The amount of cases is also in line with what Yin (2003) suggested regarding the *theoretical replication*, as he argued that researching six to ten cases implies the study to yield "contrasting results for predictable reasons" (Yin 2003: 47). Thus theoretical replication refers to the aim to improve the theoretical considerations, instead of strict empirical generalizations. This has further implications on the scope of analysis, as analyzing several cases usually implies a broader scope and an aim to produce structured conclusions, compared to more in-depth analysis of one particular case (Johnson et al. 2007: 56).

Emphasis on smaller actors is well grounded for several reasons. First of all, as many studies have concerned bigger organizations, with several levels of hierarchy (e.g. Sturdy et

al. 2006; Palmer & O’Kane 2007; Hoon 2007), this study aimed to contribute to the field by explaining the interaction between external actors and small companies. This aim derives from the wish to have interviewees who are involved in the everyday actions of the organization on all levels. Undoubtedly, as the amount of bureaucracy grows along with the organizational size, it also jeopardizes the possibility of capturing the messy and ambiguous details of strategizing through interviewing CEO’s. This is also related to the resources available; it was well beyond the scope of this study to conduct several interviews within one company. Further, the aim of expanding the pool of external actors from the traditional consultants and business schools to cover actors such as customers and competitors was a reason for favoring smaller companies, as information regarding this kind of interaction is probably more readily available when the interviewees are closer to the everyday activity.

3.3.3 Interviews

The interviews are introduced briefly here, and the themes are more thoroughly introduced in the interview guide in appendix 2. In the beginning, interviews were planned to adapt narrative-based research methodologies. Despite the original intention, this study does not follow the guidelines of narrative research in the strict sense of the concept however. In order to ensure adequate amount of information, more direct questions had to be employed when conducting the interviews. Anyhow, the interviews did include several elements of narrative research as they were conducted in the spirit of narrator and listener (Chase 2005: 660). Furthermore, collecting narrative-based research material was seen to help ensure the minimal interviewer interference, thus contributing for the aim to allow the interviewees to provide their own views regarding the strategic actions of their companies.

The interviews all followed a pattern where the interviewer first inquired the interviewee about the history of the company. Following questions regarded the company’s products and the market position, interaction with various actors such as competitors and partners, and various activities that the organization has engaged over the time. During the interview the aim was to allow the interviewee to tell the story of the company without the interviewer interfering, unless it was necessary to present more accurate questions in order to receive satisfactory answers. This study also employed a method of presenting the research subject a list of various actors in the end of the interview, and then asking him or her to describe the role that is attached to the actions of this particular aggregate actor. This

method was implemented only once however, as it was experimental in the first place and moreover, because it was not perceived to produce mentionable benefits.

Further, the interviewees were not told about the accurate topic and nature of the study before the interview in order to avoid receiving biased answers. They all were informed about the general relatedness to management field however. The interviews were all recorded and transcribed, allowing the researcher to examine the material thoroughly in the analysis phase.

3.3.4 Content analysis

Content analysis, or informal text analysis, as an analytical tool provides the researcher with a decent amount of freedom in terms of conducting the analysis. In this study the term content analysis is mostly related to the classification and arrangement of the data in a manner that allows the researcher to find the desired links and interpret the patterns of interaction, as well as the practices that were used in this interaction. Thus in the context of this study, content analysis is a rather wide term describing the actions of the researcher in analyzing the research material.

On the other hand, the freedom offered by content analysis could also be seen as a threat, as it surely endangers the scientific rigor of the analysis. Hence it is of utmost importance that the researcher makes sure that he does not produce what was referred to as a case study teaching by Yin (2003), where the pinpointing of interesting factors can be done by emphasizing them by presenting them as more important than what they were in reality. Naturally the objectivity is important in research, and thus the analysis has to present the facts as they appeared in the data, and find other ways of emphasizing them.

This approach is illustrated by Peräkylä (2005), who described the informal text analysis as follows: “By reading and rereading their empirical materials, they try to pin down their key themes and, thereby, to draw a picture of the presuppositions and meanings that constitute the cultural world of which the textual material is a specimen.” (Peräkylä 2005: 870) This illustrates the approach used in this study remarkably well, as the cultural world can undoubtedly also stand for interviewee’s personal realm of conceptions. Further, the following figure illustrates the process of analysis in this particular study. The research

material is presented by the boxes labeled as cases on the left hand side, and the arrows illustrate the analysis of the interaction.

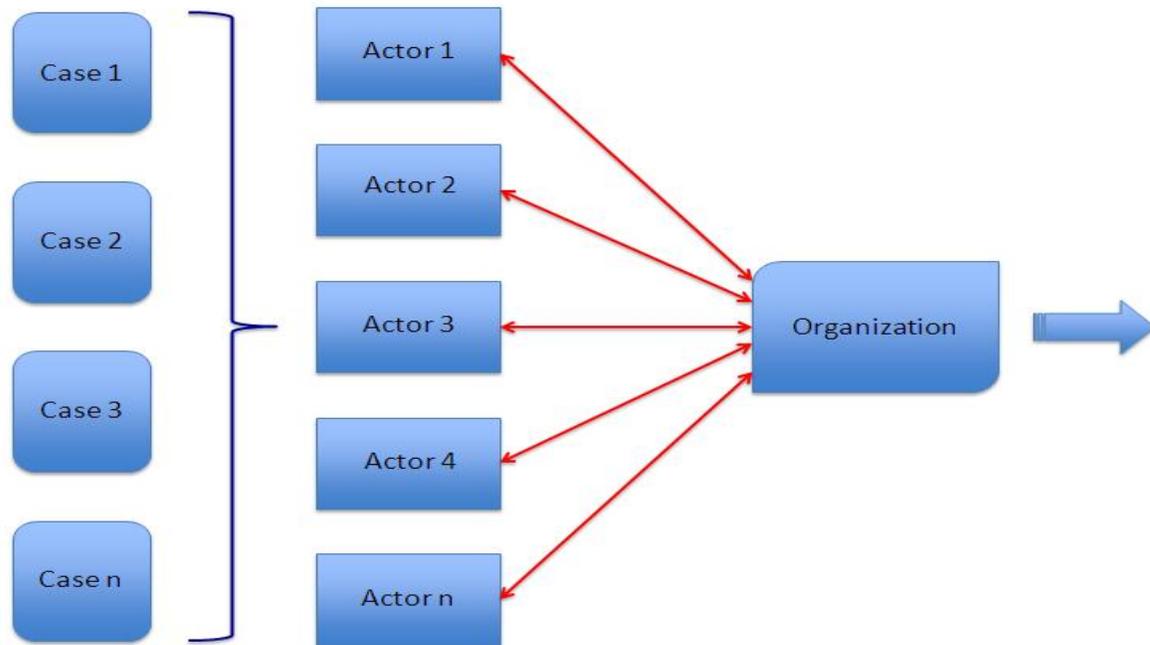


Figure 6: Illustration of the analysis as a sketch.

As the figure above illustrates, the research material is first analyzed using content analysis, aiming to find external actors from each case that could be classified into groups that have occurred previously in the literature. The blue bracket in the figure illustrates this phase. Then the interaction represented by red two-directional arrows between these groups of actors and an organization is examined, with the purpose of explaining how the actual interaction unfolds over time, and which actors are involved in it. The aim is also to find concrete examples of practices that the actors have utilized. This is done by using the examples provided by the research subjects regarding the nature of interaction between their organization and the actor, and then adding those examples to the description of the interaction on a more general level. The third step is to examine what was the outcome of such interaction, once again linking this to the previous literature and the possible outcomes

presented earlier. The bigger blue arrow on the right hand side of the figure represents this step.

Finally, these considerations are compared with the literature to contribute either to the discussion regarding various external actors that influence the organizations in terms of their strategic choices, and the nature of this interaction along with practices applicable to this interaction, or the potential outcomes that are consequential to this interaction. Thus, in line with the post-positivist standpoint discussed earlier, this study also recognizes the imperfection of the current literature and pursues to further enhance it.

3.3.5 Trustworthiness

The factors related to trustworthiness are highly ambiguous when assessing qualitative research. The classical measures of validity and reliability are not measured as easily as they are in the case of quantitative research. Furthermore, one could argue that there are more relevant measures of quality in qualitative analysis. This is presented by Amis & Silk (2008), who argue that the quality should be measured through the epistemological and ontological bases of the study, since these differing background assumptions create rather diversified definitions for quality. Bluhm et al. (2010) recognize the same dilemma and argue that this might be because the logical positivist perspective is embedded so deeply into the research community, that it is causing the qualitative research to be evaluated through improper measures, as it differentiates strongly from quantitative research (Bluhm et al. 2010). Furthermore, Amis & Silk (2008) have come to the same conclusion as they also emphasize the challenges posed by the prevalent positivistic paradigm.

This might very well be the truth, as some characteristics of the qualitative research might indeed render traditional measurements of reliability and validity fairly useless. This is especially related to studies employing interpretative methods that include gathering data from unique situations and other unrepeatable sources, because such methods often imply deeply descriptive agenda, not aimed at producing verifiable information.

As this study employs rather unique data sources, but aims to produce suggestions for the theoretical literature, the results are probably at least a little easier to evaluate than what is presented above. For instance, trustworthiness of this study based on the measures of Amis

& Silk (2008) and Bluhm et al. (2010) should be on an adequate level. There are other considerations of research quality too though, and the more traditional concepts of reliability and validity should not be overlooked either. Validity refers to the ability of the study to measure what it has been intended to measure. In a way this could be interpreted as the mutual fit between the methodology and research questions, i.e. how well the methods chosen fit the setting of research questions. In this sense, the answers provided by this study should be fairly trustworthy, as qualitative methods have been long recognized as a proper method for strategy-as-practice research (Eisenhardt 1989b; Johnson et al. 2007). Reliability then again refers to the repeatability of the study; i.e. it measures how well random factors were excluded from the analysis. These considerations are more or less futile as the research data is already personally biased on account of research subjects. Thus the aim in the first place is not to produce unequivocally generalizable knowledge.

Potential pitfalls that this study faces are related to the data sources within the organization, conduction of the interviews that differed from the original intention, and the limited interpretative skills of the researcher. As the importance of multiple data sources is highlighted by Johnson et al. (2007) for instance, this study did not have the resources to conduct several interviews within one company. Further, they also emphasize the importance of systematical sampling, which is another deficit within this study. While the sampling was most definitely not random, more attention should have been paid on the characteristics of research companies. This weakness was partially caused by the difficulties of finding enough research companies in the first place, but nonetheless, bearing in mind the importance of this matter as suggested by Johnson et al. (2007) it should be mentioned.

As mentioned above, the original research plan included the employment of narrative methods in the data gathering and analysis. As it was necessary to employ more direct means of interaction when conducting the interviews, the research focus changed towards more straightforward comparative case analysis. While this does not necessarily have implications on the trustworthiness of the study, this change is surely worth mentioning. This is further indicated by Eisenhardt (1989b) & Johnson et al. (2007) who all suggest that while it is important to have a research plan constructed when entering the field, these plans tend to change during the course of doing research.

