Is it possible to re-activate a business relationship?
A study of the Swedish automotive industry

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Abstract

Re-activation of inactive business relationships has been given rather limited attention in the IMP literature. With this as a background the purpose of this thesis is to increase understanding of re-activation of previously inactive business relationships. This is done by applying a resource perspective. Through a single case study a focal relationship, consisting of a customer-supplier relationship, in the Swedish automotive industry was investigated in relation to an acquisition of a bankruptcy estate. The study focused on three different time-phases of the relationship (active, inactive & re-activation) and four interacting resources (relationships, business units, products & facilities).

Based on our results we propose that a re-activation is: “when a business relationship changes from inactive to a mutual active resource exchange”. Deliberately, this definition does not say much about how the focal re-activation will evolve. From our case it is possible to see that due to changes in the relationship, facility and product dimension, the focal relationship is not possible to restore to what it once was. Finally, this thesis proposes a revised and more nuanced model of re-activation where the re-activation process is divided into pre re-activation, re-activation and re-configured phase.

Keywords: Re-activation, Business relationships, 4–Resources model, Interfaces, Re-configuration and Pre re-activation.
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List of Abbreviations

ARA-model  Actors, Resources and Activities
BAE  Balmain Automotive Enterprise
CEO  Chief Executive Officer
iD  Interior Design
IMP  Industrial Marketing and Purchasing
IP  Instrument Panel
M&A  Mergers and Acquisitions
PDE  Power Driven Electric
SEK  Swedish Krona
SATA  Swedish Automotive Trade Association
US  United States
4R-model  Four-Resource Model

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1. Introduction

Most research within the industrial marketing and purchasing (IMP) perspective (Håkansson & Snehota, 1995) as well as other similar theoretical lenses (Dwyer, Schurr & Oh, 1987) have focused on describing active business relationships and how they develop over time. This thesis focuses on inactive or dormant relationships and in particular how they are re-activated (Havila & Wilkinson, 2002). Re-activation of inactive relationships have been given limited attention despite that it has been argued that exploring re-activation might be more complex than exploring initial relationship development (Polonsky, Gupta, Beldona & Hyman, 2010 p. 271).

Over the last decades, the topic has to some extent been debated in academic literature. The debate has concerned the possibility to re-activate a business relationship (Dwyer et al., 1987; Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky et al., 2010). More specifically the discussion has focused on whether a business relationship can be terminated (Dwyer et al., 1987) or if terminated relationships just become dormant or sleeping (Havila & Wilkinson, 2002 p. 200).

Even though “re-activation” has been debated for quite some time, it seems as if a clear definition of re-activation in the IMP literature is lacking (Poblete, Havila & Bengtson, 2014). The fact that “re-activation” has no clear definition can be considered peculiar since it has been pointed out that the one of the main lessons for scholars is to: “define the main concept of a study” (Täthinen & Havila, 2013 p. 3). From a theoretical point of view few attempts have been made to understand re-activation of dormant or inactive business relationships explicitly (Poblete et al., 2014). Rather re-activation has been examined as a phase in relationship development models (Batonda & Perry, 2003; Polonsky et al., 2010) or as a possible phase after the inactive phase (Havila & Wilkinson, 2002).

Re-activation has been described as something that creates opportunities for the involved actors (Agndal & Axelsson, 2002 p. 10-11; Batonda & Perry, 2003 p. 1479; Polonsky et al., 2010 p. 270; Poblete et al., 2014 p. 17), but also problems (Havila & Wilkinson, 2002 p. 193). Re-activation has mainly been researched from a personal relational perspective and it has been showed that personal relationships can be of importance for new businesses (Agndal & Axelsson, 2002; Havila & Wilkinson, 2002).
Scholars have, however, described that more attention needs to be given to understand re-activation from a resource perspective (Havila & Wilkinson, 2002 p. 200; Polonsky et al., 2010 p. 270; Poblete et al., 2014 p. 16-17). With this as a background, we are in this thesis adapting a resource perspective (Håkansson & Waluszewski, 2002) to further explore the phenomena of re-activation. From this perspective, interacting relationships are the transmitters of interfaces between other types of resources (Håkansson & Waluszewski, 2002 p. 37-38; Jahre, Gadde, Håkansson, Harrison & Persson, 2006 p. 58).

Hence, we view business interaction as an exchange of resource interfaces. Resources can be divided into four categories, relationships, business units, products and facilities. This way of viewing resources has been named the four-resource model (4R-model) (Håkansson & Waluszewski, 2002 p. 32-40).

The 4R-model has previously been used in several studies in order to understand interactions of resources (Wedin, 2001; Håkansson & Waluszewski, 2002; Harrison & Håkansson, 2006; Jahre et al., 2006). Jahre et al. (2006) use the model to understand business logistics and in this thesis the 4R-model will be used in a similar manner. Thus, a dyadic business relationship will be the focal resource from which the other resources will be analysed.

Business relationships and resource constellations are often studied by using different types of critical events or other radical changes (Halinen, Salmi & Havila, 1999; Håkansson & Waluszewski, 2002; Dahlin, 2007). Critical events are triggering radical changes in business relationships and networks and are preceded by periods of gradual incremental changes (Halinen, Salmi & Havila, 1999 p. 784). Critical events have previously been extensively used within the IMP framework in order to understand different types of business phenomena (Dahlin, 2007; Öberg, 2008; Anderson, Havila & Salmi, 2001). In this thesis the critical events of bankruptcy and acquisition of a bankruptcy estate are used in order to further understand re-activation.

The case under investigation in this thesis is the acquisition that Power Driven Electric (PDE) did of the bankruptcy estate after Balmain Automotive Enterprise (BAE) in 2012, and the re-activation of the relationship with one of their key suppliers that followed after nine months of inactivity. This case is in many ways extreme; the bankruptcy of BAE is one of the largest and most complex bankruptcies in modern time.

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1 In this thesis a resource perspective is taken (Håkansson & Waluszewski, 2002) this implies viewing a focal relationship as a resource among other resources.
2 The names of the companies (and surrounding firms and facilities) are changed in order to decrease possibility of recognition.
in Sweden (Bergqvist & Pouteaux, 2012 p. 2). Further, when PDE bought the bankruptcy estate they started an attempt to re-activate 500 supplier relationships. One of the most crucial relationship re-activations and the relationship under investigation in this thesis was the re-activation of the relationship with Interior Design Group (iD) (PDE, 2013 p. 5).

Given the above description, the main purpose of the thesis is to increase the understanding of re-activation of previously inactive business relationships. Through adapting a resource perspective, not just the relational aspect of re-activation but also other resources that are influencing relationships can be pinpointed. The purpose is divided into two more specific research questions:

1. How does a focal business relationship and its interfaces with other resources change from before (active) to after (inactive) a bankruptcy?

2. How can an inactive focal business relationship and its interfaces with other resources become re-activated after the acquisition of a bankruptcy estate?

1.1 Disposition

This thesis consists of seven chapters, first a literature review (2) with four different parts; IMP (2.1), relationship development (2.2), the evolution of change, M&A and bankruptcy (2.3), resource development (2.4), and finally a summary of the theoretical framework (2.5). Chapter (3) is the method, which describes the methodological process. In chapter (4) the empirical evidence is portrayed and in chapter (5) the analysis based on our theoretical framework is conducted. In chapter (6) we elaborate on how to re-conceptualise re-activation and the thesis ends with chapter (7), which includes concluding remarks, avenues for further research and managerial implications.
2. Literature review

2.1 Industrial marketing and purchasing

The IMP literature evolved during the 1980:s from criticism towards traditional neoclassical economics that views business exchange as just discrete events (Håkansson, 1982; Håkansson, 1987). The IMP perspective proposes a relational perspective of business markets and a typical feature of business markets is that customer and suppliers are developing long-term relationships (Gadde & Mattsson, 1987 p. 29). The IMP (network) tradition (Anderson, Håkansson & Johanson, 1994) has been inspired from scholars who have pointed out that it is not just relationships alone that is of interest but also their embedded context (Granovetter, 1985), in other words business networks (Cook & Emerson, 1978). Hence, a key aspect within the IMP tradition is interaction. Companies interact with other actors, such as suppliers, customers, competitors and governments and it is in the interaction with other actors that value is created (Håkansson, Ford, Gadde, Snehota, & Waluszewski, 2009 p. 27-28).

The IMP group’s first projects were published in 1982 (Håkansson, 1982) and started off with the social interaction between customers and suppliers. Building on the same thoughts of interactions as Håkansson (1982) the ARA-model (actors, resources and activities) followed a couple of years later and made it possible to understand how business interactions connect resources in business networks (Håkansson, 1987). In 1995 three layers were added (activity links, resource ties and actor bonds) making it possible for scholars to understand the interplay between interactions that occur in each layer (Håkansson & Snehota, 1995).

From the seminal work of Håkansson and Snehota (1995) several different research streams within the IMP tradition have evolved (Håkansson et al., 2009). Some of them have had their focus on the actor layer with business relationships as the centre of attention (Håkansson & Snehota, 1998; Halinen et al., 1999; Havila & Salmi, 2000; Havila & Wilkinson, 2002; Tähtinen & Vaaland, 2006) while others have focused on the

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3 The IMP view of business networks implies that networks are units of two or more connected relationships (Håkansson et al., 2009).
resource dimension (Wedin, 2001; Håkansson & Waluszewski, 2002; Baraldi, 2003; Shih, 2009).4

From the stream focusing more on the actor’s relationships, the two streams of interest for this thesis are the ones interested in change in business relationships and networks (Halinen et al., 1999; Anderson et al., 2001) and relationship development (Håkansson & Snehota, 1998; Havila & Wilkinson, 2002; Tähtinen & Vaaland, 2006).

From the stream with its main focus on change, an interest in merges and acquisitions (M&A) and their effects on relationships and surrounding networks has evolved (Havila & Salmi, 2000; for a review see Öberg, 2008 p. 1-10). The research stream focused on relationship development has lately turned their attention towards re-activation of previously inactive business relationships (Poblete et al., 2014). To further understand re-activation the literature streams regarding change (Halinen et al., 1999; Anderson et al., 2001; Juho, Mainela, & Pernu, 2010) and resource development (Håkansson & Waluszewski, 2002; Chou & Zolkiewski, 2012a; Chou & Zolkiewski, 2012b) will be merged. Merging literature like this makes it possible to revise (MacInnis, 2011 p. 143) the phenomena of relationship re-activation. In other words, through this alternative view we are trying to further understand re-activation. To define the phenomenon of re-activation is of importance to enable us to come up with a hypothesis regarding this phenomena. Not knowing what re-activation actually is about will not be a valid point of departure to create a new theory (Sartori, 1984 p. 17; Starbuck, 2006 p. 143; Täthinen & Havila, 2013 p. 3).

In the three following sections each of the three streams mentioned (relationship development, resource development and change) will be presented. Each will contribute to the development of the theoretical framework used in this thesis (see figure 1).

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4 From the resource perspective interactions between resources has been further divided into specific interfaces, which it the way through how resources are interacting with each other (Jahre et al., 2006). From a relationship development perspective this concept has not been made. Consequently, when referring to scholars from relational tradition interaction will be used.
2.2 Relationship and development

It is difficult to avoid the concept of time and process when discussing relationship development. The two constructs of time and process have lately been getting increased attention from IMP scholars as well as scholars from other social science disciplines (Halinen, Meldin & Törnroos, 2012 p. 215). In this thesis, we adopt the Hedaa and Törnroos (2008 p. 327) view on time that they have taken from Merriam-Webster’s Collegiate Dictionary (1993 p. 1235), which is: “Time is a non-spatial continuum that is measured in terms of events which succeed one another from past through present to future”. This way of viewing time can be fruitful in the understanding of business relationships and their networks. By investigating time aspects of business relationships, past, present and future, it is possible to further understand business exchanges and interactions (Hedaa & Törnroos, 2008 p. 326-327).

To understand business exchange and interaction the concept of process is also of importance (van de Ven, 1992). Our view on process is based on van de Ven (1992 p. 169) and consequently process is: “a sequence of events that describe[s] how things change over time”. Process is seen as a changing unit over time that passes through different stages and events that influence the process of change (Halinen et al., 1999 p. 218; Tidström & Hagberg-Andersson, 2012). In this thesis we will be tailing Tidström and Hagberg-Andersson (2012), and use a linear model to understand a process of change. However, just like Batonda and Perry (2003 p. 1477) we view time and process
from a cyclic perspective. Our model should not be seen as an end stage model where relationships are terminated (Dwyer et al., 1987) but rather a state model where an ended relationship become dormant (Batonda & Perry, 2003 p. 1466).

Further, research on relationship development, where the process is a central component, can be divided into three different time phases active (Håkansson & Snehota, 1995; Håkansson & Snehota, 1998), inactive (Havila & Wilkinson, 2002) and reactive (Batonda & Perry, 2003). Below a further explanation of the three time phases is presented, this is also done through a resource-perspective (Håkansson & Waluszewski, 2002).

2.2.1 Active phase

During the active phase the relationship develops through different stages or states (Dwyer et al., 1987; Batonda & Perry, 2003).