As this chapter illustrates, the methodological and ontological attributes of this study were indeed planned before, and during the analysis and data collection. On a general level, this study follows sufficiently not only the guidelines presented in the general management research literature, but also those presented in the strategy-as-practice literature.

4.0 FINDINGS

As was illustrated in the previous chapter, this study utilizes research material that consists of seven in-depth interviews. The aim is to first find the external actors that influenced the strategizing activities of the research organizations, and then to further analyze the interaction between these actor groups and the organization. This chapter presents and analyzes the research material, comparing the results to the theoretical considerations presented in the literature review in the second chapter.

4.1 External actors

The external actors that were found from the interviews were somewhat expected. The main themes comprise the importance of competitors and partners as external instances influencing the organizational activities, and respectively the relative scarcity of actors representing public education. Thus this chapter introduces four groups of actors; (i) *External experts*, comprising the external experts and the public education actors introduced in the second chapter, (ii) *Partners*, as were previously introduced, (iii) *Competitive industrial colleagues*, representing the actors that were positioned in rivals in the second chapter, and finally, (iv) *Institutional actors*, representing the corresponding group introduced in the second chapter. The findings of this study are now presented by placing all actors into these categories, and by then further analyzing the interaction between organizations and these groups of actors. The nature of this chapter is mostly declaratory as the actors are only recognized and introduced here, and the actual analysis of the interaction is presented in the following chapters.

4.1.1 External experts

Various external experts were a widely recognized group of actors among the research companies. It is noteworthy however, that these experts comprise a surprisingly vast base of actors. Furthermore, as this study has thus far defined strategizing as “the actions aimed to change the strategic direction of the organization”, and bearing in mind the strategy-as-practice’s attempt to delve deep into the reality of strategizing and the delicate interactions included, the influence of more trivial external experts is of vital interest too. Hence in

addition to intentionally hired management consultants dealing directly with strategic matters, the external experts utilized by the case companies comprised for instance lawyers, interpreters with expertise regarding a specific target country's cultural environment, various business course instructors, governmental business start-up advisers, and even various "trusted men" providing informal help for the CEO's, and a business guru whose idea was employed by one case company. Thus the definition for an external expert recognized by this study presents them as external actors that provide help or produce expertise for the company to utilize in the definition of their strategic direction or the implementation of strategizing activities. A distinguishing factor is that the product of exchange is intangible. Moreover, these actors can be intentionally hired to aid the company, or alternatively their expertise might be acquired free of charge due to personal relationships or in the case of gurus and business schools, the generality of their ideas. A more exhaustive table of these actors is presented below, as they appeared in the research material.

Table 8: Summary of external experts as they appeared in the interviews.

<i>Case company</i>	<i>External experts</i>
Company A	Trusted men providing feedback and alternative options to the CEO, lawyers, accountants
Company B	Acquaintances from various industries providing information, a consultant company planning internationalization, course lecturers, a formal IT consultant whose role ultimately evolved into partnership, trusted men who comprise the company's informal management group and who are used as a sounding board
Company C	Governmental business start-up consultant, apprentice course instructors
Company D	An interpreter with cultural knowledge assisting in an internationalization project, various Finnish acquaintances living in the target country and providing informal information and help, Finnish commercial agency/governmental consultancy abroad, lawyers in Finland and abroad, previous owner as a trusted man
Company E	An internationalization consultant
Company F	Accountants, business consults (Interviewee was a business consultant, thus his views are mostly used in reflecting the other interviewees' views regarding consulting)
Company G	A governmental instance controlling quality certificates, a well-known business guru's interview, a consultant conducting governmental project for Finnish SME's strategy development, Finnish commercial agencies/governmental consultancies abroad, target country consultants helping establish exporting networks abroad

To begin with this most obvious subgroup, management consultants in the strict sense of the concept, as intentionally hired, were employed less than what one might think. The overall attitude towards these consultants seemed to be slightly negative as well. There were companies who had employed consultant's help and were satisfied with what they received, but opposite examples existed respectively. Curiously various informal actors providing counseling, and acquaintances emerged as an important subgroup, as they were reported rather frequently by the interviewees. Strategy-as-practice literature has not examined their influence thoroughly so far, and thus this should be an excellent opportunity for this study to contribute to the field.

4.1.2 Partners

Examples of actors that could be classified into partners consist of a substantially narrower group of actors than the external experts presented earlier, but on the other hand are more ambiguous in terms of classification. These were mostly related to customers or other actors that the organization was in a cooperative relationship with. Amongst the organizations with international activities one major group was definitely retailers, or overseas distributors. While the table below summarizes the actors mostly as aggregates, some examples of specific actors are also presented if they were described as such in the interviews. These actors are then discussed briefly below the table.

Table 9: Summary of partners as they appeared in the interviews.

<i>Case company</i>	<i>Partners</i>
Company A	Direct customers, a group of similar actors that the company joined in order to achieve growth, suppliers
Company B	Acquaintances from personal life and their companies, customers, a company that the sales operations have been outsourced to, collaboration with a marketing company, an IT consultant whose relationship ultimately evolved into partnership, a business angel
Company C	Main customer under the employment of previous employer, customers, exploiting new business areas with acquaintances from personal life, subcontractors
Company D	Customers, collaboration project with an indirect competitor, subcontractors, suppliers, one of the major customers moving activities abroad and causing the case organization to establish operations in there as well, other Finnish companies providing access to networks in that country
Company E	Foreign representatives, direct customers, collaboration project with a similar company, subcontractors
Company F	-
Company G	Direct customers, retailers, foreign representatives, subcontractors, industry colleagues

As the table above illustrates, the base of actors that could be regarded as partners is indeed noticeably narrower than what of experts'. Relevant is that most of the actors in this group are customers of some level, either direct customers buying products or services, or then retailers or representatives who further distribute these products. All of these actors are certainly not included in the analysis, but instead the most feasible ones from the perspective of strategy-as-practice are picked for further investigation. This means that the analysis emphasizes examples that produced relevant strategic changes as their outcomes.

4.1.3 Competitive industry colleagues

Industry colleagues refer to competitors on a general level. This group was labeled competitive industry colleagues instead of competitors, or rivals as in the tentative theoretical framework, because many interviewees emphasized the ambiguity of the competitive field; several organizations might compete loosely on same markets but still, due to small differences in the business logic and product range they might not be directly competing with each other, and what is even more curious; they might instead be cooperating with each other on some level. This is by no means a new discovery as it has been discussed also in the general management literature by Hamel & Prahalad (1996) for instance, who argued for the reinvention of competitive spaces. The following table illustrates the actors included in this group from strategy-as-practice's point-of-view, thus actors are mentioned only if the interviewees reported some sort kind of an interaction-based relationship to exist.

Table 10: Summary of competitive industry colleagues as they appeared in the interviews.

<i>Case company</i>	<i>Competitive industry colleagues</i>
Company A	-
Company B	Acquaintances, competitors
Company C	-
Company D	Competitors, collaboration project with an indirect competitor, acquaintances
Company E	Direct and indirect competitors, collaboration project with a similar company, occasional collaboration with indirect competitors
Company F	-
Company G	Indirect competitors, acquaintances

As is evident according to the table, the pool of actors constituting the group competitive industry colleagues is even more limited than previous ones. Majority of the examples are indeed competitors, but due to the few feasible examples drawn from the interviews, altering the name of this group was undeniably justified. Moreover, while classifying actors into external experts is relatively easy, differentiating competitive industry colleagues from partners was not that simple. This is mainly because as mentioned in numerous interviews, the fields that the actors compete in are remarkably shattered, and as the same companies might be simultaneously competing and collaborating with each other depending on the perspective that the situation is analyzed from; they could easily fit in both categories. The most important factor is the analysis of the interaction however, and the few perhaps questionable labels attached to some actors should not compromise the rigor of this analysis.

4.1.4 Institutional actors

The fourth group drawn from the research material is labeled as institutional actors. This group consists mainly of actors that hold some sort of an authoritative position in relation to companies competing in the markets. This position does not have to be based on legal matters, while that certainly is the matter in most cases. Another distinguishing characteristic is that these actors usually are, as their name indicates, institutional actors.

This means that they are rather often, at least partially government funded, and that they by no means are not individual actors without an established status as an actor either governing, educating or funding business operations and the activities included in these.

Table 11: Summary of institutional actors as they appeared in the interviews.

<i>Case company</i>	<i>Authority</i>
Company A	Legislation
Company B	Governmental funding agency, governmental development center
Company C	Private funding agency, private institutional development agency, legislation
Company D	Foreign government officials, legislators
Company E	Governmental funding agency, university, industrial safety legislation
Company F	-
Company G	Governmental research center, governmental development center, domestic industrial federation, governmental funding agency

These examples are definitely not unambiguous once again. This time these institutional actors overlap considerably with external experts. This is because interestingly, many SME's that were interview had participated in various development-, or start-up projects organized by institutional actors providing both, expertise and funding. Thus this role dualism places these actors in both categories. Once again this is taken into consideration in the analysis phase, and the interaction will be analyzed from the point-of-view that best fits the situation.

The following figure concludes this section that has thus far introduced the various external actors that were mentioned in the interviews. In the figure the actors presented above all positioned into classes, once more highlighting the differences between classes, and thus providing an example for further analysis.



Figure 7: Summary of external actors as they appeared in the interviews.

While this introduction was illustrative at best, and did not thus contain any analysis regarding the roles and influences of these external actors, the next subchapter shall dig deeper into the matter and present some explicit examples of the interaction between case organizations and these four groups of actors. This analysis is begun by illustrating the interaction between external experts and the organizations, and then moving further on to other actor groups as well. The following section tries to combine empirical evidence drawn from the interviews with theoretical examples presented in the literature review in chapter 2.

4.2 External experts

The interaction between different groups of external actors and the focal organization under the investigation varies greatly. This variation is not only related to the different characteristics of focal organizations, but also to the general characteristics of the group of external actors. The following section presents examples of this interaction between external experts and the organization, and tries to find common explanatory factors amongst these examples. In the spirit of strategy-as-practice, the analysis is concerned in finding in-depth explanations for the phenomena of strategizing, instead of generating definite generalizations. Thus these examples are highly case-specific.

4.2.1 Formal actors

As illustrated in the previous subchapter, the group of external experts comprises a vast base of actors, some more surprising than others. From the point-of-view of this study, relevant is however that these are defined as actors providing help or expertise for the companies to utilize in their strategizing activities.

The analysis begins from the formal side however, as the first step shall be presenting the formal, well focused external experts who do not have a direct influence on the formation of strategic actions, but provide valuable expertise for strategizing nonetheless. This obviously refers to *accountants* and *lawyers* for instance, who provide support for the organizations. This interaction is often easily ignored as trivial and self-evident, but it seems that there are indeed some points of interest that require further investigation. For instance the interviewee from company B illustrated how their company uses the accountant as a constant source of information, indicating also informal ties to this person, and further, highly informal interaction between parties. This is curious however, as accountants' influence emerged in another example as well, as the interviewee from company F emphasized their uselessness in the strategizing, backing his arguments with the obsolescence of the information produced by accountants.

While the profitability of accountants as a source of information might not be relevant from the point of view of this study, these differing standpoints do provide a feasible starting point for analysis of the interaction and practices involved between organizations and

accountants. One could argue that as the second interviewee arguing that the information produced by accountants is outdated, assumed a more formal relationship to the accountant, while the first one obviously has a more informal relationship with theirs. Thus the informality might be the key to profitability, as an informal relationship would indicate more analytical information as well. The same applies to lawyers, as some interviewees described them as a necessity, employed when needed, and some as a useful resource. Unsurprisingly, seeing their role more beneficial was related to having an informal relationship, based on personal life with them.

One example of an actor that did not really involve interaction in the traditional sense of the word, but did have a remarkable impact on the strategic course of the organization nevertheless is the influence of a business guru, in other words, the former CEO and the builder of one of the most famous Finnish business dynasties, had in the operations of case organization G:

“Back in the days, this service thing of ours took off as I read this Herlin’s interview from Kauppalehti, and what really struck a chord with me was how he denoted that they did not live on selling elevators, but on maintenance and service operations. And then, in 1989 we established this, or invested in, service operations and that by all means was a good strategic decision.” –CEO, Company G

This extract is curious, as essentially it includes the influence of *business gurus*, as well as the *media* as external actors influencing the strategizing activity. Further, these are both mentioned in the strategy-as-practice literature (Whittington et al. 2003; Jarzabkowski & Spee 2009). Moreover, it was the only example of either kind that could be found from the interviews, which makes it even more valuable in terms of this study’s contribution. Obviously this is consistent with Jarzabkowski & Wilson (2006) and Mazza & Alvarez (2000), who discussed the dissemination of management practices through business media. Moreover, as has been suggested by Seidl (2007) and Jarzabkowski & Wilson (2006), here the organizational actor indeed internalized the information diffused through the media, and adapted it to fit the particular needs of his organization. Finally, there is an explicit organization level (Jarzabkowski & Spee 2009) outcome embedded as well, i.e. the establishing of service operations.

These examples provided a starting point to the influence of external experts. While they were examined rather briefly, they did, except for the last example, introduce probably the

most dominant theme regarding the interaction between external experts and organizations, which is the informality of the interaction. Informality was continuously brought up by the interviewees, also in relation to other formal actors.

Formal actors would also include various types of *consultants*, a point that was already touched on briefly in the previous section. As reported earlier, surprisingly many organizations had participated in different development-, or start-up programs that involved an advisor or a consultant producing help for the organizations. This is probably a characteristic of smaller organizations, as bigger organizations would not in all likelihood be flexible enough for this kind of strategizing due to their many management levels. Be that as it may, these projects were frequently brought up in the interviews, and they shall be examined next.

The characteristics of the interaction between a consultant and the organization are presented in the table below as they were presented in the interviews. The table aims to differentiate formal practices from informal, but one should bear in mind that these classifications are suggestive at best, as the practices often might have attributes from both classes.

Table 12: Illustration of formal and informal consulting practices.

<i>Case company & the external expert</i>	<i>Informal practices</i>	<i>Formal practices</i>
Company B – Internationalization consultant	Discussions	Discussions
Company C – Business start-up consultant	Discussions, encouragement, contradictions, questions	Excel spreadsheets, discussions, analysis, formal business plan, entrepreneur course, budgeting
Company F – Is a management consultant	Discussions, contradictions, creating a shared world of ideas, building trust amongst the participants, systematize the whole process, questions	Discussions, creating business plans by writing down notes on premade forms, analysis tools; SWOT, PESTEL, drawing pictures
Company G – Strategy development consultant	Discussions, questions, contradictions,	Premade forms, discussions, analysis, internet-based data gathering

The table presented above illustrates the practices utilized by consultants in the strategizing process with organizations. Only case companies that had provided enough information regarding the subject are included in the table, and the case company F represents the management consultant, whose opinions are also included in the table. By looking at the table it becomes evident that there is one prevailing practice above all others. Discussions are the leading mean of strategizing when it comes to interaction between consultants and organizations. This is illustrated by the following quote regarding the execution of a strategy meeting with a customer, provided by the management consultant, i.e. interviewee from company F.

“We have these outlines, for instance made for strategy, about how to, and what you should include in there, and I’ve used them too, but in spite of all it is based on the interaction and the discussion, and to the ability to make people draw the conclusions themselves and to implement it. You need to ask the right questions.” –Interviewee, Company F

Other interviewees emphasized how the actual consulting unfolded as *discussions* as well. For instance the strategic development project that the company G participated in included eight sessions altogether, and the participants varied depending on the subject under discussion. Discussions as a strategic practice are certainly a wide topic, and their characteristics shall be examined next. Further, it is noteworthy how the discussions are presented as both, informal and formal practices in the table. This is because the nature of discussions is what defines their role, as for instance the discussions between company B and the internationalization consultant are regarded as formal, while the informal discussions refer to the discussions that occurred outside the actual consulting context. The management consultant emphasized also questions as a major informal practice when conducting consultancy. He explicitly stated how his aim is to contradict the predominant paradigm in the companies, hence making the organizational members think for themselves and seek for new answers to the questions. Further he argued that SME's often have a tendency to make strategizing too complicated.

The characteristics of discussions has been discussed in the literature especially by Sturdy et al. (2006); Palmer & O'Kane (2007); Hoon (2007); Seidl (2007), who more or less all recognize the informality that often underpins these discussions. From this part the literature is consistent with the results of this study, and moreover, as was illustrated in the tentative theoretical framework, the concept of dialectical change, as presented by Garud & Van De Ven (2002) seems to be relevant as well. This was illustrated in the study for example by the practice of *questions*, which were recognized by various interviewees. Thus their importance as a part of the discussions should not be underestimated. The interviewee from company G illustrated the linkage to dialectical change by arguing that the importance of questions as a practice draws from their tendency to contradict the conception that the organization has, and thus they steer the *conversation* towards new solutions:

“And then he presents the questions, in addition to those in the questionnaire form, new questions, and kind of impugns our opinion. And then he brings, for instance if we have an idea, he very quickly improves it with additional questions or points.” –Development Manager, Company G

While these might be regarded as simple practices either employed or not by the consultant, the wider linkage to dialectical change process where the consensus, or the synthesis is

reached through the confrontation between thesis and antithesis is apparent. This is more specifically related to the strategy-as-practice literature as oscillation between parties, which has been discussed by Seidl (2007) and Palmer & O’Kane (2007) for instance.

According to the interviews, the personality and personal competence of the consultant has also a major influence on the consultancy process and on the influence the consultant has to the direction of the company. For instance, the interviewee from case company C had received guidance from a regional enterprise agency, whose consultant took a great interest in the start-up phase of the company. This relationship embodied in one actor within the agency, who helped the owner to analyze the preconditions for starting up a company. The interviewee spoke highly of this consultant and his contribution as the following quote illustrates:

“He was a highly qualified person, and had participated in numerous projects in the financing sector. So he kind of knew the foundations of financing, and I got numerous tips and also some concrete things, for instance he had these pre-made forms that you could use to estimate the yearly budgets, so you could do things like this already beforehand.” –CEO, Company C

Similar examples were presented by other interviewees as well, for instance the case organization G was during the interviews currently taking part in a development project organized by the industry federation. They had received consultancy as a part of that project as well, and were also highly satisfied with the role of the person involved. This is also emphasized by the interviewee from the company F, who stresses the importance of creating a shared world of ideas and the mutual fit of personalities in order to ensure the felicity of the process.

In addition to the semi-governmental actor providing the consultancy, another common factor was that neither of the companies paid for the service they received. This probably influenced the perceived satisfaction positively, but partially this is still related to the warning of Whittington et al. (2003), that the managers and other strategy practitioners should not be too gullible when it comes to external experts providing guidance. Even if the instances introduced in this study would probably not be malicious in terms of strategizing, one could argue that should the consultant not live up to the expectations that the organizational practitioner has of his competence, blind trust to this assumed competence of the consultant could easily be the end of a start-up company.

This was probably reflected when many interviewees emphasized how the organization is supposed to come up with the strategic direction, and the consultant's role is merely to facilitate this process and open and lead the discussion between organizational members. Thus this is an explicit illustration of recognition of the responsibility, which undoubtedly lies within the organization. Further, this is consistent with the literature, as Seidl (2007) for instance argued that the customer is the one who's responsible for the definition of the new strategic direction, not the consultant.

The practices employed by the external experts were curiously similar as is illustrated by the examples presented above. This indicates that the practices employed in a strategizing process featuring a consultant might indeed be universal up to some point, as in most cases the relationship unfolded through discussions and even the contents of these discussions were often similar across cases.

This is partially contradicted by Seidl (2007) however, who argued that transferring particular strategy concepts across different episodes, or what he called as discourses, is essentially impossible. His alleviation was however, that as the concepts draw from same strategy labels, the ideas could be disseminated through productive misunderstandings, which would eventually lead into practice adaptation. This took his standpoint rather close to Jarzabkowski & Wilson (2006) and their idea of practice adaptation and the customization of these practices.

Thus this study suggests that the practices employed by the external experts are indeed universal on the level of aim and the possible theoretical background of that particular practice. For instance, there are numerous different possibilities for the assessment of the financial growth potential of a company, and all these would probably unfold differently if examined carefully, yet the concept of financial evaluation remains the same.

4.2.2 Informal actors

As has now been established, strategizing with formal actors involves considerable amounts of informal interaction. Thus moving on to more informal actors from this assumption should be smooth as one could assume that informal actors would involve at least equally

informal interaction. These informal actors are also more interesting in terms of this study for that matter, as the literature concerning them seems to be rather scarce.

One interesting group labeled *trusted men* in this study, emerged constantly in the interviews. This has not been discussed in the strategy-as-practice literature that much, but according to the interviews the influence of these actors is downright huge when it comes to strategizing. As one interviewee stated:

“You know, it’s mainly the bigger ones, related to marketing and finding new partners. The way it goes is that you need to find the reference regarding the supplier from your own circle of trust, who has used them before, how it worked and such, before you sign any contracts worth a couple of thousand euros. So you always need to do the [background] check first.” –CEO, Company B

Further, while the extract above regards organization level strategic decisions, this kind of strategizing was utilized with regard to more trivial matters as well. Moreover, using these informal links to *trustworthy acquaintances* was certainly a widely employed practice amongst the case companies. As this was often directly related to everyday strategizing, and not only to big company level decisions it would seem that the CEO’s of several companies relied on personal life connections in their strategizing activities. This was further justified with the lack of expertise regarding all the numerous areas that the CEO is supposed to master. These actors did not have any hierarchical power within the company, while some had previously been involved with the company and its operations. This was illustrated for instance by the interviewee from the company D, who mentioned one of the previous owners, who had since sold his portion of the company to other owners, but continued to influence the operations as an outside advisor.