As mentioned in previous sections, a business relationship implies that an exchange take place between two different actors. How important the relationship will be is decided by how well resource ties and activity links are taken care of. Thus, a business relationship can be seen as a complex structure of interactions (Håkansson & Snehota, 1995 p. 273-274).

Since business relationships are connected they have the possibility not just to affect a single dyad but also affect other relationship in a wider network. When looking at an active relationship from a strict resource perspective it can be used in order to create support for or against other relationships. It can, however, also be used in a more functional way in order to relate different types of resources to each other (Håkansson & Waluszewski, 2002 p. 37).

Active business relationships can become a burden, for example when involved actors would like to end a relationship but cannot due to high interdependency. The parties need to deal with each other despite the negative atmosphere (Håkansson & Snehota, 1998 p. 525). A relationship where resources are restrained can be a burden for just one of the actors (Håkansson & Snehota, 1998 p. 529).

A relationship burden can occur when parties would like to develop a relationship, however external parties and reasons make it impossible. The loss of potential positive return becomes the burden (Håkansson & Snehota, 1998 p. 526). The burden of a
relationship is something that is built over time, often after a change or crisis for one of the counterparts (Håkansson & Snehota, 1998 p. 528). In other words, the past (history) is also a trait that affects relationship burden (Håkansson & Snehota, 1998 p. 528).

Another burden for business relationships that has been handled by scholars is distrust (Huemer, Boström & Felzensztein, 2009). Distrust has been described as: "lack of confidence in the other, a concern that the other may act so as to harm one, that he does not care about the one's welfare or intends to act harmfully, or is hostile" (Grovier, 1994 p. 240).

It is hard to mention distrust without mentioning trust. From an IMP perspective trust is relevant in explaining industrial marketing relationships as well as strategic and managerial issues (Huemer et al., 2009 p. 520).

### 2.2.2 Inactive phase

Relationships that are dissolved should be seen as sleeping (Havila & Wilkinson, 2002 p. 199-200; Batonda & Perry, 2003 p. 1479). In particular relationships, flows of information and other types of social interaction survive years of inactivity (Havila & Wilkinson, 2002 p. 201; Agndal & Axelsson, 2002 p. 10-11; Harrison, 2004 p. 107).

When studying the inactive phase through a resource perspective (Håkansson & Waluszewski, 2002) it is evident that relationships are not the only resource that survives after years of inactivity (Havila & Wilkinson, 2002 p. 200). Also facilities and products that are developed between two actors can survive and be kept (Håkansson & Snehota, 1995 p. 269). From the literature it seems that the main reason behind keeping social and physical resources is the possibility for further business (Håkansson & Snehota, 1995 p. 314). Furthermore, after trading has stopped between two actors they continue their development through acquiring new resources (Polonsky et al., 2010 p. 270).
2.2.3 Re-activation phase

As pointed out in the introduction, inactive personal business relationships as well as other resources can be re-activated\(^5\) at a later time (Agndal & Axelsson, 2002 p. 10-11; Havila & Wilkinson, 2002 p. 191). Re-activation of business relationship can also occur on a higher abstraction level between firms (customer-supplier) (Batonda & Perry, 2003; Polonsky et al., 2010).

Successful re-activations are dependent on several different variables including the factors that lead to inactivity. If considering that the actors will view past relationships differently, this implies that not just the aspects from the firms who want to re-activate a relationship should be considered. The other actor in the interaction should be considered too (Polonsky et al., 2010 p. 270).

Havila and Wilkinson (2002 p. 193) stress that past personal relationships creates either positive or negative effects on subsequent relationships. Positive effects can be in terms of trust that leads to that the business relationship will start quicker and be an opportunity for further business. This view is also supported by Polonsky et al., (2010 p. 257-258, 270) who highlights that the possibility to re-activate business relationship can be seen as a valuable resource for firms and organisations, since it is a less costly alternative than to start relations from scratch.

Negative effects will consequently be the opposite, distrust created during previous interactions characterise personal relationships and is a poor foundation for a subsequent business relationship which certainly will lead to problems. Regardless if the effects from past interactions are positive or negative these interactions shape new relationships (Havila & Wilkinson, 2002 p. 193).

To summarize this section, we have described the importance of time and process in understanding business relationship development. Further, business relationships can be viewed from three different time phases. This section is summarised in figure 2, which is the first part of our theoretical framework.

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\(^5\) Re-activated relationships posses many features in common with active relationships and because of this most of what was describe in section 2.2.1 (Active phase) also match a re-activated relationship.
2.3 The evolution of change, M&A and bankruptcy

Relationships and networks are not something static; change is frequent everywhere in the business landscape (Halinen et al., 1999 p. 791). What is change? Juho et al., (2010) define change as: "Everything is change and change is everywhere". Change in an IMP context has been researched for quite some time (Ford, 1980; Tidström & Hagberg-Anderson, 2012).

Halinen et al. (1999), discuss this matter in a rare fashion as they separate incremental changes and radical changes. Incremental dyadic changes means small changes in a relationship’s character. Radical change in a business relationship is if a relationship is terminated or established. The same division can be done on a network level where incremental changes are gradual and small changes that does not cause any major changes. Radical changes lead to dramatic network changes. Radical changes in dyads or in networks are triggered by critical events as for example a business closure, business ending, M&A, bankruptcy or the acquisition of a bankruptcy estate (Halinen et al., 1999 p. 787; Havila & Salmi, 2000 p. 106; Anderson et al., 2001 p. 580). Further, previous research implicitly also handles re-activation as a critical event. When handling re-activation it has been in the context of an acquisition of a bankruptcy estate (Havila & Salmi, 2000 p. 106). Thus, in order to understand re-activation we investigate the critical event of a bankruptcy and the acquisition of the bankruptcy estate that followed.

Bankruptcies have from a financial point of view been of interest for scholars for quite some time (Bulow & Shoven, 1978; Shireves & Steven, 1979).
The few times bankruptcies have been studied in the IMP literature, it is in relation to change and M&A:s (Dahlin, 2007; Dahlin, Havila & Thilenius, 2003; Öberg, 2008; Halinen et al., 1999; Havila & Salmi, 2000).

Previously, bankruptcies have been described as critical events that trigger radical change in business relationships and networks (Halinen et al., 1999 p. 784). Bankruptcies have been used as cases in order to further understand how change spreads in relationships after an acquisition (Havila & Salmi, 2000 p. 106). More precise, Havila and Salmi (2000 p. 112) use an acquired bankrupt company in one of their cases to describe how suppliers have a problem trusting the new owner. This leads to a radical change in the company’s relationships and networks. The prior conclusion is also supported by Anderson et al. (2001 p. 580), who use a bankruptcy case in order to describe if it is possible to buy business relationships. It is evident from this study that an acquisition of a bankruptcy estate has important implications for not just the merged or acquired company, but also surrounding actors such as suppliers and customer who are radically affected (implicit re-activated) (Anderson et al., 2001 p. 584).

Dahlin (2007 p. 64) is one of the few exceptions of scholars who handles bankruptcies more broadly. However, bankruptcies are also in this study not the unit of analysis. In this case bankruptcies are used in order to further understand the underlying forces of changes in a turbulent and complex business network.

As shown in the section above scholars have used bankruptcies in order to understand dynamics and changes on business markets. With this as a background, we also see it as a feasible area for understanding re-activation of a business relationship. In figure 3 it is possible to see that bankruptcy and acquisition of bankruptcy estate pass by steps of incremental and radical changes that are triggered by the critical events of bankruptcy and acquisition of the bankruptcy estate.
2.4 Resource development

Some scholars within the IMP tradition have paid extra interest in the interaction of resources (Håkansson & Waluszewski, 2002; Wedin, 2001; Baraldi, 2003; Harrison & Håkansson, 2006). This supports the resource-based view, which states that the competitive advantages of firms and organizations lie in how they best utilize their resources (Wernerfelt, 1984; Barney, 2001).

Resources are embedded in resource heterogeneity, this implies that different resources are dependent on each other in terms of that if one resource is used in a certain way another has to adapt to this. The variety of resources and how they are combined are also what make firms and organizations unique (Penrose, 1968 p. 75; Håkansson & Waluszewski, 2002 p. 31). Resource interactions constantly change over time and lead to creation of new resource combinations (Håkansson & Waluszewski, 2002 p. 33). Scholars have described this as recombining of resources (Jahre et al., 2006 p. 197) or as re-configuration of resources (Chou & Zolkiewski, 2012a; Chou & Zolkiewski, 2012b).
2.4.1 The 4R-model

In order to understand the interaction in business relationships the importance of understanding resource usage and resource development has been pinpointed and has led to the creation of the 4R-model (Håkansson & Waluszewski, 2002 p. 33). As mentioned in the introduction, the 4R-model is a resource interaction model that consists of four interacting resources. The four resources are not just interrelated; they are also highly dependent on each other (Håkansson & Waluszewski, 2002 p. 38). Two of the resources are social (relationship, business unit) and two are physical (product and facility). The 4R-model has its heritage from the interaction model (Håkansson, 1982) and the ARA-model (Håkansson & Snehota, 1995). The 4R-model is based on the seminal work of Penrose (1968 p. 76-78) who in 1959 stated that resources could be divided into material (physical) and human (social) resources.

The 4R-model has been used in order to understand technological development (Håkansson & Waluszewski, 2002), the use of a single resource (Wedin, 2001) and as a tool to understand logistics (Jahre et al., 2006; Awaleh, 2008) (see figure 4). In this thesis the 4R-model is used in the same way as Jahre et al., (2006) and Awaleh (2008). Thus, a focal business relationship is placed in the centre of attention. This way of using the 4R-model implies that you first describe a focal relationship and then how this relationship interfaces with other resources (other relationships, business units, products and facilities).

According to Jahre et al. (2006 p. 58), an interaction affects connections between the resources in the 4R-model individually. These specific connections have been named interfaces. Dubois and Araujo (2006 p. 22) further describe resource interfaces as: “interconnections between two or more entities at a shared boundary”.

The resource interface process can be divided into social interfaces, consisting of business units and relationships and physical interfaces, consisting of facilities and products. If social and physical resources are combined this is referred to as a mixed interface. It is particularly through mixed interfaces that value is created for firms and organisations. One example of this could be know-how that is possessed by a business

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6 For a detailed background of the 4R-model see Wedin 2001 (p. 11-37).
unit and with another company’s product the resource interface creates value (Jahre et al., 2006 p. 62-63).

Mixed interfaces, as for example how important a physical resource is for a business relationship are often hard to measure (quantitatively and qualitatively). A quantitative measure of how important a product(s) is for a relationship is how the relationship is marked by the product(s). Another one is how much of the turnover the product(s) represent for one of the involved parties. Quantitative measures can also be used when it comes to a focal relationship’s interface with facilities. In this case it is important to understand the share of the capacity of the firms facilities in use, for the focal relationship (Jahre et al., 2006 p. 63).

To continue with the 4R-model; the relationship(s) resource that is the first of the two social resources can be divided into focal business relationship and other (external from the dyadic) business relationships (Jahre et al., 2006 p. 183). When a relationship is the focal resource it is important to include the history, duration and exchange frequency (Jahre et al., 2006 p. 63). In other words, business relationships are key to connect events over time. This regardless of if it is in terms of memories of previous exchange or expectations of further business exchanges. Furthermore, business relationships have the possibility to work as a link to physical resources such as products and facilities (Håkansson & Waluszewski, 2002 p. 37). The development of business relationships can also be costly and can be compared to an investment process (Håkansson & Waluszewski, 2002 p. 37-38; Poblete et al., 2014 p. 5).

Business relationships is one way for firms and organizations to relate resources to each other; they can also be used in order to create support against one's counterpart. From other relationships focal firms will create opportunities as well as restrictions in terms of further business. Consequently, it could be said that links between business relationships can work as both bridges and walls in a development process. The creation of restrictions and opportunities also shows the network function of relationships that connect actors to each other. The function of a network can also be used in order for companies to use existing relationships in order to influence other relationship (Håkansson & Waluszewski, 2002 p. 37). When analysing a focal relationship resource the other relationships of interest are the ones that directly influence the focal resource interface (Jahre et al., 2006 p. 61).
Business units are also social resources and make it possible to investigate different types of skills that are involved in business interactions (Jahre et al., 2006 p. 61-62). A co-operation is one skill that is developed between different business units. Commonly, co-operation leads to the creation of different social features, these features then become embedded in other firms and this process also works the other way around. In other words, it is usual that interdependency is created between different business units when trying to create synergies between them. It is, however, important to notice that a business unit does not have to be an organisation or firm; it could be a part of a firm or an organization as for example a project, division or a department. Other skills that business units could possess are, for example, knowledge about one’s counterpart that could come from earlier experiences it could furthermore be in terms of technical and commercial understanding or know-how. As mentioned, business units can use technical resources as facilities and products in development processes (Håkansson & Waluszewski, 2002 p. 36-37; Baraldi, Gressetvold, & Harrison, 2012 p. 268; Poblete et al., 2014 p. 4-5).

Product is the first of the two physical resources in the 4R-model; products are a key resources in business relationships and can in many cases be created or shaped in the exchange process between firms. Another example is when a product is altered to meet a customer’s specification. However, when developing more complex products several actors can be involved such as customers or other suppliers. Products could be physical products as components as well as more intangible things as different types of services (Håkansson & Waluszewski, 2002 p. 35; Baraldi et al., 2012 p. 268; Poblete et al., 2014 p. 4).

The fourth resource in the 4R-model, and the second physical resource is facilities. Facilities could be production plants, office buildings or warehouses. When investigating a focal relationship’s interface with facilities the first thing to do is to understand which the key facilities in the interaction are (Jahre et al., 2006 p. 62). Further, production facilities play a pivotal role in many business relationships. The reason behind the importance is that firms are continually trying to find ways to save money and connecting facilities to each other can be one way of doing this. In the exchange between firms, facilities become a valuable resource that can be adapted to fit a counterpart. By this the facilities become an important asset in business relationships (Håkansson & Waluszewski, 2002 p. 35-36; Baraldi et al., 2012 p. 268; Poblete et al., 2014 p. 4).
In figure 4 the 4R-model as we use it is presented, as shown we are in line with Jahre et al. (2006) and Awaleh (2008) placing a focal business relationship in the center of attention.

![Diagram of the 4R-model](image)

**Figure 4. A focal resource and its interfaces with other resources (Jahre et al., 2006 p. 61).**

### 2.5 Summary of the theoretical framework

With the theoretical argument in the sections above as a background the analytic framework used in this paper will now follow. Our framework consists of three different time phases: active, inactive and re-activation. Time is also a key feature, and because of the critical events of a bankruptcy and the acquisition of the bankruptcy estate that later follows a change process between incremental and radical time periods occur.

Further, as described by Jahre et al. (2006 p. 60) interfaces across the four different resources will be the core of our theoretical framework. Our starting point is from one specific resource; namely, the focal relationship between a supplier and a customer. This single specific resource is named the focal resource functioning as the centre of the resource constellation, which is then described and analysed in relation to other relationships, business units, products and facilities (Håkansson and Waluszewski, 2002 p.33-38). In the active phase it is the focal business relationship before a bankruptcy
that is the core of the analytic framework, during the inactive phase there is no exchange in the focal business relationship. However, there are still interfaces between different resources (Jahre et al., 2006). During the re-activation phase it is the re-activated focal business relationship after the acquisition of the bankruptcy estate that is the centre of the framework. Our framework with its different parts can be seen in figure 5.

![Analytical framework diagram](image)

**Figure 5.** Analytical framework for factors influencing a focal business relationships re-activation, consisting of fig 2, 3 and 4.
3. Methodology

3.1 Research approach

The main purpose of this thesis is to increase the understanding of re-activation of previously inactive business relationships. This is done through investigating what happens with resource interfaces over time.

It has been argued that a qualitative research approach is appropriate when the aim is to create a deeper understanding or a holistic description of a phenomenon (Merriam, 1998 p. 6-7). Further, Halinen and Törnroos (2005 p. 1293) declare that using a qualitative method is useful when a research field is lacking theory or limited knowledge of the specific phenomenon, which is true in our re-activation case.

In this study we want to be able to draw conclusions from the analysis of our empirical data regarding re-activation of a focal business relationship. However, we would like to pinpoint the importance of the authors’ background, theory and personal experiences have framed our research results. The way we perceive the environment around us will reflect in what manner we see it (Easton, 1995 p. 372-372). The aim of this thesis is not to describe: “the reality”. Instead, in line with Åberg (2013 p. 79) our theoretical framework and the methodology chapter constructs: “one view of reality”. Exploiting another theory or method would most probably create another conclusion: “or with the same theory and method but used by another academic”. Still we believe that our work will contribute to understand re-activation of business relationships.

3.2 Research design

3.2.1 Case study

This thesis will implement a case study approach; case studies are common within the IMP framework (Easton, 1995; Dubois & Gadde, 2002; 2014; Woodside & Wilson, 2003). A case study can give a detailed and thorough analysis of complex phenomena and this is why they are so popular (Patton & Cochran, 2002; Bryman & Bell, 2011; Dubois & Gadde, 2014).
Further, as already pointed out, not much of previous research has focused on re-activation of business relationships (Batonda & Perry, 2003; Polonsky et al., 2010). Dyer and Wilkins (1991 p. 614) describe that little is known about a phenomena, as within the field of re-activation - a case study (single) is appropriate.

In this thesis we will use a single case study approach and with this as a background the normally well sited Yin (2013) and Eisenhardt (1989) will be used for general concerns regarding case studies. Our reasoning behind this is that Yin (2013) and Eisenhardt (1989) view of single case studies has been criticised by several scholars for focusing too much on the amount of cases (Dyer & Wilkins, 1991; Langley, 1999; Dubois & Gadde, 2014).

Dubois & Gadde (2002 p. 558) point out that when interested in understanding a number of interdependent variables in a complex structure like in our thesis the natural choice is to go deep into one single case study. This way of reasoning is also supported by Siggelkow (2007 p. 20), who points out that a single case study can be: “a very powerful example”.

3.2.2 Case study in a network context

Challenges of using a case method in business network context are numerous. Easton (1995), discusses different limitations that researchers need to consider while doing a case study in a network environment. Halinen and Törnroos (2005 p. 1287) add additional thoughts to this field. They elaborate on four different limitation or challenges regarding case methods in network studies. The four challenges are, (1) problem of network boundaries, (2) problem of complexity, (3) problem of time, and finally the (4) problem of case comparisons.

Even if each case study is unique, there are different frameworks of thoughts on resolving the four challenges discussed. Starting with the problem of network boundaries (1), this report has chosen to use boundaries through a focal actor perspective (Halinen & Törnroos, 2005 p. 1293). The primary focus is on BAE/PDE business relationship with their suppler iD. Since we are only interested in the re-activation we will exclusively include actors that are of interest in order to understand this. Thus, the purpose of this thesis will guide us to set the boundaries of our network (Dubois & Gadde, 2014 p. 1277).
In order to cope with the complexity (2) of our research our thesis is focused on explaining and guiding the reader through the study. As with the boundary problem we have limited ourselves to one relationship and the surrounding actors that are relevant to understand our purpose. Hence, our study concern what Halinen and Törnroos (2005 p. 1289), call the dyadic network perspective.

How would we tackle the issue of time (3)? Halinen and Törnroos (2005 p 1293-1294) elaborate on the time perspective through including history, present and future. In this thesis this is done through using three different time phases: active, inactive and re-activation. Halinen and Törnroos (2005 p. 1294) further describe that business network processes that are broken in parts can be identified through detectable events. In this thesis this is done using a bankruptcy and the acquisition of the bankruptcy estate that follows. The final problem is the case comparison (4). Since the purpose of this study, in line with Dyer and Wilkins (1991 p. 615) is to grasp a more holistic understanding of re-activation, case comparison is not a primary aim.

3.2.3 Case selection

In order to investigate re-activation we early realised (as showed in the theory section) that the phenomenon of a bankruptcy and the acquisition of the bankruptcy estate that followed were a feasible area to reach our purpose. The extensive media coverage in Sweden regarding the bankruptcy of BEA and the re-activation of suppliers that PDE had started after nine months of inactivity, lead to questions. Further, the bankruptcy of BAE is often described as the largest and most complex bankruptcy in modern Swedish history (Bergqvist & Pouteaux, 2012; Nordström, 2012).

In line with Dyer & Wilkins (1991 p. 617) we saw the possibility to draw an advantage of the uniqueness of this case in order to develop an understanding of re-activation of business relationships. The case in this thesis is in many ways extreme, with this as a background we saw it as important in order give scholars’ ideas for further research (Siggelkow, 2007 p. 21). After contacting PDE in September 2014 and getting access the decision to go along with them was simple.

Since we wanted to understand re-activation of business relationships in a business-to-business setting the choice to focus on suppliers was natural. Previously several studies of suppliers (Holtström, 2009; Havila & Salmi, 2000) have focused on firms in
various manufacturing industries and often automotive (see Kinder, 2003; Stjernström & Bengtsson, 2004; Pedersen, Torvatn & Holmen, 2008). The supplier selection in the BAE/PDE case was based on the categorisation by VINNOVA (2012) of the Swedish automobile industry. BAE had about 500 suppliers and the majority (400) were re-activated (PDE, 2012-2013), because of this large number it was not possible to investigate all of them.

The first criteria we had when considering a supplier was that the supplier had to have some form of resource interface with BAE and later PDE. From the initial stage eight suppliers were of interest, however, as Siggelkow (2007 p. 22) recommends we decided to focus on the one most powerful case empirically as well as theoretically.

The chosen supplier was iD, the reason behind choosing iD was that they were one of the largest suppliers to BAE before the bankruptcy and that they fulfilled the criteria mentioned. To make sure that this case was of interest two initial interviews were also conducted with the Swedish Automotive Trade Association (SATA). Choosing the BAE/PDE and iD case in the manner we have done is known as purposive or purposeful sampling (Merriam, 1998 p. 12). In this thesis purposive sampling implies that we started of selecting the bankruptcy of BAE and then the most relevant supplier.

3.3 Data collection

3.3.1 Primary data

The collected data was primarily from interviews with key associates from BAE/PDE, iD and SATA that have been involved with BAE/PDE and iD. Two interviews have also been conducted with other suppliers (Beta & Delta) to BAE/PDE. Our interviews had diverse functions depending on which organization structure or personnel that was interviewed.

When investigating a phenomenon like re-activation, which has not been extensively researched previously the method of using interviews (one-on-one) is preferable (Merriam, 1998 p. 12-14).
3.3.2 Choice of interviewees

The selection of interviewees was primarily based on gaining information to increase and ensure that the purpose of this thesis was possible to investigate. The selection started with contacting SATA to get interviews that could give an overall picture of the automotive industry in general but in particular the case in question. When selecting associates at BAE/PDE and iD it was of highest importance that they had been involved in the focal re-activation process. Since the time aspect is important in this thesis we also strove to get respondents that had experience from past interfaces. Moreover, our research initially started of with contacting more suppliers than just iD we also interviewed two executives from other suppliers that PDE had re-activated. These interviews have been used in order to get a more holistic understanding of the re-activation in focus in this thesis.

All the participants, firms and other concepts have been handled in an anonymous way, consequently the respondent and company names have been changed. To let the participants be anonymous can make them more prone to reveal the truth (Yin, 2013 p 196-199). This was also a requirement from the involved companies to participate in the study. In the empirical part the interviews will be presented by their modified titles. In table 1 it is possible to see information regarding the participants.

Table 1. Summary of the interviews.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Organization(s)</th>
<th>Position(s)</th>
<th>Years at company(s)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>iD</td>
<td>Program Executive</td>
<td>13 years</td>
<td>2015-02-15</td>
</tr>
<tr>
<td>2</td>
<td>iD</td>
<td>Director of Program Management</td>
<td>21 years</td>
<td>2015-02-15</td>
</tr>
<tr>
<td>3</td>
<td>PDE</td>
<td>Purchaser Executive</td>
<td>3 years</td>
<td>2015-03-11</td>
</tr>
<tr>
<td>4</td>
<td>BAE/PDE</td>
<td>Purchaser of Interior</td>
<td>4 years (BAE), 2 years (PDE)</td>
<td>2015-02-26</td>
</tr>
<tr>
<td>5</td>
<td>BAE/SATA</td>
<td>Senior Project Coordinator</td>
<td>10 years (BAE), 3 years (SATA)</td>
<td>2015-02-05</td>
</tr>
<tr>
<td>6</td>
<td>SATA</td>
<td>Former Chief Executive Officer (CEO)</td>
<td>12 years</td>
<td>2015-02-03</td>
</tr>
<tr>
<td>7</td>
<td>Beta</td>
<td>Chief Executive Officer (CEO)</td>
<td>26 years</td>
<td>2015-03-09</td>
</tr>
<tr>
<td>8</td>
<td>Delta</td>
<td>Sales &amp; Marketing Executive</td>
<td>20+</td>
<td>2015-02-20</td>
</tr>
</tbody>
</table>
3.3.3 The interview guide

The interview guide (see appendix) was designed to operationalize our theoretical framework. In our appendix it is possible to see that the first part of the interview guide handles general questions about the interviewees. After the background information is handled, the interview guide is about the four resources (products, facilities, relationships & business units) that are of interest in relation to our purpose. Key variables were used from each of the parts written about the four resources and the questions were then formulated to capture the variables. The questions were then asked in relation to three three different time phases: active, inactive and re-activation.

In order to increase the trustworthiness of the interview guide, pilot testing and modification were used (Ghauri & Grönhaug, 2010 p. 120). The first pilot test was conducted on colleagues, secondly two interviews were made with SATA. After the three pilots the interview guide was modified in line with Ghauri & Grönhaug’s (2010, p. 226-228) recommendations. The questionnaire was also slightly modified depending on the interviewed employees worked for the customer or supplier (see appendix).

3.3.4 The interview process

The interview guide developed was used as our tool in order to structure the interviews. However, the questions from the interview guide were also mixed with questions that were created during the interviews. This way of conducting interviews is most often referred to as semi-structured interviews (Merriam, 1998 p. 12-13). Semi-structured interviews have previously been extensively used in business-to-business research (Johnston, Leach & Liu, 1999 p. 207).