All in all the influence of trusted men seemed to be essentially to provide information, and further, justification to the CEO’s in their strategizing, however trivial the matter might be. This has been suggested in the literature concerning consultants earlier by Mazza & Alvarez (2000) and Hoon (2007), but in terms of informal actors, Eisenhardt (1989a), Nordqvist & Melin (2008) and Melin & Nordqvist (2007) are probably the closest references to such activity. For instance the interviewee from company A mentioned his brother as an important support person, along with one more friend from personal life, who also was an entrepreneur. This indicates that even though the literature does not seem to

recognize actors such as these as factors influencing the strategizing, they most certainly have an enormous influence.

Of the studies mentioned above as probably the closest examples in the literature, one has to mention that frankly they are not that accurate, at least not according to the interviews conducted in this study. For instance while Eisenhardt's (1989a) counselors are more or less a respective counterpart in terms of characteristics to the actors presented in this study, they were originally introduced as internal actors however, which questions their usefulness from the point of view of this study. Utilizing the concept of liminal spaces, as introduced by Sturdy et al. (2006), one could try to bridge the gap between these roles of internal counselors of Eisenhardt, and the external trusted men introduced by this study. This is based on the argument that in spite of the externality of trusted men, they are well within the organizational boundaries in terms of organizational knowledge endowing them with the knowledge related to internal actors, and respectively, the description of counselors as sounding boards to the CEO is an evident factor supporting the generalizability of their roles to actors within and outside the organization. Thus we could see them all to be located in the indefinable liminal spaces, making the generalization of roles without doubt artificial, but in the absence of relevant literature, tolerable.

Thus, based on Eisenhardt (1989a), Melin & Nordqvist (2007) and Nordqvist & Melin (2008) the roles of trusted men as confidantes, who improve the confidence of the CEO in making decisions is apparent. Further, as indicated by these studies, the role of the trusted men as actors justifying and governing the everyday actions, along with the bigger strategic initiatives of the organizations is not totally unheard of in the literature. This linkage to literature is, as presented above, highly questionable however, and this area definitely calls for more emphasis in the future strategy-as-practice research.

Common features of this interaction include the incredibly informal interaction, and at least partial linking of these trusted men into business life. Thus they do not seem to be randomly selected, but rather the relationship grows during the years and involved are often similar choices of profession.

The following quote of the interviewee from case organization B further illustrates the importance of these actors, along with the practices that they draw on. The group of trusted

men in this case comprise for instance an international company's communications manager, start-off company's CEO, a former controller of a substantial domestic organization and another manager from an international company.

“We've gotten this, sort of a management group operation along the way. About five friends, acquainted over the years that happen to be in such positions in their own jobs that they are really able to bring added value into this. ... With these we meet twice a year and go over what's happening and in a free atmosphere discuss and ideate and, it's been very useful, we've managed to whittle a lot of unnecessary stuff down that I have not been able to take into consideration personally. That's the supporting pillar what comes to the decisions.” –CEO, company B

Thus it is evident that their influence on the strategizing is apparent. Moreover, this strategizing was directly linked to the strategy of the organization, along with the structure. Further, the CEO also confirmed their influence on more trivial everyday matters as well by classifying the interaction as a weekly routine, while the main meetings are held biannually. He also further described the group's activity by indicating that the meetings are indeed held in a free atmosphere, where he provides the drinks and meals and the participants are free to present and exchange their views. He also stressed the importance of trust as a given factor characterizing the group's workings.

In conclusion, the interaction between external experts and organizations has numerous sides to it, and it cannot be generalized with one or two characteristics. One noteworthy factor is that as the literature suggests, the interaction between the organization and the external experts did indeed have characteristics of informal interaction (Hoon 2007; Sturdy et al. 2006; Hodgkinson et al. 2006). Thus almost all examples of strategizing in this domain involved almost surprisingly informal interaction. Opposite examples naturally exist as well, such as the business guru who altered the strategic course of one organization. Then again one could question the interaction in its entity in this case, as it was rather one-sided to say the least.

Then again the outcomes that emerged from the interviews were quite often related to the fine-tuning of the organizational direction. Further, more concrete outcomes were also presented, as for instance the start-up of company C, or the structural changes in company G. Thus the outcomes are various and some are more concrete than others. Moreover,

sometimes it's difficult to recognize an explicit outcome if the strategizing occurs within everyday activity.

All in all, this chapter provided us with numerous examples that had previously gone unnoticed in the literature. Most importantly the governmental consultants were an interesting addition to the analysis, as their attributes have not been contrasted to those of more traditional, and intentionally hired ones. Further, the practice of using confidantes from the personal life as counselors and a governing body is thus far unheard of in the literature, craving for more attention in the future research.

The next chapter shall examine the interaction between partners and organizations, taking the scope of analysis a slightly further from the focal organizations as the partners, regardless of the partnership do execute their own agenda, and thus are not there only for the focal organizations to exploit.

4.3 Partners

The analysis of partners as external actors influencing companies' strategizing activities is incredibly feasible in terms of contribution to the field of research as the literature concerning partners as external actors is, at least it would seem, virtually nonexistent. Thus recognizing their presence in the strategizing process should add to the contribution of this study. In this chapter the characteristics of the interaction between partners and the organization is examined, and the aim of the chapter is to present insights regarding the relationship beyond the mere statement that warm and informal ties to customers improves the functionality of the relationship. Noteworthy is that customers, foreign representatives and other partners are all placed under the label of partners, as the relationship between participants seemed to be similar enough.

As mentioned earlier, the actors within the group of partners are not unambiguous, and many of the examples included here could indeed easily fit into other categories as well. Relevant was however that all the actors had some sort of a partnership with the case organizations, and that the relationship was not primarily based on rivalry. This is mentioned here since most of the overlapping actors could have fitted into partners, and

industry colleagues. Thus the division between these groups was based on the potential rivalry.

Strategizing within the domain of partners as external actors had several different examples, and the outcomes that were related to these actors had equal variance amongst them. While all interviewees naturally emphasized good and informal relationships to customers and partners, more detailed descriptions of actions taken to ensure this were also provided. For instance as company A had made the decision of joining a group of actors operating in the same industry, the whole start-up decision of company C then again was strongly influenced by the main customer of the CEO's previous employer. Based on these foundations the analysis begins from the strategizing between *customers* and the organization. Interviews suggest that despite the ostensible simplicity of this relationship, the companies employed various strategizing practices in pursuing better profitability.

For example company D reported how they consciously aspired to influence their *customers'* production and design processes in order to receive the orders from these operations. According to the interviewee this was done by emphasizing the interaction between the customer and the organization. They employed some quite straightforward practices in doing this, and based on the interview it is hard to tell how aware of their ultimate goal the customer was. Another example of similar strategizing was provided by company G, whose interviewees equally emphasized the importance of informal discussions as a major strategic practice when collaborating with customers.

According to interviewees from both organizations it was of crucial importance to be aware of what is going on in the customers' organizations, and thus gathering information is strongly related to this kind of strategizing. For instance interviewee from company D explicitly stated how they aim to interact with as many *organizational actors* as possible in order to ensure the maximal flow of information:

“When every now and then, when their product generations change or something else, we try to interact with other people too, in addition to mere buyers and purchasers. To kind of get our own ideas, solutions and material choices presented to the customer. Because if we're involved in those, we're usually one step ahead of our competitors.” –CEO, Company D

According to the quote above, their explicit aim is to break into the customers' production and planning processes and influence those from the inside. The interviewee also emphasized how personal activity is the key to success, as nobody usually comes and tells you that something is about to happen. This practice requires, according to the interviewee, participation from all organizational actors. This is because informal ties to the customer are incredibly valuable in terms of getting information. Further, he stressed the benefit of having a flat organization structure, where all actors are involved in the operational activities.

This practice is apparently a countermeasure against the current change in the industry, as the interviewee also mentioned that nowadays the customers are a lot more price-conscious and reluctant to make long-term commitments to suppliers than what used to be the case. Thus the organizations need a way to ensure the continuity of their operations, and according to the interviewee, this strategy has been more or less successful.

This practice of gathering information through infiltration was not totally unheard of in other organizations either. Interviewees from company G reported how they aim to use the maintenance personnel as information gatherers regarding customers' current product- and organizational situation. The aim for them is to use informal discussions to gather as much information as possible, not only regarding the product base currently in use, but also regarding other organizational matters. They described this as building a database, based on which the sales personnel along with the management base their operations with the customer. Operations of the management then again were seen to unfold as discussions, which moves the focus back to the informal discourse between customers and the organizations.

Regarding the literature, similar concepts were advanced by Sturdy et al. (2006), whose concept of liminality is once again at least partially relevant. In contrast to their considerations of the nature of liminality as a factor facilitating the informal interaction between parties, the examples presented above suggest that liminality can also be utilized as a practice of competitive strategizing, when the organizational actors consciously seek their ways into positions where they can exploit these spaces.

The CEO of company G further illustrated the importance of such interaction by stressing how even the most trivial conversations with customers may help gain the trust and thus, the orders from that particular customer. They consciously utilized this by extending the topics of discussions to cover other areas besides business as well. He reasoned that as the Internet is not sufficient as means of communication due to the apparent lack of human connection, more personal interaction is needed and according to the interview, this strategic choice of personal touch had indeed been successful.

Informal interaction was the basis for other strategizing practices as well. As was illustrated in the section examining the influence of external experts, company B relied heavily on the informal network of actors who provided information for the company. Similar actions were now also taken by companies C and D, who both emphasized the importance of informal networks in finding new customers. Interviewee C for instance stated that the majority of their customers are found through networks that consist of old customers and acquaintances. In addition, companies C and G reported instances of sharing partners' networks in order to find new business contacts. This was illustrated by numerous quotes but for instance company G told how the CEO had run into an old contact in a local gardening superstore who once had done some designing for them, and started chatting about business with him. Eventually the conversation led into the old contact tipping him off of a business prospect that he happened to be aware of. The CEO also stressed the importance of informal occasions, such as trade fairs for instance, as a forum for the discussion with partners. These discussions are not only related to business, but obviously the favorable outcomes are. Hence the obvious aim was to discuss the matters informally around the actual subjects, and by doing this, implicitly shift the conversation towards the desired topics and subjects.

As mentioned in the beginning of this section, Company C's start-up was strongly influenced by the customer of the CEO's previous employer. This is an interesting example, as the outcome is quite obvious, i.e. the start-up of a company, but the process that led to this was a lot more complex. How this interaction evolved through time was once again through informal discussions, and the customer played a major role in encouraging the CEO to take the crucial step. This was done through verbal and financial encouragement, as the customer promised that they would employ the CEO for a fixed period of time, should he just start up a company of his own. Basically what this meant was that the CEO

continued to do similar work than he did before, but the difference was that now he was self-employed.