In total eight interviews were conducted and the interviews duration were approximately 60 minutes each. The two interviews with the supplier (iD) were conducted at the company in question’s headquarter, the six remaining interviews was conducted over telephone. The reason behind using telephone interviews was due that the respondents had limited amount of time.

The interview with iD started with a guided tour of the facility. This helped us to further understand the interfaces of resources, which has been of value for us in understanding the iD/PDE re-activation.
In all interviews a voice recorder was used in order to be able to go back and listen to the interview again when working with the empirical and analytic part of this thesis. Notes were also taken from all interviews and these were later used in order to structure the empirical data.

### 3.3.5 Secondary data

Deep case studies often use several sources of data (Dubois & Gadde, 2002 p. 556). Besides the material collected from the interviews, additional data about BAE/PDE, iD and SATA:s has been used. This includes three internal documents from iD regarding global business (iD, 2015), the Bolanda facility (iD, 2014) and production scope of the re-activation of BAE:s old tools (iD, 2013a). Annual reports from BAE, PDE and iD have also been used as well as some articles, websites and other external documentation. Our secondary data is summarised in table 2.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Pages/Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAE Annual Reports</td>
<td>2000-2011</td>
</tr>
<tr>
<td>iD Annual Reports</td>
<td>2000-2013</td>
</tr>
<tr>
<td>iD Internal Documentation</td>
<td>31 pages</td>
</tr>
<tr>
<td>PDE Annual Reports</td>
<td>2012-2013</td>
</tr>
<tr>
<td>Other material</td>
<td>124 pages</td>
</tr>
</tbody>
</table>

The data was collected between January and May 2015; this was done in order to get a more transparent view on the case. The secondary data has sometimes been implemented in the different time phases; sometimes one source has been applied to complement another (e.g. documentation from BAE/PDE for searching dates or financial numbers that was lacking from the interviews).
3.3.6 Data analysis

By using previous literature we created a theoretical framework to answer the purpose of this thesis: *to increase the understanding of re-activation of previously inactive business relationships*. Our framework was the base for our interview guide (see appendix) that helped us to understand the chosen case. Following, each of the interviews conducted the notes and the voice recording was used in order to write a draft of the case. This draft was structured in line with the theoretical framework developed. From this process we generated eight drafts that together were used to create the empirical section of this thesis. In line with Eisenhardt’s (1989 p. 540) thoughts about write-ups this further helped us to understand the case. As the picture became clearer we started to go back to theory and adapt it to our findings. Consequently, collecting and analysing data is a process from the early stage towards the final end. The process is not straightforward and we needed to alternate between theoretical and empirical observations. This process is often referred to as abductive method. In other words, interchange between theory and the investigated environment (Dubois & Gadde, 2002; 2014).

3.5 Limitations and trustworthiness

Throughout this chapter we have tried to have a transparent and trustworthy approach (in particular 3.2.2) that includes being aware of this thesis’ limitations. However, there are three aspects of limitations and trustworthiness in this thesis that we will further highlight.

In this study we have investigated an extreme case in the automotive industry of Sweden, because of this a clear limitation is that it is hard to generalize our study (Eisenhardt, 1989 p. 547). However, this study’s purpose is not to create generalizability this study aims in line with Siggelkow (2007 p. 22) to further understand a phenomenon (re-activation) from the case analysed. From our point of view it is not a problem that this study is not generalizable to a larger population. Every single new case contributes with new knowledge. Knowledge gathered from one specific case can rather be seen as strength then a weakness (Dubois & Gadde, 2002 p. 554).
The trustworthiness of the thesis can be in question since this thesis is built on just eight interviews and that the respondents’ answers are based on memories. We hope that we will be able to avoid the problem with the number of interviews and rely on their memories by using triangulation. The use of triangulation increases the possibility for us to make sure that our primary data is reliable (Lincoln & Guba, 1985 p. 305).
4. PDE and iD, business as usual, dormancy and restart

In this chapter, the focal resource of the thesis, the relationship between BAE/PDE and iD, is examined. As a natural consequence the involved plants, parts, project groups and other relations involved in the exchange are also presented. The chapter will be structured under three main headlines (4.2) business as usual, (4.3) dormancy and new ventures and finally (4.4) restart of business: new owner calling. However, first some general information about the (4.1) automotive industry, the focal companies and the other involved actors in the exchange will be presented.

4.1 The automotive industry and BAE, PDE and iD

Several M&A:s and bankruptcies have been seen in the automotive industry over the last decades (Holweg & Oliver, 2012 p. 24). Although these activities have created some turbulence, more than 88 million vehicles were sold in the automotive industry in 2014. This is an increase since 2005 with approximately 25 percent (Statista, 2014; OICA, 2014). Today a large part of the global automotive industry is controlled by a limited amount of multinational corporations (Senior Project Coordinator & CEO, SATA 2015).

The automotive industry is in general an assembly industry (CEO, Beta & Sales & Marketing Executive, Delta 2015). To assemble a car thousands of different components are needed. The components are produced by different suppliers and then, in different steps, assembled and delivered to automotive manufacturers (Dicken, 2011).

Even though the automotive industry currently is doing well, automotive manufacturers as well as their suppliers were negatively affected by the financial crisis in 2008, as automotive sales decreased radically around the globe (including Sweden)(Holweg & Oliver, 2012 p. 10).

Before the bankruptcy of BAE in 2011, four automotive manufactures existed in Sweden, two truck manufactures and two car manufactures. These four together created a solid platform for suppliers to establish and grow in Sweden (Director of Program Management, iD 2015). The Swedish automotive industry, including BAE/PDE and iD, is
largely concentrated on the Swedish west coast and today it directly employs 140 000 people (OICA, 2015; Automotive Sweden, 2012; CEO, Beta & Sales & Marketing Executive, Delta 2015).

4.1.2 From BAE to PDE

BAE was founded in 1937 in Sweden and during the second part of the 20th century BAE became one out of two car manufactures in Sweden. During the 1990:s the American automotive manufacturer Optimus increased their interest and became a full owner in the beginning of the new millennium (BAE, 2000).

BAE was not profitable enough for Optimus and as a consequence, decided in February 2010, to sell the poorly performing BAE and its car models (103, 105 and FX-platform) to the Dutch sports car manufacture Taurus (BAE, 2010). Taurus failed to turn the negative financial number of BAE around and Taurus handed in the bankruptcy invitation of BAE at the end of 2011 (Bergqvist & Pouteaux, 2012).

In September 2012, nine months after the bankruptcy, Chinese PDE acquired BAE bankruptcy estate and restarted BAE:s supplier network. Among these suppliers was iD (PDE, 2013; iD, 2013a).

4.1.3 iD

iD is a large supplier of interior parts for the automotive industry globally as well as in Sweden and has its legacy in the United States (US). In relation to BAE/PDE, iD:s Swedish plants in Bolanda and Flocka are of interest. Further, iD in Sweden has a close collaboration with their other plants in Europe (England, Germany, Czech Republic and Slovenia) (iD, 2014; iD 2015). In the BAE/PDE and iD relationship several other actors are of interest. In figure 6 the most vital ones are listed and shortly described.

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7 The bankruptcy estate is managed by a trustee(s) that are hired by the government or the creditors involved. A trustee gathers the bankrupt firms properties and are managing the funds from the sale of those assets, and then paying expenses and distributing the balance to the owed creditors (Bergqvist & Pouteaux, 2012).
4.2 BAE and iD - Business as usual

BAE in Edet and iD:s main plant in Sweden, Bolanda are located 50 kilometres' drive way from each other in the western parts of Sweden. These two plants but also to some extent iD:s plants in Flocka and Europe, have been the plants in the centre of the evolving business exchange (Program Executive & Director of Program Management, iD 2015). The exchange relation between BAE and iD started in 1980 and the relationship is overall described as fruitful. This disregarding that the ownership structure changed for both companies on several occasions (Program Executive, iD & Director of Program Management, iD 2015; Purchaser of interior, BAE/PDE 2015; BAE, 2001-2011; iD, 2001-2013). iD was from their Bolanda plant, through a just-in-time system, supplying BAE in

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8 iD:s Bolanda plant is the plant in focus in this section, however the plants in Flocka and Europe are also of importance to have in mind for the restart that will follow.
Edet with custom-made plastic interior parts. The most important parts were instrument panels (IP:s) and door panels. However, numerous of other components were also involved in the transactions. Or as the Program Executive (iD, 2015) puts it: “We covered the whole scope of interior in [BAE:s] cars”.

iD and BAE:s plant(s) were adapted to each other in several ways. Different types of machinery existed in iD:s plant(s) and iD also had fabrication lines for gluing and welding different interior parts that were custom-made to BAE:s production. The most commonly used machinery in relation to BAE were the different types of injection modules. A bit simplified, an injection module forces molten plastic material into a custom-made tool. This type of injection module weights between 20-40 tons and the smallest ones cost around one million Swedish kronor (SEK) (Program Executive, iD 2015). Machineries that are owned by iD created each custom-made part with specially made tools9 that were owned by BAE. However, these tools as well as the documentation surrounding them were located in iD:s plant(s) (Program Executive & Director of Program Management, iD 2015; Purchaser of Interior, BAE/PDE 2015; Senior Project Coordinator, SATA 2015).

For the fabrication part BAE was iD:s largest customer, standing for about 60 percent of iD:s turnover in Sweden (Program Executive, iD 2015; Granath, 2011). Hence, BAE was expressing requirements in terms of technology and design that iD needed to adapt to. However, from the 1980:s iD was one of BAE:s largest suppliers, which gave them some leverage in the negotiations with BAE (Director of Program Management, iD 2015; Purchaser of Interior, BAE/PDE 2015). One explanation behind this was that when it came to larger parts, IP:s and door panels, it was not an alternative for BAE to allocate them to another supplier or even to another plant than the one in Bolanda. There were several reasons not to do so. To start with, the IP:s was the most important parts that iD produced for BAE and the ones using the largest tools and injection modules (Program Executive, iD & Director of Program Management, iD 2015; Purchasing Director, PDE 2015; Purchaser of Interior, BAE/PDE 2015; Senior Project Coordinator & CEO, SATA 2015; Sales & Marketing Executive, Delta 2015). No other supplier in Sweden had the machinery required to create the IP:s (Purchasing Executive, PDE 2015; Senior Project Coordinator, SATA 2015; Program Executive, iD 2015). However, regarding the IP:s as

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9 Just the tools in iD:s Bolunda plant approximately weight as 1060 – midsize cars and allocated storage space of half a football field (Program Executive, iD 2015).
well as the door panels, it was not only about the size but also about the complexity, and in the case with the door panels, the number of variations that existed. The complexity of the fabrication of the IP:s was expressed by several of the interviewees (Program Executive & Director of program Management, iD 2015; Purchaser of Interior, BAE/PDE 2015; Senior Project Coordinator & CEO, SATA, 2015). The Purchaser of Interior (BAE/PDE, 2015) explained: “It is not mainly about the size [...] it is about the complexity of assembling the IP”.

All the parts that were produced in iD:s plants outside Sweden (mainly in Europe) were parts that existed in limited variations and had a low packed density. Consequently, they were easy to transport (Program Executive, iD 2015).

The fact that the BAE plant in Edet and iD:s plant in Bolanda were located close to each other implies that the employees met each other on a regular basis, also outside work (Director of Program Management, iD, 2015; Senior Project Coordinator, SATA 2015). Moreover, there were several individuals and groups involved in the exchange between BAE and iD at different hierarchical levels and from different functional units (Program Executive & Director of Program Management, iD 2015; Purchaser of Interior, BAE/PDE 2015; CEO, SATA, 2015). The exchanges were structured around different parts or projects and the complexity of the parts decided the scope of the collaborations. The overall collaboration was on-going for many years, however the scope of the collaboration was steadily decreasing from the start of the new millennium (Director of Program Management, iD 2015).

4.2.1 Towards the beginning of the beginning of the end

In the beginning of the new millennium American Optimus, one of the largest car manufacturers in the world, became a full owner of BAE. However, Optimus did not manage to make BAE profitable and the sales volume was continuously decreasing (BAE, 2000-2010).

iD realized that BAE was in trouble and felt that they needed to act, and in 2007 iD started to explore other companies to do business with (Director of Program Management, iD 2015). In iD:s annual report from 2007 (p. 3) it is explained how the company made a strategic decision to start focusing more on heavy vehicles (Trucks) in order to increase growth. This implied that iD now slowly started to adapt their plants
and production to Sweden’s two major truck makers Australi in Nytelge and Revolvet Trucks in Esby. Later also BAE:s main competitor on the Swedish car market Revolvet Cars in Frejlanda became a customer to iD. However, BAE was still iD:s largest customer and until the end of 2011 BAE was the customer that was taking up most production capacity (Program Executive & Director of Program Management, iD, 2015; iD, 2010-2012).

After the new millennium, and in particular after the financial crisis 2008-2009, BAE:s turnover was decreasing rapidly (see figure 8 p. 34). As a consequence Optimus decided, in the end of 2009, to sell BAE and in January 2010 the Dutch car manufacturer Taurus acquired BAE. More specifically Taurus acquired the 103- and the 105-models as well as the new car project, called the FX-platform (BAE, 2001-2010; Holweg & Oliver, 2012; Program Executive, iD 2015).

Due to the financial crisis in 2008-2009, iD:s turnover was also decreasing (see figure 7 p. 34). iD was still tightly connected to BAE and the acquisition of BAE that Taurus did save several employees from losing their jobs (iD, 2010; Wiman, 2010). iD also decided to continue doing business with BAE with a promise from Taurus about increasing sales volumes, however this never became a reality. At several occasions BAE:s production was stopped due to financial instability. When fabrication stopped at BAE, it affected iD:s because of the just-in-time structure (Program Executive & Director of Program Management, iD 2015; Senior Project Coordinator & CEO, SATA 2015; iD, 2009-2011).

The stop in iD:s plant(s) meant that the tools in use were put on hold (Program Executive, iD 2015). In table 3 it is possible to see the number of BAE tools that were located in all iD:s plants (in Sweden and Europe) at the end of 2011.

About 70 percent (585) of the tools were located in iD:s Bolanda factory and together with the Flocka plant (156) iD:s two Swedish factories were assisting 90 percent of the tools in use by BAE at this time. The rest of the tools (100) were located at other iD plants in Europe (iD 2013a).
The tools in iD:s plants (Sweden and Europe) were mainly for BAE:s 103 and 105 models. The economic value of the tools was several million SEK (Director of Program Management, iD 2015).

During 2010 and 2011 iD as well as BAE repeatedly had to decrease their number of employees because of BAE:s dropping financial numbers (Program Executive & Director of Program Management, iD 2015; Senior Project Coordinator & CEO, SATA 2015; iD, 2009-2011). The relationship between iD and BAE also deteriorated during this period. The former CEO of SATA (2015) describes that BAE wanted deliveries without paying and when iD refused further tensions developed between the two actors executives. The CEO at SATA (2015) remembered this as: "It was a hell of a situation". Further, the CEO at SATA (2015) attended several meetings between BAE and iD during this time and points out that: “There were no excited noises between the parties at this stage”. The primary driver of the tension was the fact that BAE’s debt towards iD was continuously increasing. At the time of the bankruptcy in 2011, BAE owed iD about 75 million SEK (Director of Program Management, iD 2015; Borg, 2012).

Nevertheless, until the end of 2011 iD had personnel that were actually sitting in BAE:s plants working with the development of BAE’s new car platform the FX. Regarding the other projects between iD and BAE that were running (103 and 105 model) it was during 2011 smaller changes because the car models had been produced since the end of the 1990:s (Program Executive & Director of Program Management, iD 2015). The exchange relation between BAE an iD finally ended in December 2011 when

<table>
<thead>
<tr>
<th>Factory</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolanda</td>
<td>585</td>
</tr>
<tr>
<td>Flocka</td>
<td>156</td>
</tr>
<tr>
<td>Europe</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>841</strong></td>
</tr>
</tbody>
</table>

Table 3. Illustrating the numbers of tools in iD:s custody in the end of 2011 (iD, 2013a).
BAE applied for bankruptcy (Bergqvist & Pouteaux, 2012; CEO, SATA 2015; Director of Program Management, iD 2015).

From figure 7 it can be observed that iD seemed to have had a rather stable turnover (Md SEK) despite BAE:s bankruptcy. However, when looking closer (figure 8) iD:s turnover between 2011-2012 actually decreased with about 300 million SEK. According to the annual report of iD (2012 p. 2) their dropping turnover was to a large extent a consequence BAE:s bankruptcy.

![Figure 7: Showing turnover (Md SEK) year 2000-2012 for BAE and iD (BAE & iD, 2000-2012).](image)

![Figure 8: Showing ID:s turnover (Md SEK) year 2011-2012 (ID, 2011-2012).](image)

### 4.3 BAE and iD - Dormancy and new ventures

As BAE went bankrupt, iD was one of the suppliers that had to take the biggest hit in economic terms and the debt of 75 million SEK never got paid (CEO, SATA 2015). For iD the bankruptcy also meant that the fabrication of all BAE related parts stopped. However, all parts that had been built but not delivered were put in storage in iD:s plants.

At BAE over 3500 employees got dismissed but also iD had to fire more employees. In the factory in Bolanda there were only 120 employees left. This could be compared to about 400 employees just two years earlier and 800 employees, 15 years back. However, there were still some employees' left that had been working closely with BAE (among these were our two interviewees at iD) (Program Executive & Director of Program Management, iD 2015).

In BAE:s old plant everything, machinery as well as documentation, was just left as it was the day of the bankruptcy, as the bankruptcy estate now owned BAE:s plant. The bankruptcy estate also became the owner of BAE:s 841 tools (see table 3) that were
located in iD:s plants (Program Executive, iD, 2015; Purchaser of Interior, BAE/PDE 2015). iD tried to find space within and outside their plants in order to be able to store all of them. This also included all documentation that iD had about the tools. There were two main reasons for keeping all the tools, documentation, and parts. First of all, the tools were previously owned by BAE and located in iD:s plants. This implied that the bankruptcy estate now owned them and if iD would discard them, fines were to be expected. Secondly, Swedish law states that spare parts for automobiles should be produced for 15 years - in order to supply the aftermarket (Program Executive, iD 2015).

The sections of iD:s plant that were especially adjusted too BAE were now changed: “New investments where stopped and we tried to use the existing machinery in a better way” (Director of Program Management, iD, 2015). This meant moving fabrication capacity to iD:s plants in other parts of the world (Director of Program Management, iD 2015).

In the Bolanda plant the wheeling function, that was specially adapted to BAE, was moved to iD:s plants in the US and the glue-line was deconstructed and moved to a storage tent outside the plant. Where the glue-line hade been standing room was now made for iD:s other customers (Program Executive, iD 2015).

The exchanges initiated with Revolvet Trucks, Australi, and Revolvet Cars in 2007 were after the bankruptcy of BAE steadily increasing for iD. This saved the plant in Bolanda from being depleted (Program Executive & Director of Program Management, iD 2015; iD, 2012). Because of the increasing volumes iD slowly began to reemploy during 2012. Further, the injection modules that previously had been used to operate BAE:s tools were now used to operate the tools of iD:s new customers (Program Executive, iD 2015). Or as the Director of Program Management (iD, 2015) puts it: “Instead of buying a new 3000 tone machinery we removed [BAE:s] tools an inserted our new customers tools”.

After the bankruptcy many of the former employees at iD:s and BAE still had contact due to the fact that they lived close to each other in Edet. Nevertheless, it was quiet about the bankruptcy estate of BEA. In August 2012 iD had heard nothing from anyone regarding the future of BAE (Program Executive & Director of Program Management, iD 2015). This was, however, soon about to change.
4.4 PDE and iD – Restart of business: new owner calling

In September 2012, nine months after BAE:s bankruptcy, PDE acquired the licenses and copyrights over BAE:s 103 model and the FX-platform. BAE:s plant in Edet had just been left after the bankruptcy and because of this it was easy to find all the documentation regarding former suppliers (Purchaser of Interior, BAE/PDE 2015). PDE started off in 2012 with just a small group working with contacting all (about 500) BAE:s old suppliers. In the beginning of 2013 PDE hired several of BAE:s former purchasers and engineers (PDE, 2013 p. 4; Purchasing Executive, PDE 2015).

iD was first contacted by PDE:s Swedish representatives who were well-known within in the industry (Program Executive, iD & Director of Program Management, iD 2015; Purchasing Executive, PDE 2015). One of them was the Purchasing Executive (PDE, 2015) who recalls: “We contacted almost all of the 500 suppliers that previously had been working with [BAE] [...] iD was one of them”. Further, the PDE Purchasing Executive (2015) highlights that out of the 500 contacted suppliers only 400 relationships were possible to restart.

The initial contact with iD was made in September 2012, and regarded the 103 model. This since iD was in possession of 293 tools (181 in the Bolanda plant, 37 Flocka plant and 78 in the rest of Europe) and documentation surrounding this model that PDE now was the owner of (iD, 2013a; Purchasing Executive PDE 2015; Director of Program Management iD, 2015). Further, the Purchasing Executive (PDE, 2015) describes how there were no pre-created expectations about any of the contacts that were made. When PDE contacted iD they described what their intentions were and asked if there was an interest from iD to start up again (Purchasing Executive, PDE 2015)? The Director of Program Management (iD, 2015) remembers that the whole situation felt odd: “It was almost like they [PDE] were trying to sell to us, they were keen to really point out how much money they had and how many cars they would sell”. This picture is also supported by PDE:s annual report (2013 p. 5) where it is declared that the initial work for PDE purchasers was more than just traditional purchasing work. Rather it was about sales and communication, to get suppliers who had lost a considerable amount of money in the bankruptcy of BAE to understand PDE:s new business plan. The Purchasing Executive (PDE, 2015) describes how iD initially was keen to start a new collaboration. However, since iD had lost 75 million SEK in the exchange with BAE the company was
attentive to the economic terms (Purchasing Executive, PDE 2015; Director of Program Management, iD 2015). iD demanded (against business praxis) that PDE should pay for everything in advance, something that PDE initially agreed on (Program Executive, iD 2015; Purchaser of Interior, BAE/PDE 2015).

4.4.1 Change of content in the exchange

The first step in the re-started exchange between iD and BAE was that BAE bought spare parts to the 103 model that iD had stored in their plants. The Program Executive (iD, 2015) describes: “Finally we got paid for work we had been doing three years earlier”. These parts were highly important in order to get the assembly line going again in PDE:s factory in Edet. As the Program Executive (iD, 2015) puts it: “Without those parts it would have been hard for [PDE] to get the assembly line running as quick as it did “.

The Purchasing Executive (PDE, 2015) also stresses that the parts which iD had in storage were of importance for BAE:s restart. However, PDE would have managed to get the assembly line going again even without these parts (Purchasing Executive, PDE 2015).

Except from just selling spare parts, BAE paid iD to start a group in Bolanda to make a pilot study to investigate if/what/how iD could deliver to PDE. A cross-functional project group was established at iD. In the spring of 2013 this group was working, tightly with its counterpart at PDE in Edet, investigating the possibility to restart business at full scale. The result of this pilot study was presented for PDE in the beginning of May 2013 (Purchaser of Interior, BAE/PDE 2015; Program Executive, iD, 2015).

What they presented was summarised in the internal document “[iD] production scope for [BAE] Automobile” (2013a). iD had reorganised their Bolanda plant and adapted it to Australi, Revolvet Trucks, and Revolvet Cars. However, the Bolanda plant was of highest importance for PDE because the most complex parts, the IP:s and door panels, were constructed there (Program Executive, iD 2015; Purchasing Executive, PDE 2015; Senior Project Coordinator, SATA 2015). In the Bolanda plant the welding function hade been moved to the US, the glue-line was in the storage tent and replaced with machinery adjusted to new customers, and new customers were also occupying iD:s injection modules. In iD:s other plants, in Flocka and Europe the situation was much
better and here a restart would be possible (Program Executive, iD 2015; iD 2013a). In order to restart the fabrication in Bolanda, iD insisted that PDE should make investments around 500 million SEK in iD:s plants. Especially these investments were to be made in buying new injection modules since the old ones were being used by Australi, Revolvet Trucks, and Revolvet Cars. The new investments also included an expansion of iD:s Bolanda plant (Program Executive & Director of Program Management, iD 2015; Purchasing Executive, PDE 2015).

The fact that iD asked PDE for this type of investment was totally against the normal praxis. Usually the customer pays the supplier for the production of tools, then uses them in their machinery and finally stores them in their plants. PDE initially found it hard to understand iD:s reasoning regarding the new investment (Program Executive & Director of Program Management, iD 2015). The Program Executive (iD, 2015) describes his view of this: “[PDE:s] factory had been standing still […] It felt like they thought that just because their plant had been standing still it was just to step in and push the green button and then cars would start to come down the assembly line again“.

From PDE:s viewpoint they expressed that it would be hard to restart with iD but not as hard as it turned out (Purchaser of Interior, BAE/PDE 2015). And further, as the Purchaser of Interior describes (BAE/PDE, 2015), iD was putting pressure on PDE since they were convinced that PDE was dependent on that the IP:s were produced in the Bolanda plant: “They [iD] played a high-risk game built on the belief that we could not find any other constructor of the IP:s and that this would set them up in a stunning position for negotiating about future business” (Purchaser of Interior, BAE/PDE 2015).

The Purchasing Executive (PDE, 2015) declare: “[iD:s] proposition was seasoned in all kind of ways”. It was clear that iD tried to earn back lost money in the new business exchange with PDE. This is not something iD agrees with and instead they stress their limited production capacity (Program Executive & Director of Program Management, iD 2015). This view also finds some support from the PDE side since they knew that iD had been doing considerable adaption:s of their plants (Purchasing Executive, PDE 2015; Purchaser of Interior, BAE/PDE 2015).

Still, both Program Executive and the Director of Program Management (iD, 2015) stress they had the history (i.e. the debt of 75 million SEK) of BAE in mind when they started to work with PDE. However, iD:s tough demands on PDE was the result of a risk assessment where iD determined that, if continuing with PDE, they wanted full financial
coverage (Director of Program Management, iD 2015).