A similar example was provided by company D, only the outcome was slightly different. One of their major customers, the biggest one to be exact, started moving their operations to China in the hopes of better profitability and more volume. This was clearly a difficult position for the company D, which was trying to maintain its own volume in sales, but without this one customer it would have required severe restructuring of their customer base. Thus they decided to move in China too, and the reasons for this are evident as the CEO explicitly stated: “Frankly, it was because of that one customer that we established a subsidiary in there.”

Moreover, in this case the encouragement from the customer was in an important role once again, as they promised that they would do business with company D once they would have their operations established in China. Again the outcome is evident, but the process of reciprocal strategizing was quite complex, and involved various actors. From the perspective of company D this involved only few actors, namely one of the owners who took care of the establishment project on behalf of the organization, and an external interpreter already mentioned in the subchapter that examined external experts. In addition, the members of the partner company and other Finns that resided in that particular city due to their own jobs being there at the moment had an enormous influence on this project.

While the members of the partner company did not directly support the establishment of the production facility in China, they provided a lot of informal help as they had more experience on the subject. The CEO illustrates this interaction as follows:

“When you’re all kind of doing a stint in there, and the life is, it revolves around the organization and the job, so inevitably it happens that you start working out and discussing the problems and looking out for answers and sharing experiences about how your company has tackled them.” –CEO, Company D

As the quote presents, this help was provided through informal conversations taking place in bars, restaurants, golf courses and so forth. This sharing of experiences was important, and a remarkable pool of experience existed indeed as the city had several Finnish companies residing within it. This network of Finnish actors also helped to create more

business opportunities, since as the CEO of company D argues, they found many customers through this network. He emphasized how sharing the same nationality when residing abroad helps to create a connection between the actors and thus alleviates the establishment of a business relationship. This is elucidated by the following quote regarding their strategizing operations in finding new customers:

We've always had a Finnish CEO in there and it's fairly easy to approach a company when you are working for a Finnish company and you know someone else from a Finnish company too, so it's quite probable that you will be able to get an audition with him/her" ... "We've never been too active with the sales, it always comes through a customer or some other actor that there's a company somewhere producing something and that they might need our services too. So then we'll just book a meeting or call them." – CEO, company D

This quote proves how they consciously rely on *informal networks*, or at least that until now they have found a fair amount of contacts through those. The reliance on informal ties has been brought up before as well, for instance company B reported that they used these *informal acquaintances* a lot in their operations. Noteworthy is that regarding all these examples; the interaction has essentially been of informal nature. Many of the matters dealt with by the organizations seem to be resolved informally, and with the help of these actors. This is a curious trend, and one could assume that this kind of strategizing reality exists mostly amongst small organizations, where the entities are small enough to have such dexterity. Of course defining the scope of analysis to be for instance only one particular department of a bigger organization would probably yield similar results, but still their influences on the operations of the whole organization would be less drastic.

These examples of sharing experiences are undeniably related to the discussion of liminality and conversations around the actual subjects presented earlier, but also to the wider discussion of actors disseminating strategic practices. For instance Mazza & Alvarez (2000) excluded partners from their examples of practice transformation, but Seidl (2007), Jarzabkowski (2004), Lounsbury & Crumley (2007) and Jarzabkowski & Wilson (2006) all recognize the influence of social context, or other actors in the adaptation and thus, creation of practices. While they discuss the matter purely from an institutional perspective, one could argue that in addition to the institutional creation of practices, this has implications to the organizations doing the adaptation, as they are the very instances employing these adapted practices. This is illustrated explicitly by the quote illustrating how company D

received informal guidance, and thus, information of best applicable practices, from the partners that had already established their operations in that particular country.

Another example of strategizing with *partners* are the practices that were employed by company E, whose interviewee described how they had attempted gathering information from *customers* through formal questionnaires and planned of building a system of information sharing, such as an *extranet* or similar. Using questionnaires was undoubtedly the most formal practice to occur in the interviews with regard to partners, thus contrasting the characteristics of formal practices with those of informal offers us more insights regarding the relationship of partners and the organizations.

The questionnaires included several questions and the aim was to measure customer satisfaction and their needs. Further, the organization hoped to gain information regarding their competitors and the markets in general. The questions were organized into simple yes or no questions, in addition to multiple-choice questions. The outcome was not that favorable however, as they did not really receive enough answers to be able to utilize the results in any way. The reasons for this are probably numerous, but the interviewee supposed that the questionnaire was a bit too fancy and had too many questions in it, which lowered the willingness to reply. Further, this illustrates a common problem faced by especially small companies:

“The problem with dealers is that as we are not such an actor that they would be dependent of us, having many representations and all, so they’ll sell the ones that seem to be the easiest to sell, thus making it easier to invest resources on those since that is what generates their living.” ... “And that is why you need to be able to compete for the time of the representative and provide him with the tools necessary to make the working feel easy, and ensure that their customers are in sight.” –CEO, Company E

The quote presented above does not illustrate just a difficulty that the company E faces in particular, but a wider tendency that is probably behind a lot of strategizing that the companies perform with regard to partners. This shall be addressed shortly, but to further analyze the activities taken by company E, it is evident that they have at least tried to find a way around this problem. It was not entirely successful however, and the planned extranet solution might well help this by providing alternative ways of communication and information sharing, as all the customer companies could extract the information most useful to them from this system. The CEO further described the interaction as it unfolds

nowadays, and apparently at the moment they rely mostly on *email* and *telephone* connection.

Recognizing the problem presented in the quote above helps us understand the kind of environment that many organizations live in. Since especially the small companies interviewed for the purposes of this study are often not in a dominating market position, they need to find alternative ways to ensure the continuity of their operations. This was already earlier touched on by the interviewee from company D, who illustrated how they tried to strategize in the network of reluctance when trying to establish long-term contracts. Thus further examining the various practices the organizations employ to deal with this problem caused by the influence of external actors should take the strategy-as-practice literature one step further in its development.

Interesting is how the majority of the examples presented in this chapter were more or less based on informal interaction, and long-term relationships. Apparently the formal practices are a lot more rare than one could assume, and further, the efficiency of informality seems to be higher than that of formality. The mere division between formal and informal is not enough however, and thus the examination of purposes behind practices should also be presented. Another argument is that long-term interaction probably contributes to informality, thus further increasing the utilization of informal practices.

Long-term relationships drove also company E's partnership decisions, as they had been working in collaboration with a company working in the same industry as the case organization. Their collaboration was based on mutual benefits as well, as their products often complement each other and they even share the same office premises. Both are absolutely independent however, and neither has a commanding role over the other. Further, the *partner company* has agreed to sell case organization's products in their networks, which releases resources to be allocated differently from our case company's point of view.

The CEO described this interaction as extremely free, due to long relationship on a personal level dating back from the time they both worked for the same employer, and the shared office premises that were seen to enhance the interaction between organizations. He did emphasize the independence of the organizations however, stating that despite the fact that they sometimes design products that fit to the partner's product line, they both do pursue

their own goals in business. Thus this is another example of strategizing that occurs because of the opportunity is recognized in the informal network of actors amongst the CEO's acquaintances.

In addition to these examples of strategizing between customers and the organization, the group of partners comprises other actors as well. Company B reported how they had started collaboration projects with sales and marketing companies in order to improve the financial situation and make the organization's operations more profitable. While according to the CEO both these companies were found at least partially by chance, the collaboration was driven by mutual benefits and risk division. The idea behind the relationships is that the companies cooperating with the case company receive payments based on their results, thus the case company was able to reallocate their resources as the new partners took over certain sales and marketing operations.

These decisions were based on a recognized need in the organization's cost structure, which was perceived too heavy for the current market situation. While making generalizations based on the research material at hand is questionable, one could argue that according to the interviews certain reactivity instead of proactivity seems to be characteristic for small industrial companies. This is further suggested by similar examples from the case organization C, which had begun collaboration projects with two companies working in a related industry. These were based on a need for more projects, and both emerged to certain extent by happenstance. In both cases the partner company was also run by an acquaintance from the CEO's personal life, which further argues for the importance of personal and informal networks.

This could be the modern embodiment of the long lasting discussion of formal design versus informal emergence (Hodgkinson et al. 2006). While making generalizations based on the research material examined here is questionable, it would seem to suggest that SME's would favor less formal design, and thus interaction. While the origins of informality shall be discussed in the concluding chapter, these examples have definitely illustrated the importance of this informality.

With regard to strategizing and conscious choices made by the companies, these examples also illustrate the, even slightly surprising, influence of personal and informal

acquaintances that the SME's rely on in their strategizing activities. They seem to favor collaborating with companies that are previously known, and that employ actors that are involved in the organizational actors' personal networks. Curious is however the question of causation. In other words, are informal interaction and the importance of networks merely consequences of personal-level relationships, or intended aims, and thus causes leading to them? Further, if the former holds true, one could argue that analyzing the concept of informality is biased if it is merely caused by the personal-level relationships between actors, and does not have any further implications to the strategizing. Thus from the point of view of strategy-as-practice, the examination of practices employed when strategizing in a network of informal actors should be reflected against the practices that are employed in a more formal context. This would inform the field of the true nature of the informality, as well as of its ultimate origin.

As in this study the level of analysis, i.e. the praxis is willfully allowed to fluctuate between organizational and personal levels, or in other words; between micro and meso levels, all the examples presented in this chapter shared this feature. While the outcomes differed greatly, the one thing in common that the majority of the examples shared was that the aim was to gather information. Drawing from this, one could argue that despite the ultimate aim and the desired outcome, information seems to be a common factor that the organizations crave for. In this chapter this was illustrated through meso level examples, such as company D's establishment of a subsidiary in China, as well as those of micro level, exemplified for instance by company G's incidental business prospects. Moreover, using informal discussions as a premeditated strategic practice to gather information and further, to execute the company's strategy was surprisingly common. Hence it would seem that the organizations really are aware of their efficiency, and that they are employed purposefully.

The informal interaction seemed to be connected to the outcomes as well, since in many cases the actual outcome was the accumulation, or obtaining of information. Further, this led to new business opportunities, long-term contracts or new customer contacts. The other side was again the concrete outcomes, for instance as in the case of company D, the establishment of a production facility in China, or the start-up of company C. This was of course mentioned as an outcome with regard to the external experts, but as suggested in the figure 4., more than one external actor can be involved in a strategizing episode leading to an outcome.

As mentioned in the beginning of this chapter, most of the overlapping actors could have been placed into partners and competitive industry colleagues. Thus there are a lot of similarities as the relationship in the latter case is often essentially a partnership, only with certain levels of added rivalry. These actors shall be examined in the next section.

4.4 Competitive industry colleagues

This chapter examines the influence that competitors had on the strategizing activities of the organizations. The name of the group, as mentioned before, refers to all competitive actors, and the label refers to them as competitive colleagues, since some interviewees emphasized the fragmented nature of their industry, and how they simultaneously competed and collaborated with many actors. Further, their influence is probably even more indirect and ambiguous as it was in the case of external experts and partners, but important nevertheless. Majority of the examples presented in the interviews were quite straightforward descriptions of competitor relationship without any interaction worth mentioning from the strategy-as-practice perspective. This is quite understandable as companies working on the same markets often are not able to collaborate, due to the apparent risk of knowledge leaks and losing customers to the competitor if the barriers, i.e. specialized know-how or supply chains for instance, are dismantled. This concerns especially industries that are not specialized in any way, such as base production and other industries where intangible products are not in the core of operations, making the threat of imitation apparent.