However, the fact that iD demanded PDE to invest in injection modules and expansion of plants was, according to the Purchasing Executive (PDE, 2015), the single most important factor behind PDE, in the beginning of the summer 2013, almost leaving the negotiation with iD.

Nevertheless, PDE and iD agreed on a settlement about continuing doing business, but it was far from what it had been before the bankruptcy (Director of Program Management, iD 2015; Purchaser of Interior, BAE/PDE 2015). iD would start production in all the sites where they had the capacity, thus in Flocka and most of their plants in Europe but not in Bolanda where the majority of tools for the 103 model were located and where the IP:s and door panels had been produced (Program Executive, iD 2015; Purchaser of Interior, BAE/PDE 2015; iD, 2014; iD, 2013a) Around 93 of the 296 tools (approximately 20 percent) that PDE needed to get started were possible for iD to restart (Program Executive, iD 2015). In the end of June 2013 PDE moved the 200 tools that iD had in their custody but could not use (including documentation) to six new production locations (PDE, 2013).

Under significant events in PDE:s annual report (2013 p. 5) it is reported that the decision to relocate the almost 200 tools came in a very late stage in the fabrication process, which the Purchasing Executive (PDE, 2015) agrees with. Despite this PDE was able to keep up with the original time schedule; starting to manufacture cars before the end of year 2013. However, the Purchasing Executive (PDE, 2015) points out that PDE spent a considerable amount of money, time, and man-hours on the pre-study (iD:s project group). “It is of course so that if we had gone straightforward with [iD] we would have been able to use our resources differently” (Purchasing Executive, PDE 2015).

Table 4 shows a summary of all the tools and how many that were being used after the restart.
Table 4: Summary of numbers of BAE and PDE tools in iD:s custody and how many tools that were restarted (iD, 2013a).

<table>
<thead>
<tr>
<th>Plants</th>
<th>BAE tools in iD:s plants</th>
<th>Tools PDE were interested in</th>
<th>Restarted tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolanda</td>
<td>585</td>
<td>181</td>
<td>0</td>
</tr>
<tr>
<td>Flocka</td>
<td>156</td>
<td>17</td>
<td>37</td>
</tr>
<tr>
<td>Europe</td>
<td>100</td>
<td>78</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>841</strong></td>
<td><strong>293</strong></td>
<td><strong>93</strong></td>
</tr>
</tbody>
</table>
5. Analysis of the resource interfaces between BAE/PDE and iD

In the introduction, the purpose of this thesis was set out: to increase the understanding of re-activation of previously inactive business relationships. Through adapting a resource perspective not just the relational aspect of re-activation, but also other resources which influence relationships can be pinpointed.

The first two parts (5.1 & 5.2) of this chapter analyses how a focal business relationship and its interfaces with other resources change from before (active) to after (inactive) a bankruptcy. How an inactive focal business relationship and its interfaces with other resources become re-activated after the acquisition of a bankruptcy estate will be in focus in the third part (5.3).

The analysis in this chapter follows the structure of the analytic framework of this thesis. In the analytic framework three different time phases of relationships was described (active, inactive & re-activation). In each phase a focal business relationship were in the center of attention. This business relationship is surrounded by four interacting resources; other relationships, business units (social), product and facility (physical). The different time phases and resources are finally passed by periods of incremental and radical change. The shift between the different phases is triggered by the critical events of a bankruptcy and the acquisition of a bankruptcy estate.

5.1 Active phase

5.1.1 Active, the focal resource – the business relationship BAE – iD

Active business relationships in business markets are often characterised by long-term relationships between customers and suppliers (Gadde & Mattsson, 1987 p. 29).

BAE and iD were developing their relationship from the 1980:s until 2011 through incremental changes (Halinen et al., 1999). In line with theory (Dwyer et al., 1987; Batonda & Perry, 2003) the relationship between BAE and iD developed through a number of stages in the active phase.

One way to decide the success rate of a relationship is to consider how well the
resource ties are taken care of (Håkansson & Snehota, 1995 p. 273-274). Indeed, in the relationship between BAE and iD the resource ties were mutually maintained for a long period of time. However, towards the end of the active phase (2010-2011) the relation became infected. This is mainly due to the fact that BAE had a growing financial debt to iD due to the decreasing turnover of the company. In other words, trust was developed between the two actors over time but eventually iD started to distrust BAE (Huemer et al., 2009 p. 520).

Furthermore, it is possible to see how the focal relationship became a transmitter of interfaces with other resources such as other relationships, facilities, products, and business units in the active phase. Thus, the relationship between BAE and iD can be understood as a complex structure of resource interactions (Håkansson & Snehota, 1995 p. 273-274).

5.1.2 Active, interfaces with other relationships

In the presented case interfaces with other actors became more relevant in 2007 when iD because of BAE:s dropping turnover made the strategic decision to start to focus more on other customers particularly the Swedish truck manufacturers Australi and Revolvet Trucks. BAE was, however, still iD:s largest customer and the relationship with BAE made it difficult for iD to focus on other customers due to iD’s insufficient capacity in their facilities. Relationships with other actors can consequently create restrictions in terms of further business (Håkansson & Waluszewski, 2002 p. 37). The relationship between BAE and iD, at this stage, also highlights how a relationship that restrains resources can become a burden for one actor (iD) (Håkansson & Snehota, 1998 p. 529).

5.1.3 Active, interfaces with business units

During the active phase several different business units such as sales, purchasing and engineering were from both sides of the focal relationship involved in the interfaces between the parties (Jahre et al., 2006). Håkansson and Waluszewski (2002 p. 36-37) describe different social features being created through co-operation, these features are embedded in other firms and this process also works the other way around. In other words, it is usual that interdependency is created between different business units when trying to create synergies between them. This is in particular true regarding the creation
of knowledge about one's counterpart. This also seems to be the case in the interfaces between BAE and iD, different business units were working tightly together with different projects for many years.

5.1.4 Active, interfaces with products

Continuing with products, which together with a focal relationship create a mixed interface\(^{10}\) (Jahre et al., 2006 p. 62-63). A product is often made on specification and to match the customer's product (Håkansson & Waluszewski, 2002 p. 35). iD developed several tailored products for BAE after specifications, in order to match their production. In these cases BAE was mainly buying what can be defined as physical products (Håkansson & Waluszewski, 2002 p. 35).

In particular IP:s and the door panels have the characteristics of products that Håkansson and Waluszewski (2002 p. 35) would define as key resources; these products are complex to assemble and hard to move to other production locations. The immobility was due to the size of the machinery required to produce them, as well as the transportation costs involved. Moreover, BAE could not buy the IP:s or door panels from someone else. Hence, it can be argued that these two products marked the focal relationship and these mixed interfaces, in line with theory, became a particular source for creating value (Jahre et al., 2006 p. 62-63).

5.1.5 Active, interfaces with facilities

According to Håkansson and Waluszewski (2002 p. 35-36) production facilities often play a pivotal role in business relationships. In the interface between firms, facilities become a valuable resource that can be adapted to fit a counterpart (Jahre et al., 2006 p. 62). This applies to the relationship between BAE and iD since every product needed its own customised tool. Further, because of the size of the tools, a considerable adaptation in terms of manufacturing processes and routines became a fact. In other words, as iD and BAE were combining resources and interdependency was created between the companies (Håkansson & Snehota, 1995 p. 385). Connecting facilities to each other can be of importance for firms in order to save money (Håkansson & Waluszewski, 2002 p.

\(^{10}\) Mixed interface is an interface between a social (focal relationship) and physical resource (products) (Jahre et al., 2006 p. 62-63).
This is true for the business relationship between BAE and iD when it comes to the adaption of tools as well as the geographic proximity, which decreased transportation costs. The importance for BAE to create IP:s and door panels at iD:s Bolanda plant also contributed in this case.

Quantitative measures can be used to decide the focal relationship's interface with facilities. In this case it is important to understand how much of the facilities total capacity that is consumed by the focal relationship (mixed interface) (Jahre et al., 2006 p. 62-63). In the case with BAE and iD it is revealed that BAE stood for 60 percent of the turnover and that iD were operating 585 tools that were owned by BAE.

5.2 Inactive phase

5.2.1 Inactive, resources interfaces BAE – iD

The inactive phase started with the bankruptcy of BAE and the relationship between BAE and iD then becomes dormant. According to theory this can be understood as a critical event resulting in radical change (Havila & Wilkinson, 2002; Halinen et al., 1999). When business transactions had stopped a period started where no direct interfaces were utilized between iD and BAE. Further, after the bankruptcy of BAE (radical change) incremental changes characterize the inactive phase (Halinen et al., 1999). However, some personal relationships between iD and BAE employees were maintained on a superficial level (Agndal & Axelsson, 2002 p. 10-11).

In the inactive phase iD got more space in their facilities, which made it possible for them to intensify their business with other customers. The relationship with BAE did not longer act as a restriction (Håkansson & Waluszewski, 2002 p. 37) or burden (Håkansson & Snehota, 1998) for further business.

iD:s business relationships with the company's new customers (Australi, Revolvet Trucks and Revolvet Cars) was also operating as a transmitter that connected resources like facilities to each other. This phenomena has previously been described by several scholars (Håkansson & Waluszewski, 2002 p. 37-38; Jahre et al., 2006 p. 61). iD:s new business opportunities also show the network function of relationships that are connecting interacting actors to each other (Håkansson & Waluszewski, 2002 p. 37).

In this case the opportunities for iD was the new business relationships (Australi, Revolvet Trucks and Revolvet Cars) with customers that further evolved through the
inactive phase. This is much in line with Polonsky et al. (2010 p. 270) who describe that after trading has stopped between two actors they may continue their development by acquiring new resources.

However, the bankruptcy estate and regulations (other relations to Australi, Revolvet Trucks and Revolvet Cars) set up some new restrictions (Håkansson & Waluszewski, 2002 p. 37-38) regarding what iD could do with the tools and parts in their custody. Specifications and customizations of products implied that iD, after BAE:s bankruptcy, had no alternative use for BAE:s products. Still, iD had to store them because of a legislation declaring that producing firms need to supply the aftermarket with spare parts for 15 years. Moreover, in line with Håkansson & Waluszewski (2002 p. 35-38) the adaption of facilities was partly retained since the BEA tools (and related documentation) in iD:s plants now was owned by the bankruptcy estate.

Finally, during the inactive phase employees, on both sides of the relationship, were dismissed. Consequently, and in line with Håkansson & Waluszewski (2002 p. 36-37) knowledge about business relationship as well as technical understanding was lost. Yet, at iD some personnel with this knowledge were kept.

### 5.3 Re-activation phase

*How an inactive focal business relationship and its interfaces with other resources become re-activated after the acquisition of a bankruptcy estate will be in focus in this part.*

#### 5.3.1 Re-activation, the focal resource – the business relationship PDE – iD

In the inactive phase there was no exchange between the involved companies. However, this radically changed when PDE acquired the bankruptcy estate. As already pointed out this can be described as a critical event (Halinen et al., 1999; Dahlin, 2007). iD was contacted by BAE:s new owner PDE and business interactions became active again. In other words, as pointed out by several scholars, it is rather evident that PDE:s acquisition of the bankruptcy estate had important implications for, not only BAE, but also for many other surrounding actors (Havila & Salmi, 2000; Anderson et al., 2001 p. 584; Öberg, 2008 p. 117.).

After the re-activation iD acted as the stronger part in the relationship and (from PDE:s perspective) they were trying to take advantage of this situation by putting
pressure on PDE in the negotiations. iD wanted to have coverage for all their expenses. Consequently, iD did not trust BAE meeting the production volumes that they presented, and consequently the relationship was marked by distrust. (Havila & Wilkinson, 2002 p. 193; Huemer et al., 2009 p. 520). This also goes in line with Havila and Salmi’s (2000 p. 112) observation that when a bankrupt company is acquired suppliers may have problems with trusting the new owners. PDE and iD finally decided to continue with just about eleven percent of the production that PDE needed. The lack of potential positive returns for iD was the main reason behind this. Moreover, the burden of a customer relationship (Håkansson & Snehota, 1998; Havila & Wilkinson, 2002 p. 193) was also apparent in the case. The burden was something that was built overtime, and was affected by the radical change (i.e. the bankruptcy) for one of the counterparts (BAE/PDE). In line with the existing literature, the past (inactive phase) turned out to be a trait that affected the burden of a relationship (Håkansson & Snehota, 1998 p. 528).

Polonsky et al. (2010 p. 257-258, 270) and Havila and Wilkinson (2002 p. 200) highlight that the possibility to re-activate business relationships can be an opportunity and resource for firms and organisations, which is often a less costly alternative than to start relations from scratch. In the case described it is rather the other way around, at least from PDE:s perspective. If PDE had started off without iD in the beginning of 2012 a considerable amount of time and money would have been saved when the production eventually started in the end of 2013. Thus, a re-activation can also be constrained by negative effects crated during previous interactions (Havila & Wilkinson, 2002 p. 193). However, for iD the re-activation was not as negative since they were paid for spare parts that they had saved, and they also increased their production through re-activating the relationship with PDE. This notion is supported by Polonsky et al. (2010 p. 270) who points out that past relationships may be viewed differently by the involved actors. The authors stress that the perspective of both actors in the relationship should be considered. It is, finally, evident from the case that business relationships become inactive not dissolved (Batonda & Perry, 2003 p. 1479).
5.3.2 Re-activation, interfaces with other relationships

As the re-activation phase started, iD was engaged in several other business relationships. This process, engaging in other relationships, is by Håkansson and Waluszewski (2002 p. 37-38) described, as a costly process and iD could not leave the relationships even if they would have wanted to. Through this iD:s new customers created restrictions for both PDE and iD (Håkansson & Waluszewski, 2002 p. 37-38). This means, relationship problems (burden) can occur when parties like PDE and iD would like to develop an active or inactive relationship (Håkansson & Snehota 1998; Havila & Wilkinson, 2002 p. 193).