Out of the seven interviewees only three illustrated notable interaction with competitive actors. These three companies were D, E and G, who all reported some kind of a collaboration projects with rival actors. These were mostly simple occasions of product, or component purchases, but differences emerged as well. For instance company D reported the most general level strategic shift caused by the changes in the competitive environment. While this change was touched on already in the section examining the influence of partners, the wider shift of actors moving operations to low-cost countries and the subsequent decrease in the price levels had affected company D's operations as well, and as a consequence they had established their subsidiary in China. As was mentioned earlier, the

industry had gone through a phase where many actors transferred their operations abroad and thus forced their suppliers and partners to follow after them. And naturally as a direct consequence the competition within the industry changed drastically as well, since competing on the price level that had previously existed was now virtually impossible. Hence the actors causing this shift in company D's strategic position were not only the partners, but also *competitors* just as well.

On a more specified level, the cooperation and thus the interaction between competitors was rather scarce. The examples that emerged in the interviews all shared the premise that the cooperation was based on a mutual gain of the companies. Further, it seemed to be important that the companies in question are not direct competitors, but rather operate in the same markets but have the necessary differences that allow them to cooperate without facing directly the risks introduced earlier with regard to the fragmentation of the industries.

Company D provided an example of this as the interviewee reported them having a collaboration project with a company that is essentially sharing similar business logic with them, while also being different enough to make the cooperation possible. This project emerged after the competitor had first contacted company D as they wanted to outsource some of their production activities to company D's Chinese subsidiary because their customer had moved operations there. They were reluctant to give up the customer, but as they also lacked the necessary resources to establish own operations in China, outsourcing was the only option. From the point of view of the company D then again, this gave them an opportunity to increase their sales in Finland. Moreover, as the interviewee denotes, the difference in the focus of these companies made possible this collaboration:

“It may have been their initiative since that, they're not the, according to their strategy, production is not the core of their operations, but it's more related to planning. We're clearly a manufacturer, and that's why they have the courage to collaborate with us, because they know that we're not offering the planning with which they can still protect their customers from coming directly to us.” –CEO, Company D

The quote above illustrates the requirement for indirect competition that emerged in the interviews. Further, it illustrates the CEO's somewhat positionist ideology, as presented by Mintzberg et al. (1998), where a position within the industry is what defines the strategies of the organization and thus, scope of actions, as competition is avoided by protecting one's position with barriers of entry, as has been illustrated by Porter (1979). The interaction in

this case unfolded through series of discussions begun by the competitor, and further; the relationship seemed to transform from competitor – competitor –relationship into a customer – manufacturer relationship. This transformation takes us to the next example presented by company E, which reported certain instances when they had made purchases or sales with competing companies.

This interviewee also emphasized the indirect competition and fragmentation that characterizes the industry that they're competing in. According to him, there are several companies competing loosely in the same markets, but due to small differences they all have their areas of expertise that further allow them to work in cooperation. These occasions might emerge for instance when a bigger competitor is building an entity, and is using various competitors in this project as suppliers for highly specialized components that fit the entity they're working on. The interviewee illustrated this by characterizing the dual roles of organizations:

“Well actually it's nothing else but to consider them as normal customers. To present the instruments that you've got by yourself.” ... “...It takes off by them somehow being aware of what we're doing. And then they notice that that's probably, or then they just ask that we're going to need this and this, and well, there's not really such, there's not such that we'd kind of develop a device for this big, like to fit specific means, but it has to exist already. Well, I don't know, actually it's more like a retailing or a sales episode.” –CEO, Company E

His quote illustrates how the roles are changed when competitors collaborate. This does not necessitate a permanent change, but a temporary one, and after the project the roles are transformed back to what they were before. This assumption also bears the connotation of a slightly more formal relationship compared to what has been described earlier. The difference is not huge however, as apparently the interaction still unfolded as discussions. While this has not been discussed extensively in the strategy-as-practice literature, common examples could be found from the business networks research. As has been illustrated by Bengtsson et al. (2010), the *cooperative* relationship can for instance vary in depth, and hence the nature of interaction could, from the point of view of strategy-as-practice unfold as unique, always depending on the particular episode. Further, Bengtsson & Kock (2000), remind how the companies can consciously decide when to utilize cooperation, for instance R&D was defined as a feasible area for cooperation, whereas launching new products was often done independently according to them. While integrating these cooperative links from

the business network research to the focus on external actors is beyond the scope of this study, recognizing these two parallel fields is definitely worthwhile.

Indirect rivalry and fragmentation of the industry were also mentioned in the last example regarding the strategizing activities with competing organizations. Company G's interviewees argued that there are only a couple of companies in Finland that could be regarded as similar to them, as the others are competing with imported products and are thus not direct competitors. Hence they also explicitly described their industry as shattered and ambiguous, which is curious, as this is clearly a common feature amongst the companies who reported interaction with competing companies. Further, they reported similar episodes with company E, as they had occasional purchases of specialized parts or components from their competitors. They emphasized how this was all related to needs, but the factor distinguishing them from company E was that they still emphasized the free and informal interaction between companies.

The CEO denoted how he had been working in the industry for a long time and thus he knew the other actors personally, which then again contributed for the free and informal relationships. He even illustrated this with an example of an informal discussion with a competitive industry colleague, who had found a solution how to prevent the breaking of one of their products under certain circumstances, which had previously been a problem. This undoubtedly proves the informal relationships and their importance. Further, it is noteworthy that company G is indeed the same organization, which had advocated for them already earlier in this study, stating how they are an explicit aim in their operations.

The practices introduced here with regard to strategizing with competitive practitioners are mostly similar to those that were employed in the case of partners. What changed however was the level of freedom in terms of interaction, as interviewees emphasized the need for more formality. Opposite example emerged as well however, as the last example illustrates. In general, discussions were once again of the major practices, and the essence of that practice was not changed considerably.

As the practices turned more formal within this group, the outcomes that emerged in the interviews were then again more ambiguous than amongst the previous groups. For instance, the establishment of company D's production facility in China was the only major

outcome. The others consisted of purchases and sales episodes, as well as problem solving outcomes. Hence the group of actors might influence the nature of outcomes that emerge as a result of the strategizing. Thus this could be further related to the nature of interaction between the external actors and the organizations, which in the case of competitive industry colleagues seemed to be more formal in comparison with the partners for instance.

As this section has thus far examined the interaction between organizations and competitive industry colleagues, the next section shall move on to examine the influence of institutional actors and organizations. This section concentrated strictly on actors that are rivals to the focal organizations, at least to some extent, and the examples presented were not as numerous as they were in previous sections. There are probably many reasons for this, but one apparent one would be that competitive actors influencing the strategizing is not as common, as for instance partners influencing it. Other reasons for scant emergence of such phenomenon include the interviewees not recognizing this kind of interaction, and the interviewer not being able to articulate proper questions to unfold these links. Be that as it may, based on the material obtained for the purposes of this study, this kind of strategizing definitely exists even if it would not be as common as other types of strategizing. Further, as the present strategy-as-practice literature has virtually ignored this aspect of strategizing, more research is needed in order to better understand the interaction and its implications to organizational performance.

4.5 Institutional actors

Institutional actors comprise instances that are usually related to the funding, development or regulation of companies and their activities. Characteristic was that these actors were usually bigger entities, often also funded partially by the government or regional municipalities. Majority of these instances were also related to funding, as it was quite common that organizations had participated in development projects and received public funding as a part of these projects. In general, due to the dominant and authoritative position of the actors, the interaction in this group was mostly one-way, but differing examples emerged as well.

The one-way interaction emerged mostly as prerequisites for the funding set by the institutional actors. These formal practices consisted mostly of formal documents or occasion participations, and the most common one was by far a business plan. Out of the seven case organizations, three reported that they had received funding for organizational development, and all these three accordingly reported that a formal business plan was required in order to receive the money. Thus the organizations didn't really have any alternative options besides creating that business plan. Further, these actors were governmental instances, such as TEKES, VTT or ELY-center for instance, that all provide organizations with counseling and consultancy amongst other services. This also gives them a dual role as well, as on the other hand they were regarded as external experts due to the consultancy services they provided, and on the other hand as institutional actors in relation to their funding and governing roles.

In addition to the business plan, examples of these imperative practices comprise the education courses that were also mandatory in order to obtain the funding. The attitudes towards this practice of mandatory business plan varied amongst the interviewees. The CEO of company C for instance concluded that they had indeed crafted a business plan, but did not consider it as very important:

“Well, a business plan was made in due course because, because it had to be done with regard to the start-up funding, and essentially it's supposed to be such a document that it's updated. But, yeah I think it's probably five years old at the moment.” ... “I can't see it as important as, for instance they [the institutional instance] consider it as a pretty important document. Because, I think it's just, I'm under the influence that it's just a drawn up text, ok well you aspire to follow it.” ...”But in spite of all it's the action that, that defines where we're going.” –CEO, company C

This quote illustrates how they see the formal strategic planning as of secondary importance compared to activity, which is regarded as a primary factor defining the organizational direction. Similar opinions were presented by the CEO of company D, who explicitly stated how their strategy is shaped in action and implemented, as it seems proper.

An example of actual interaction with an institutional actor was provided by the company G, which had worked in collaboration with a partially government operated research center. This research center is the instance issuing safety certifications for the products that are produced by company G, and thus their interaction had been frequent during the time of

acquiring that certificate. There were undeniable similarities to the interaction regarding some external experts, as again the relationship embodied in one or two actors within the bigger organization. Contrary to what one might assume, this interaction also unfolded as surprisingly informal, as the relationships to the actors had been built over the years, and thus they enabled the participants to interact quite freely. The CEO also stressed how they felt that the actors could be contacted when needed, and further, that they were easy to approach and provided the help when needed.

In addition to their role as a partial business company pursuing financial profits, one reason for this straightforwardness, also further linking the interaction to the external experts was the matching chemistries of the actors. As the CEO of the company G argues, “In this world everything’s slightly dependent of luck, it’s a little like in a business relationship that with someone things fare easier and with someone else then it’s a bit more complicated.”

This is quite similar to the description of a consultancy relationship presented in the chapter 4.2.1 provided by the interviewee F, which also emphasized the importance of matching chemistries and a shared world of ideas. Further, one could argue that this is also related to the wider topic of happenstance, or the formal design vs. informal emergence as a factor influencing the strategizing activities.

The interviewees of company G also discussed the opportunities of actually influencing the institutional actors, which was interesting, as this kind of interaction has generally been considered rather one-sided. While they recognized how this probably is unlikely to succeed, the general idea was that through informal connections one could probably present ideas to these instances, and further, influence the decisions they make. This was illustrated by the following quote where the development manager of company G reflected on the possibilities of such strategizing:

“The way I see it too, is that towards TUKES, and these institutions, they don’t, they don’t turn into laws, they make recommendations and then their recommendations turn into practices and then if you could discuss these and highlight how the matter might be.” – Development manager, company G

This obviously distinguishes different institutional instances without legislative power from those that have it, but still the idea seems perfectly feasible, and was in fact proved as

practicable by another example provided by company E. Their Swedish representative had suggested to the governmental legislation authorities that certain kinds of measuring instruments should be installed into fume chambers, which eventually manifested itself as a change in the industrial safety legislation, opening a new market for such meters as this change concerned the whole industry and thus, generated a significant demand for the companies producing them.

This happened through series of discussions, where the representative in Sweden managed first to recognize the need for such an instrument, and then contacted the company E with whom they started planning the instrument further, in order to be able to present an example of the device and its specifications. While they did not achieve all this merely by themselves, their initiative had a major influence nonetheless and thus this illustrates a good example of strategizing with regard to institutional actors, eventually leading to changes in a wider context.

As mentioned already, the interaction between institutional actors and organizations seemed to be more restricted than with other groups. Thus the outcomes also were usually more concrete, as for instance the changes in the regulations and the legislation. Further, funding was definitely also an important outcome with the institutional actors, as these actors often are related to the funding of companies.

The following figure aims to conclude this chapter that has presented the findings of this study. The figure was already introduced in the second chapter, and it essentially has not changed, apart from the examples of external actors, practices and outcomes that were added as they emerged in the interviews.

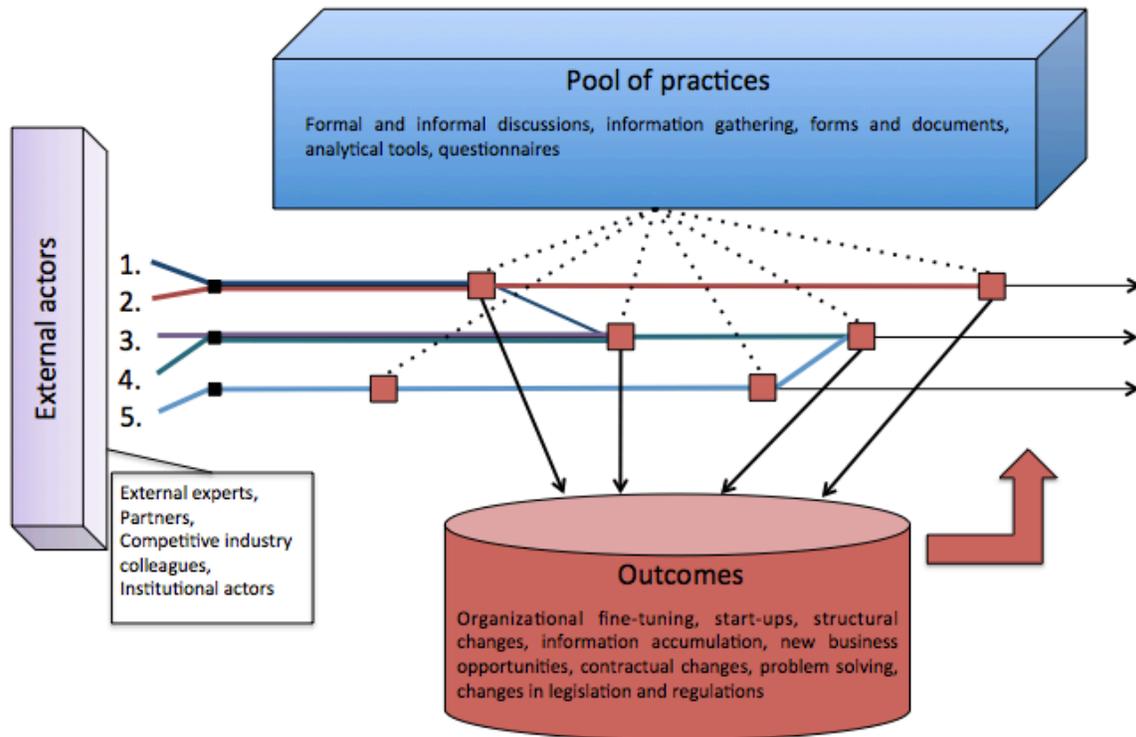


Figure 8: Summary of the strategizing flow based in the results of the study.

Of the practices presented in the figure the discussions were the most commonly used practice. Other practices were important as well, but as the discussions, and especially often informal ones, were mentioned as frequently as illustrated in this chapter, they surely cannot be outstripped. Another curious practice was the information gathering through infiltration as illustrated in some interviews. This has not been mentioned in the literature thus far, but seems to occur in the real life nonetheless.

It should be noted that as suggested in the theoretical framework, the strategizing indeed seems to be episodic, and more than one external actor can be involved in a causal link leading to an outcome. This was illustrated for instance as the interviewee from company C reported that the start-up of his company was strongly influenced by the consultant, as well as the client of his former employer. Compared to practices, the outcomes were more random in terms of emergence. The results seemed to slightly implicate that some outcomes,

such as purchasing or selling products were more related to the formal relationships, but based on the material at hand this implication is highly suggestive.

This chapter has thus far presented the results of the interviews and illustrated them by comparing the current literature with these results whenever possible. Apart from the informality of the discussions the links to the literature appeared more frequently with regard to the external experts and the partners, as respectfully the literature concerning institutional actors and competitive industry colleagues is practically nonexistent. One should bear in mind that as the literature concerning external actors' influence on small organizations is this limited, many of the generalizations and assumptions made are tentative at best. Still, based on the interviews and the linkages to the literature presented in this chapter, the aim is to further complete the literature with suggestions that might contribute to the theoretical side of strategy-as-practice literature.

5.0 CONCLUSIONS

This study has examined the interaction between small technology organizations and external actors. The study follows the principles of a perspective called strategy-as-practice, where emphasis is laid on the actual activity, i.e. what is actually done, and how this interaction unfolds in reality. This chapter has three subchapters; the first one presents the implications that this study has on the theoretical discussion regarding the third actor perspective within the strategy-as-practice literature, and the second illustrates the implications and suggestions to the managerial practice. Both these subchapters aim to provide answers to the research questions, and finally, the third subchapter discusses the limitations of this study, along with the suggestions for further research. Contribution that this study has to the field of research is embedded into the first two chapters, thus presenting the contribution with regard to the respective perspective.

Further, as the basis for the discussion in this chapter is formed by the two research questions presented in the introduction they are presented here as a recapitulation; the first question asked how do external actors influence the shaping of strategy in organizations. Respectively, the second question aimed to answer what were the activities, or in other words, outcomes, that are consequential to this influence. As the approach of this study is qualitative, the answers provided by this concluding chapter are more of explanatory nature instead of being generalizable to cover the whole industry for instance.

5.1 Implications for research

From the perspective of strategy-as-practice research, this study has shed light on the previously unexplored area of external actors influencing the strategizing activities of organizations, and moreover, small organizations in particular. The main contribution of this study to the field draws from the aspects that the strategy-as-practice literature has not thus far recognized partners and competitors as explicit practitioners, and the general scarcity or third actor research within the strategy-as-practice literature.

As it is virtually impossible to provide an exhaustive answer to the research questions, this study aims to provide links and suggestions that could be used to complete the present

theoretical framework. In the case of the first research question, the most apparent conclusion is that, as assumed in the literature, conversations are a major strategic practice that the external actors and organizations employ in their reciprocal strategizing. This emerged in the case of all actor groups presented in this study, and has surely implications on the theoretical, as well as practical side. From the theoretical side the matter is twofold. What comes to discussions, their mere recognition as an important practice, or the stream in which the practices are employed is not sufficient. Even if there are some studies concerning discussions as a strategizing practice (e.g. Hoon 2007), this study has illustrated the highly ambiguous nature of these discussions, and the factor how practitioners often draw on their personal relationships, i.e. their own informal networks of acquaintances when forming these networks. Thus the strategizing reality within the network of these acquaintances cannot be effectively captured and analyzed without a deeper approach, such as discursive analysis advanced by Laine & Vaara (2007) and Samra-Fredericks (2005) for instance. Thus the claim that this study makes is that it is not enough to analyze *what* was said, as instead the researchers should get down to the level of *how* it was said, and what constitutes the meaning in that particular message.

Aside from the research methodology, the other theoretical implication caused by the importance of informal discussions and the respective networks is that in contrast to what was assumed in the tentative theoretical framework presented in this study, the practices that the actors draw on cannot be classified merely into formal and informal. Further, as the competitors and partners have hitherto been effectively excluded from the analysis, this study suggests that their influence might in the case of SME's be more important than one might think. From the theoretical side, they seem to employ similar practices with other external actors, but the level of trust varies depending on the actors.

The final conclusions of theoretical implications are related to both research questions. As this study illustrated the importance of informal networks, this is undoubtedly a factor suggesting that the practice adaptation as described by Jarzabkowski & Wilson (2006) and Seidl (2007) for instance is bound to happen as these actors disseminate practices. This would suggest that the gap between what the organizations *think* they are doing and what they *are* actually doing might, due to the various external pressures, be greater than in the case of more simplified and structured actor networks that bigger and more formal

organizations participate in. Thus this makes the research of SME's strategizing activities highly complex.

Finally, as the outcomes in this study ranged from establishment of new production plants to personal decision making encouragement and organizational-fine tuning, the outcomes are rather diverse to say the least. The outcomes were quite often related to *organizational* outcomes, as defined by Jarzabkowski & Spee (2009). Further, other types of outcomes emerged as well, such as the *individual* outcome of personal decision-making encouragement, or the *institutional* outcome of legislative changes. Based on this, and the suggestion of employing more in-depth research methodologies, such as discourse analysis, the line of thought leads to the conclusion that the outcomes could probably be a feasible unit of research in terms of bounding the scope of analysis and recognizing the desired concept to be analyzed. This does not implicate that studying everyday actions would not be feasible, but in order to add to the concrete side of strategy-as-practice, this study suggests that connecting the *how* with *why* would generate results that could better inform the reality faced by the organizations. This applies especially to small organizations; as their motives for actions can sometimes be rather ambiguous, and further, do not necessarily always meet.

From the contribution side, this study made some mentionable additions to the field; first of all, explicitly addressing the relationship between small organizations and external actors is definitely a contribution to the field. As the current research has not recognized this matter before, the perspective of this study was indeed novel. As the small organizations differ from the bigger ones not only in size, but also in the levels of hierarchy, it is vain to discuss the actions of middle managers in a strategizing process if the focal organization does not have such a group in the first place. Further, introducing such practices as infiltration as a means of information gathering added to the theoretical understanding, as it has not been examined earlier.