Time and change are always important factors in industrial markets; however in this particular case it is clear that time changed the basic settings for business interaction between PDE and iD (van de Ven, 1992; Juho et al., 2010; Hedaa & Törnroos, 2008).

5.3.3 Re-activation, interfaces with business units

In the re-activation phase just a fraction of the parts that PDE wanted iD to produce turned out to be possible to make. This was despite the fact that both PDE and iD were in possession of employees who had technical understanding or know-how. Similar situations have previously been described by Håkansson and Waluszewski (2002).

Nevertheless, iD still had units employed, which previously collaborated with BAE and were in possession of know-how and technical skills. In the restart after the bankruptcy PDE reemployed BAE:s former employees, including purchaser with relevant experiences, technical/commercial understanding and know-how (Håkansson & Waluszewski, 2002 p. 36-37).

5.3.4 Re-activation, interfaces with products

The mixed interfaces between the focal relationship and in particular the IP:s and the door panels were described as important for creating value in the active phase (Jahre et al., 2006 p. 62-63). In the re-activation phase these mixed interfaces were not possible to restore. Thus, a key resource (Håkansson & Waluszewski, 2002 p. 35) and an important source for value creation (Jahre et al., 2006 p. 62-63) now had to be ordered from other
suppliers. These two other mixed interfaces were what the interaction came to be about. One interface regarded 93 products (of less importance) that were possible to re-activate. The other interface was that the possibility for PDE to buy the products that were still in iD:s possession. The products became what Håkansson and Waluszewski (2002 p. 35) would define as a key resource in order to get PDE:s assembly line going again.

5.3.5 Re-activation, interfaces with facilities

In the re-activation phase BAE:s tools were still standing in iD:s facilities and this must be considered as one of the main reasons why iD was contacted by PDE. The results reveal how the connected facilities became a burden for PDE (Håkansson & Snehota, 1998). PDE had to start communicating with iD because of the adaption between their facilities and as pointed out, this finally lead to that PDE lost a considerable amount of time and money. This is what Håkansson & Waluszewski (2002 p. 35-36) define as a strong connection in the facility dimension. However, iD had moved on from the adaption of their facilities (Håkansson & Waluszewski, 2002 p. 35) that had been carried out with BAE and adapted their facilities to other customers instead. Because of iD:s new adaption’s of facilities it became difficult to re-activate the focal business relationship as it was before the bankruptcy. In table 4 (p. 40) it is possible to see that BAE/PDE share of the capacity of iD:s facilities has decreased dramatically. As Jahre et al. (2006 p. 61-62) has pointed out, this can be one way to understand the importance of facilities in a focal relationship.
6. Towards a re-conceptualisation of re-activation

The previous chapter analysed how a focal business relationship and its interfaces with other resources changed from an active to inactive phase, and how it eventually could be re-activated again. In this chapter we further elaborate and revise our findings from chapter 5.

As mentioned in the introduction there has been an on-going debate among scholars concerning if it is possible to re-activate a business relationship (Dwyer et al., 1987; Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky, et al., 2010). One part of this discussion concerns whether a business relationship can be terminated (Dwyer et al., 1987) or if terminated relationships are just dormant or sleeping (Havila & Wilkinson, 2002). From the empirical material it is possible to see when PDE was acquired the bankruptcy estate after BAE and was contacted iD, they were re-activating the relationship. This is much in line with what has previously been described by scholars (Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky, et al., 2010).

However, what does this say about how the focal relationship will evolve? From our point of view not much, having the BAE/PDE and iD re-activation in mind we know that this business exchange entails much more than just “re-activation”. The resource perspective taken in this thesis (Håkansson & Waluszewski, 2002) combined with the critical event perspective (Halinen et al., 1999) applied to a bankruptcy and the acquisition of the bankruptcy estate, show that re-activation tends to be more nuanced than what has previously been proposed (Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky et al., 2010; Poblete et al., 2014). Thus, to define re-activation seems to be appropriate in order to create a new theory (Sartori, 1984 p. 17; Starbuck, 2006 p. 143; Täthinen & Havila, 2013 p. 3).

What does the phenomenon re-activation entail? From our revised (MacInnis, 2011 p. 143) point of view with the BAE/PDE and iD case as a background: Re-activation of a business relationship only means that the relationship has gone from inactive (Batonda & Perry, 2003 p. 1479) to a mutual active (Håkansson & Snehota, 1995 p. 1-6) resource exchange. By applying this definition of re-activation, it does not contain the initial
negotiation between BAE/PDE and iD.

Further, our definition of re-activation does not reveal anything about how the focal relationship will evolve after the re-activation. For PDE the re-activation must be considered being problematic since they could not get iD to produce the IP:s and the door panels. Still, from iD:s perspective the re-activation must be considered to be successful since they managed to sell products that they would have to throw away otherwise. Moreover, they started production in facilities where they had space over. This is in line with Polonsky et al. (2010) who argue that the focal actors may have different perspectives on past relationships, and it may shape how the re-activation is perceived.

Consequently, “re-activation” does not say anything about what has happened in a focal relationship and in the interfaces with other resources. In the BAE/PDE and iD case all the resources involved were re-configured in connection to the re-activation (Chou & Zolkiewski, 2012a; Chou & Zolkiewski, 2012b). One example of this is the number of tools that went from 585 during the active phase to 93 re-configured tools. According to Jahre et al. (2006 p. 61-62) this could be one way to measure a facility resources importance for a focal relationship.

Adding up all these aspects, this analysis presents a revised and more nuanced model of re-activation based on the BAE/PDE and iD case (see figure 9). In the proposed model a re-activated, previously active, focal relationship initially moves from an inactive phase into a pre re-activation phase. This phase starts at the pre re-activation point.11 In the case with PDE/BAE and iD this point was when the PDE executives contacted iD. This could also be seen as a radical change, hence moving from inactive to pre-re-activation. In the pre re-activation phase knowledge about one’s counterpart is shared between the business units in the focal relationship (Håkansson & Waluszewski, 2002 p. 36-38) in order to understand if it is even possible to re-activate the business relationship. Resource interfaces in the active and the inactive phase (history matters) play a pivotal role affecting pre re-activation (Håkansson & Waluszewski, 2002 p. 37).12

Furthermore, the case reveals how PDE contacted (pre-re-activated) 500 suppliers but only 400 relationships were, for different reasons, possible to re-activate. In other words, 100 suppliers were not possible to re-activate and the focal relationships in these

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11 Inspired by Öberg (2008, p. 3) thoughts about acquisition point.
12 BAE:s dept to iD and iD:s lack of capacity.
cases moved back into an inactive phase.

If deciding to re-activate the relationship, this is done after the *re-activation point* when there is a mutual decision about starting a business exchange. In the case with BAE and PDE, this happens when PDE agrees on paying for everything in advance and then PDE starts to buy spare parts from iD. All four resources in the 4R-model (Håkansson & Waluszewski, 2002 p. 33-40) (Relationships, business units, products & facilities) are in this phase mutually exchanged to some extent. In the re-activation phase PDE paid iD to investigate how the new exchange will continue. When the results from the investigation are presented in May 2013, PDE are on the way to leave the relationship (inactivity) again since they have felt that iD:s demands were too high. However, the two actors find an agreement to continue with business exchange.

The focal relationship and its interfaces with other resources are in the BAE/PDE and iD case now quite far from what it once was. Thus, the focal relationship and its interfaces with other resources have moved into the re-configured phase. How the relationship precedes from here is unclear and dependent on the mutual created value of the focal relationship (Håkansson et al., 2009 p. 27-28). Finally, from the pre re-activation phase to the re-configured phase incremental changes occur in the resource constellation.

![Figure 9. Illustrating our revised model of the re-activation process.](image-url)
7. Conclusion

The overall purpose of this thesis was to increase our understanding of re-activation of previously inactive business relationships. By adapting a resource perspective a nuanced picture of this process could be revealed and analysed.

To answer our purpose two refined research questions where formulated: How does a focal business relationship and its interfaces with other resources change from before (active) to after (inactive) a bankruptcy? Furthermore: How can an inactive focal business relationship and its interfaces with other resources become re-activated after the acquisition of a bankruptcy estate? In order to answer the purpose and our questions, a single case of the re-activation that PDE did of their supplier iD after buying BAE:s bankruptcy estate was used. The theoretical base contains three different time phases of relationships (active, inactive & re-activation). In each phase resource interfaces are investigated. The different time phases also pass by periods of incremental and radical change trigger by critical events (bankruptcy & acquisition of bankruptcy estate).

In summary, this thesis shows as previous research that it is not only the relationship dimension (Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky et al., 2010) of re-activation that is of interest but other resources (Håkansson & Waluszewski, 2002; Jahre et al., 2006) also play a pivotal role when re-activating a focal relationship. How the different resources' interfaces affect the re-activation process is showed in detail. Because of changes mainly in the relationship, product and facility dimension the re-activation does not become what the acquiring firm had wished. Still, if taking the supplier perspective, the re-activation could partly be seen as successful (Polonsky et al., p. 270).

Previous literature on re-activation (Agndal & Axelsson, 2002; Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky et al., 2010; Poblete et al., 2014) has not defined the phenomenon. This is despite the importance of defining the main phenomenon of a study in order to create a new theory (Täthinen & Havila, 2013 p. 3). Based on our study re-activation is possible to define: Re-activation of a business relationship only means that the relationship has gone from inactive (Batonda & Perry, 2003 p. 1479) to a mutual active (Håkansson & Snehota, 1995 p. 1-6) resource exchange.
In the title of this thesis we asked if it is possible to re-activate a business relationship. The empirical material shows that it is possible to re-activate a relationship in line with Havila and Wilkinson (2002), Batonda and Perry (2003) and Polonsky et al. (2010) thoughts. However, in line with our definition of re-activation this does not say much about what happens in the focal relationship and its interfaces with other resources.

Because of this we propose a revised and more nuanced model of re-activation. This model implies that re-activation consists of three phases, pre re-activation, re-activation and re-configured. The pre re-activation phase is when the initial contact is taken between the actors involved. Previous resource interfaces during active and inactive phase affect this phase. From our case it seems to be the focal business relationship and the business unit resource that is actively involved in pre re-activation. However, there is no mutual active business exchange in this phase. If the involved actors are able to come to an agreement about further business exchange the re-activation phases follows. In this phase all four resources in our case become active (Håkansson & Waluszewski, 2002). The re-activation phase gradually passes over to the re-configured phase were the resource interfaces become more structured. How the relationship precedes from here is unclear and dependent of the mutual created value of the focal relationship (Håkansson et al., 2009 p. 27-28).

Finally, this thesis contributes to increase the understanding of re-activation as a more complex phenomenon than previously has been exemplified (Havila & Wilkinson, 2002; Batonda & Perry, 2003; Polonsky et al., 2010; Poblete et al., 2014). By this we are support that re-activation might even be more complex than exploring initial relationship development (Polonsky et al., 2010 p. 271). Yet, our study is just one unique single case of the Swedish automotive industry and by this it is hard to generalize our findings and revised model to a larger population without further research.

7. 1 Implications for further research

In this thesis we have tried to increase the understanding of re-activation of inactive business relationships. By taking a resource perspective on re-activation we have been able to show how resource interfaces affect re-activation. More studies using this approach would be one avenue for further research to test/verify and develop our framework.
Further, we have pointed out that re-activation is not just something positive, it can also be a burden (Håkansson & Snehota, 1998), and it consists of three phases; pre re-activation, re-activation and re-configured. Our conclusions implies the possibility of several different types of re-activations. By conducting a quantitative study around the re-activation that PDE did of 400 (500 attempted) suppliers it would be possible to create a classification of different types of re-activations. The pre re-activation phase in particular requires additional investigation since this phase seems to be of importance for re-activating a business.

Finally, in this thesis the bankruptcy context is simply used as a critical event to understand re-activation. Our findings, however, indicate that an acquisition of a bankruptcy estate is a special type of M&A, since it is preceded by an inactive phase where suppliers have time to make new adaption’s. By this it could be of interest to study suppliers but also customers relationships and networks before and after an acquisition of bankruptcy estate more specific. Not just as previously in relation to M&As which is not passing by a period of inactivity in business exchange (Havila & Salmi, 2000; Anderson et al., 2001; Dahlin, 2007; Öberg, 2008).