Another contribution was to recognize the connection between business network research and strategy-as-practice. As the strategy-as-practice literature seeks for ways to integrate itself to the wider strategic management literature, this would be a great opportunity, and further, connecting these two lines of research would also contribute to the depth of analysis in strategy-as-practice, as it would allow the researchers to better examine the

delicate interaction between the formerly unrecognized actors, such as competitors and customers, and the organizations.

Finally, this study contributed to the theoretical side of strategy-as-practice by further assessing the concept of liminality, and combining that to the group of trusted men. While the practices employed within this interaction were left slightly vague, recognizing this factor is clearly a contribution, and further analyzing the matter would constitute an important research topic.

5.2 Implications for practice

From the practice side the conclusions presented by this study are slightly more concrete than from the theoretical side. Firstly, as the aim was to answer the question, how the external actors influence the shaping of strategy within the organizations, the obvious answer would, in the case of SME's introduced in this study, be *informally*. Informality was by far the most pertinent concept describing the interaction between external actors and organizations. This leads to the discussion already started in the fourth chapter, namely, is the informality a consequence of the networks of acquaintances, or an explicit aim, pursued consciously in order to achieve desired outcomes?

Based on the material at hand, this study suggests that SME's might indeed sometimes seek consciously the company of "acquaintances" in order to achieve better results. Further, this is seen as a characteristic of SME's especially, as many interviewees reported how they have, through the years of working within the industry, learned to know the various actors on a personal level. While the reasons for this are probably related to the increased trust and easiness of interaction, this also suggests that these informal ties help gain legitimation on practices, and thus, increase the confidence to take actions. Thus this is connected to the discussion regarding the context in which the strategizing takes place, and the final conclusion derived from this line of thought is that as the context where the strategizing happens in the case of SME's is more informal, this also promotes more informal practices to be employed between external actors and organizations.

Another conclusion related to the first research question is the undeniable importance of various trusted men in the SME's actions. This also emerged in more than one interview, and obviously this would suggest that the SME's don't only rely on informal networks when it comes to their actions in the competitive field, but also in their internal decision-making. Thus this study suggests that the trusted men, or confidantes, and counselors, as they have been described in the literature, have a major influence on the actions of SME's in many cases. This is probably also related to the need to gain legitimacy on the actions, and further, to gain information from the areas that the organizational actors are probably less familiar with. While similar structures exist in relation to bigger organizations, the perceptibly informal structures and informal discussions that characterize this activity is what distinguishes SME's from bigger entities.

The importance of discussions takes us to the final conclusion regarding the first research question. In all interviews the discussions were what emerged as the major practice. While these discussions could include some formal practices as well, the nature was once again informal. It's descriptive how the employment of the one practice clearly on the formal side, the questionnaire forms, failed in implementation and the outcome was that the organization returned to more informal means of communication. In order to explicitly answer the first research question, this study suggests that the discussions were how the external actors influenced the organizations. Moreover, as this answer is rather vague in content, additional points of clarification include that these discussions emerge often in the liminal spaces as suggested by Sturdy et al. (2006). And, as the free interaction allows both sides to initiate the discussion, the influence is often bi-directional.

With regard to the second research question, the importance of partners emerged as surprisingly relevant, as the partners were in several cases what had either influenced the whole starting up of the company, or then considerable changes in the position of that company, as illustrated by company D's foreign subsidiary establishment. Thus these outcomes were from the organizational end, in comparison to the more personal-level outcomes, as for instance the information regarding the deficit in one particular product of company G, which was obtained from a competitor along with the information of how to repair this deficit. These examples illustrate how the outcomes range from personal- or product level to the institutional level, as in the case of change in the labor legislation.

What is relevant from the point of view of this study is how the outcomes are sometimes intentional, such as the new production facilities, and sometimes happenstance has a bigger role on what happens as a consequence of strategizing. This links these considerations to the wider discussion regarding the activities and level of strategic planning amongst the SME's. As was already mentioned in the fourth chapter, the discussion of formal design vs. informal emergence could be more relevant with regard to SME's than one could at first assume. While originally this discussion dates back to the differences between different strategy schools (eg. Mintzberg et al. 1998), this study suggests that it could be brought down to the level of strategy-as-practice as well, founding this argument on the seeming dispersion in the organizations' strategic thinking, and the emphasis on taking situations as they emerge.

These conclusions aimed to reflect the research questions this study originally set out to answer. Further, the answers were linked to more general discussions regarding the organizational life with the intention of better anchoring the results of this study in the general strategic management discussion. In terms of contribution to the field, the major contribution that this study has on the managerial practice is the recognition of the informal networks of external actors that the organizations reside in. While this might seem self-evident, this study has illustrated how the organizations can achieve benefits, and partially even exploit other organizations through certain practices unfolding through informal discussions.

Secondly, this study contributes to the managerial practice by further clarifying the theoretical assumption of liminal spaces, which would seem to be a relevant concept when discussing the characteristics of trusted men. As was illustrated in this study, this matter is highly unexplored in terms of literature, and these considerations on the subject undoubtedly contributed to the better understanding of the feasibility of such a practice.

Finally, the contribution of this study from the practical perspective is that this study explicitly recognized partners and competitors as external actors. As was illustrated, this has not been examined in the literature and according to this study the influence of competitors alone is downright huge. This is assumedly a trait that characterizes SME's especially, as the structural fragmentation of the industry and organizational agility enables them to form ambiguous links to their competitors and partners. A factor further facilitating

this was also explicitly mentioned in the interviews, as one interviewee claimed how they are not big enough to be in a dominating market position, thus forcing them to react strongly on the changes that other actors make.

5.3 Limitations and suggestions for further research

The biggest limitation of this study is definitely related to the technical implementation of the research process. The interviews were originally planned to employ a narrative approach, which, mostly due to the deficits in the researcher's interviewing techniques that would have led an insufficient amount of material, were then transformed into normal unstructured interviews. While Eisenhardt (1989b) proposes that in a case study the focus of the study could be allowed to fluctuate up to some level, the interviews still were one of the weak parts of this study. This suggests that unstructured interviews are not enough in order to capture the essence of strategizing. Instead, observational methods, and snowballing as a method of data gathering would probably yield better results, as they would allow the researcher to delve deeper into the networks of external actors. As such, the research data did not allow the researcher to extensively describe *how* the actual strategizing took place and thus, research methods based on observation would probably have produced better results.

Secondly, the outcomes that followed from the strategizing did not emerge clearly enough from the research material. It was hoped that these would have been presented, and moreover, analyzed in a more explicit manner. As such their examination is more on the declaratory level. Further, these outcomes could have been examined in relation to the strategizing and the external actors, trying to unfold links that would better inform the field of research what kind of outcomes are related to which actors. On the other hand, in-depth examination of the matter would have been well outside of this study anyhow; hence this is also an important suggestion for further research.

Other suggestions for further research are related to the lack of research regarding external actors. As this has been recognized by numerous instances, this study repeats this claim and suggests that further research should be focused on the external actors. As consultants are notably the most researched group of external actors, the emphasis should be shifted on the

other actors introduced in this study instead. For instance the informal networks of acquaintances, competitors and partners would provide a fantastic field for a strategy-as-practice researcher. This would probably necessitate methods such as snowballing, but this would definitely elucidate the causal links that underlie organizational performance.

Further, as mentioned earlier, connecting business network research with strategy-as-practice would yield feasible results. This suggests that strategy-as-practice field could help the business network researchers to better understand the functioning of alliances on the micro level; and vice versa, business network research would probably help strategy-as-practice researchers to better understand the causal links in the strategizing between customers and competitors, and the focal organizations.

Another suggestion would be to further clarify the differences between actors within the actor groups. For instance, as was illustrated in this study, external experts comprise both, management consultants, as well as institutional consultants providing the services free of charge from the point of view of the company. Studying the differences between these actors and the practices that they employ would inform the strategy-as-practice field of the characteristics that describe different actors.

Thirdly, studying the influence and actions of the trusted men, as they were introduced in this study, would help the field to better understand how the internal decision-making unfolds within the companies. While this would probably necessitate blurring the boundaries of the organizations, for instance utilizing the concept of liminality as has been suggested; it would also further explain how these structures work. From the research side this could indeed be implemented through methods such as snowballing and observing, and the actual method of analysis could be discourse analysis, in order to better understand how the interaction unfolds. As was mentioned earlier, it is not sufficient to study what has been said, the ways of saying things bear too many connotations that should not be ignored if we are to truly find out how organizations work.

This chapter concludes this study, and as has been argued, the external actors influencing the organizations are indeed numerous, and further, this influence is realized through many practices and ways of interaction, more ambiguous as easily assumed. There is a lot more

left to study before we can claim that the strategy-as-practice field is saturated, but as this study has suggested, recognizing some of the main deficits in the field is a good beginning.

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APPENDICES

Appendix 1. Company profiles

Company A is a company providing teleoperators with internet-based solutions. They had previously been an independent company, but since then had joined a group of companies working in the Nordic countries. Their personnel consists of less than 15 people, and the CEO was interviewed for the purposes of this study. The company provides consultation and marketing services in addition to importing products. Further, the company was established in the 1990's.

Company B is a company that offers organizations internet-based services for maintenance operations. The company is relatively fresh in age, and was thus established only a couple of years ago. During the time of the interview they employed less than ten persons, and their CEO was interviewed for this study. Their products consist of internet-based software services.

Company C is a company offering their customers electric and automation system designing. While their personnel has a wide experience of the industry, the company was established only a couple of years ago, making it also relatively young. They employ less than five people and their CEO was the person who was interviewed.

Company D was established some 15 years ago, and their products consist of different electromechanical wiring harnesses, and their main line of business is contract manufacturing. They've got manufacturing facilities in three different countries, and they currently employ globally around a hundred persons, making them clearly the biggest organization interviewed. Their CEO was interviewed for the purposes of this study.

Company E is a company designing and manufacturing precision measuring devices for industrial purposes. The company was established over 30 years ago, and it currently employs less than ten persons. Their founder, who is also the CEO, was interviewed for this study.

Company F is a management consultant who was made a lengthy career in the business life as a purchasing manager. After partial retirement he started a consultancy company, and currently he provides organizations with consultancy services, and practically works as a freelancer through his own company.

Company G is a company designing and manufacturing industrial safety devices. The company was founded over 25 years ago, and they currently employ around 20 people. The company has lately participated in an internationalization project, and thus for the purposes of this study the persons involved in the interview were the CEO, and the newly employed development manager.

Appendix 2. Interview guide

The interviews in this study were conducted as unstructured. There were some dominant themes however, and the interview was always begun with the interviewee inquiring about the history of the organization. Then the discussion moved on to the products, customers, partners and the industrial matters, along with the current competitive situation. The interviewee aimed to lead the discussion as little as possible, in order to ensure the free flow of the discussion, thus ensuring that the responses were not biased.

Further, the aim was to implicitly recognize the external actors that had influenced the organization's operations, thus presenting the interviewees with direct questions concerning them were avoided. When more direct questions were presented, they were usually related to the question of *how* the interaction unfolded. Thus the research material was mostly descriptive, and contained only few responses to direct questions.