7.2 Managerial implications

From our study it is possible to see that when buying a bankruptcy estate managers need to pay close attention to what has happened in past resource interfaces with suppliers. This includes what has happened with relationships in the past, as well as what the supplier has done with their facilities in terms of adaption to other customer during the inactive period. If considering past interfaces with supplier's mangers can to a further extent understand the value of a bankruptcy estate. Thus, when acquiring a bankruptcy estate with the intention to re-activate old business the status of the most important suppliers must be considered.

From the supplier perspective this thesis reveals that it might be of interest for mangers who have customer’s that declared bankruptcy to early create strategies considering possible re-activations. If doing this a platform for possible successful re-activation can be created. At last, pre re-activation seems to be a phase for managers to pay extra interest in, thus how they act when initially contacting former business partners for negotiation.
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Interview 3.
Purchase Executive at PDE, Uppsala, Mars 11, 2015, phone interview, personal interview.

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Interview 5.
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Interview 6.
Former Chief Executive Officer at SATA, Uppsala, February 3, 2015, phone interview, personal interview.

Interview 7.
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Appendix

1. Interview guide (Trade Association) SATA

Tell us about yourself and profession? (Background, profession years at the company)

Active stage

Products

Question 1

Describe the product(s) that BAE/PDE were buying from company iD before the bankruptcy. What were they actually buying from company iD just a products or services as well?

Question 2

Describe the importance of product(s) (iD), if it was modified (standardized custom maid) for you, how and if you or BAE had a specification (who was the driving part?) about the product?

Question 3

Who were the actors involved in developing this products/service?

Facilities

Question 1

In what way were iD & BAE/PDE facilities adapted to each other before the bankruptcy?

Question 2

If collaborating with company iD regarding facilities what are the main reasons behind this? Describe, What's in it for you? Why was it important?

Relationships

Question 1

How would you describe the relationship between iD & BAE/PDE before the bankruptcy? Describe the history of the relationship?

Question 2

How would you describe the usefulness of this relationship and in what way did they invest in the relationship?

Question 3

In what way did the relationship between iD & BAE/PDE create opportunities (possibility to influence) or restrictions for further business? (Opportunities, restrictions) If so how was the other actors?
Question 1
Describe the business unit (s) that has been working with company iD & BAE/PDE and how they are related?

Question 2
Describe the co-operation between iD & BAE/PDE?
Co-operation = In what way were iD & BAE/PDE business units using technical resources as facilities and products in the development processes and what skills would you say that you possessed in the interaction with company iD & BAE/PDE?

Inactive phase

Products

Question 1
Describe what happened to the products that BAE/PDE were buying from iD in the inactive phase?

Question 2
If it was other actors involved in the development of the product what happened to them during the inactive phase?

Facilities

Question a)
If, during the active stage describe that their were an adaption between iD & BAE/PDE facilities what happened with this adaption of facilities during the inactive phase? In other words what did Company iD & BAE/PDE do?

Question b)
(b) If they were keeping the adaption why? If selling the adaption why? If terminating them why?

Relationships

Question 1
How would you describe the relationship between iD & BAE/PDE during the inactive phase?

Question 2
Were there still relationships with the involved at company iD & BAE/PDE in the inactive phase? If so describe these relationships and what happened with them during the period of inactivity?

Question 3
If the relationship between iD & BAE/PDE created opportunities (possibility to influence) or restrictions for further business with other actors during the active phase? (Opportunities, restrictions) What happened to those relationship(s) during the inactive phase?

**Business units**

**Question 1**

Describe what happened to the business units (skills) that were working with company iD & BAE/PDE during the inactive phase?

**Re-activation stage**

**Products**

**Question 1**

Describe the products that BAE/PDE were buying from company iD during the re-activation phase?

**Question 2**

In the re-activation, describe the importance product(s), if it was modified (standardized custom maid) for iD & BAE/PDE (who were the driving part?) about the product?

**Question 3**

Who were the actors involved in re-activation phase of developing this products/service? (Were there more actors’ customers’ suppliers (Embeddedness) involved? If so describe?)

**Facilities**

**Question 1**

In what way were iD & BAE/PDE:s facilities adapted to each other during the re-activation?

**Question 2**

If iD & BAE/PDE were collaborating regarding facilities in the re-activation phase what are the main reasons behind this? Describe, What’s in it for you? Why was it important?

**Relationships**

**Question 1**

How would you describe the relationship between iD & BAE/PDE during the re-activation phase?

**Question 2**

How would you describe the usefulness of this relationship during the re-activation phase and in what way did iD & BAE/PDE invest in the relationship?

**Question 3**
In the re-activation phase what way did the relationship with company iD & BAE/PDE create opportunities (possibilities to influence) or restrictions for further business? (Opportunities, restrictions) If so how was the other actors?

Business Units

Question 1

Describe the business unit (s) that has been collaborating between iD & BAE/PDE during the re-activation and how they are related.

Question 2

Describe the co-operation between iD & BAE/PDE during the re-activation?  
Co-operation = In what way were your business units using technical resources as facilities and products in the development processes and what skills would you say that you possessed in the interaction with company iD & BAE/PDE?

Is there anything more you would like to add?

2. Interview guide (Consumer) BAE/PDE

Tell us about yourself and profession? (Background, profession years at the company)

Active phase

Products

Question 1 (products)
Describe the products that you were buying from iD before the bankruptcy. What were you actually buying from company iD just a products or services as well?

Question 2 (products)
Describe the importance of iDs product for you?

Question 3 (products)
In what way were the products that you were buying modified in order to match your production?

Question 4 (products)
Were the products developed because of specifications (adjusted to you) from you or from the supplier? If so describe

Question 5 (products)
Who were the actors involved in developing this products/service?

Facilities

Question 1 (facilities)
In what way were your company or you supplier's facilities adapted to each other before the bankruptcy?
**Question 2 (a) (Facilities)**
If collaborating with iD regarding facilities what are the main reasons behind this? Describe, What's in it for you?)

**Question 2 (b) (Facilities)**
In what way was the collaboration regarding facilities of importance for the development of your relationship?

**Question 3 (Facilities)**
How has your collaboration regarding facilities developed over time?

**Relationships**

**Question 1**
How would you describe the relationship to iD before the bankruptcy? Describe the history of the relationship

**Question 2**
How would you describe the usefulness of this relationship? 
In what way did you invest in the relationship?

**Question 3**
In what way did you use your relationship to iD to create support against counterparts?

**Question 4**
In what way did the relationship with iD create opportunities or restrictions for future business?

**Question 5**
If possible? In what way was it possible to influence other relationships through your relationship with iD?

**Business units**

**Question 1**
Describe the business units that have been working with iD?

**Question 2**
How are this different business units related to each other?

**Question 3**
Describe the co-operation you have with iD and how this co-operation has developed over time?

**Question 4**
If related? In what way were your business units using technical resources as facilities and products in the development processes related to iD:s?

**Question 5**
What skills would you say that you possessed in the interaction with iD?

**Inactive Phase**

**Products**
**Question 1**
Describe what happened to the products that you were buying from iD in the inactive phase?

**Question 2**
If it was other actors involved in the development of the product what happened to them during the inactive phase?

**Facilities**

**Question 1**
If you during the active stage describe that their were an adaption between your and iD:s facilities what happened with this adaption of facilities during the inactive phase? In other words what did iD do?

**Question (b)**
If they were keeping the adaption why? If selling the adaption why? If terminating them why?

**Relationship**

**Question 1**
How would you describe the relationship to iD during the inactive phase?

**Question 2**
Were there still relationships with the involved at iD in the inactive phase? If so describe these relationships and what happened with them during the period of inactivity?

**Question 3**
If the relationship with iD created opportunities (possibility to influence) or restrictions for further business with other actors during the active phase? (Opportunities, restrictions) What happened to those relationship(s) during the inactive phase?

**Business unit**

**Question 1**
Describe what happened to the business units (skills) that were working with iD during the inactive phase?

**Re-activation Phase**

**Product**

**Question 1**
Describe the products that you were buying from iD during the re-activation phase?

**Question 2**
In the re-activation, describe the importance iD:s product(s), if it was modified (standardized custom maid) for you, how and if you or BAE had specifications (who were the driving part?) about the product?

**Question 3**
Who were the actors involved in re-activation phase of developing this products/service? (Were there more actors’ customers’ suppliers (Embeddedness) involved? If so describe?)
Facilities

Question 1
In what way were you or your suppliers’ facilities adapted to each other during the re-activation?

Question 2
If collaborating with iD regarding facilities in the re-activation phase what are the main reasons behind this? Describe, What’s in it for you? Why was it important?

Relationships

Question 1
How would you describe the relationship to iD during the re-activation phase?

Question 2
How would you describe the usefulness of this relationship during the re-activation phase and in what way did you invest in the relationship?

Question 3
In the re-activation phase what way did the relationship with iD create opportunities (possibilities to influence) or restrictions for further business? (Opportunities, restrictions) If so how was the other actors?

Business units

Question 1
Describe the business unit (s) that have been working with iD during the re-activation and how they are related

Question 2
Describe the co-operation you have with iD during the re-activation?
Co-operation = In what way were your business units using technical resources as facilities and products in the development processes and what skills would you say that you possessed in the interaction with iD?

Is there anything more you would like to add?

3. Interview guide (Supplier) iD, Beta & Delta

Tell us about yourself and profession? (Background, profession years at the company)

Active phase

Products

Question 1 (products)
Describe the products that you were selling to BAE before the bankruptcy. What were you actually buying from BAE products or services as well?

Question 2 (products)
Describe the importance of BAE as a customer for you?
**Question 3 (products)**
In what way were the products that you were selling modified in order to match BAE production?

**Question 4 (products)**
Were the products developed because of specifications (adjusted to BAE) from you or from the BAE? If so describe

**Question 5 (products)**
Who were the actors involved in developing this products/service?

**Facilities**

**Question 1 (facilities)**
In what way were your company or BAE facilities adapted to each other before the bankruptcy?

**Question 2 (a) (Facilities)**
If collaborating with BAE regarding facilities what are the main reasons behind this? Describe, What's in it for you?)

**Question 2 (b) (Facilities)**
In what way was the collaboration regarding facilities of importance for the development of your relationship?

**Question 3 (Facilities)**
How has our collaboration regarding facilities developed over time?

**Relationships**

**Question 1**
How would you describe the relationship to BAE before the bankruptcy? Describe the history of the relationship

**Question 2**
How would you describe the usefulness of this relationship? In what way did you invest in the relationship?

**Question 3**
In what way did you use your relationship to BAE in order to create support against counterparts?

**Question 4**
In what way did the relationship with BAE create opportunities or restrictions for future business?

**Question 5**
If possible? In what way was it possible to influence other relationships through your relationship with BAE?

**Business units**

**Question 1**
Describe the business units that have been working with BAE
Question 2
How are these different business units related to each other?

Question 3
Describe the co-operation you have with BAE and how this co-operation has developed over time?

Question 4
If related? In what way were your business units using technical resources as facilities and products in the development processes related to BAE?

Question 5
What skills would you say that you possessed in the interaction with BAE?

Inactive Phase

Products

Question 1
Describe what happened to the products that you were selling to BAE in the inactive phase?

Question 2
If it was other actors involved in the development of the product what happened to them during the inactive phase?

Facilities

Question 1
If you during the active stage describe that there were an adaption between your and BAE:s facilities what happened with this adaption of facilities during the inactive phase? In other words what did BAE do?

Question (b)
If they were keeping the adaption why? If selling the adaption why? If terminating them why?

Relationship

Question 1
How would you describe the relationship to BAE during the inactive phase?

Question 2
Were there still relationships with the involved at BAE in the inactive phase? If so describe these relationships and what happened with them during the period of inactivity?

Question 3
If the relationship with BAE created opportunities (possibility to influence) or restrictions for further business with other actors during the active phase? (Opportunities, restrictions) What happened to those relationship (s) during the inactive phase?

Business unit

Question 1
Describe what happened to the business units (skills) that were working with BAE during the
inactive phase?

Re-activation Phase

Product

Question 1
Describe the products that you were selling to PDE during the re-activation phase?

Question 2
In the re-activation, describe the importance your product(s) for PDE, if it was modified (standardized custom maid) for you, how and if you or PDE had specifications (who were the driving part?) about the product?

Question 3
Who were the actors involved in re-activation phase of developing this products/service? (Were there more actors’ customers’ suppliers (Embeddedness) involved? If so describe?

Facilities

Question 1
In what way were you or your customer’s facilities adapted to each other during the re-activation?

Question 2
If collaborating with PDE regarding facilities in the re-activation phase what are the main reasons behind this? Describe, What’s in it for you? Why was it important?

Relationships

Question 1
How would you describe the relationship to PDE during the re-activation phase?

Question 2
How would you describe the usefulness of this relationship during the re-activation phase and in what way did you invest in the relationship?

Question 3
In the re-activation phase what way did the relationship with PDE create opportunities (possibilities to influence) or restrictions for further business? (Opportunities, restrictions) If so how was the other actors?

Business units

Question 1
Describe the business unit(s) that have been working with PDE during the re-activation and how they are related

Question 2
Describe the co-operation you have with PDE during the re-activation?
Co-operation = In what way were your business units using technical resources as facilities and products in the development processes and what skills would you say that you possessed in the interaction with PDE?
Is there anything more you would like to add?