## About the Course

### Timetable

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>A relationship and network view of marketing and business</td>
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<td>2</td>
<td>The Value and Functions of Relations and Networks</td>
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<tr>
<td>3</td>
<td>Relationship and Network Management</td>
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<td>4</td>
<td>Economics of Insourcing and Outsourcing</td>
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<td>5</td>
<td>Coordinating Business Relations</td>
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<td>6</td>
<td>Managing in Networks: The Beer Game Simulation</td>
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<td>7</td>
<td>Managing Complexity: Management and Policy Implications of a Network View</td>
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Course Overview

The focus of this course is on a firm’s marketing structure and operations rather than strategy development - on the organisation and implementation of marketing strategy. Implementation involves the performance of marketing activities to create and deliver products and services that meet customers’ needs. Some of this work is carried out within the firm and some by suppliers, distributors customers and other organisations. A fundamental aspect of marketing management is relationship and network management, which involves developing and managing the relations between marketing and other functions within the firm and with external organizations in order to gain access to and develop key resources and competences. This course examines the nature and role of internal and external relations and networks in implementing marketing strategy, their impact on a firm’s marketing performance and how they are managed. The course focuses primarily on business to business markets but it is also relevant to consumer markets as firms in these markets have to manage relations with suppliers, distributors and other types of firms.

There is not textbook for the course but a package of essential readings is provided that the students purchase.

Assumed Knowledge

All students should have completed an undergraduate degree in marketing or the equivalent and have completed MARK 6000.

Course Aims

The aims of this course are:

- To introduce students to the role and importance of interfirm relations and networks as key determinants of firms’ and nations’ competitiveness
- To enable students to undertake a cooperative analysis of a firm or other type of organisation which evaluates the role and importance of different types of relationships and networks as part of a firm’s resource base and core competences.
- To enable students to analyse in-sourcing and outsourcing decisions for marketing and production activities in terms of both economic and behavioural dimensions.
- To give students an understanding of the factors affecting the nature and development of marketing relations and networks.
- To enable students to plan and develop strategies for managing in relationships and networks and to understand the concept of soft assembled strategies.
- To introduce students to the theories and concepts of business marketing of the Industrial Marketing and Purchasing Group
Course Structure

Week 1

The nature and role of relationships and networks in marketing and business

*Required Reading:*

Ian Wilkinson “The Nature and Role of Relations and Networks in Business” Draft Chapter 1 *The Business of Relating Business*

Ford David and Hakansson, Hakan “IMP – some things achieved: much more to do” *European Journal of Marketing* (forthcoming)


*Additional Reading:*

Week 2

The Value and Functions of Relations and Networks

Required Reading:


Discussion Questions

1) Compare the IMP perspective on the nature, role and value of relations with that of Dyer and Singh. How similar and compatible are they?

2) How does the Anderson, Hakansson and Johanson paper explain the sources of indirect or network functions of relations? How can we include schema couplings, the linking and adapting of ideas and theories in use between firms in a relation, in their framework?

3) What types of relationship and network functions are suggested by the Hancock, John, and Wojcik article? How can they be identified and developed?

4) Analyse the value equations for an important supplier and customer relation you are familiar with. What opportunities are there to add value for either party?

Additional Reading


Value Equations Exercise for Week 2

Consider the following two types of buyer-seller exchange relationships: (A) NECX (a broker which supplies electronic components) and one of its customers; and (B) between the customer and one of its regular suppliers of such electronic components.

Owned by two individuals, who started it in a domestic kitchen in 1980, by 1995, NECX was the world’s largest independent distributor of integrated circuits and computer products with a turnover of about $450 million; no debt (other than to suppliers); and no equity from outsiders. It makes its profits by being a ‘supplier of last resort’ to whom customers turn when they cannot get supplies from their regular sources. Indeed it is where ‘the panic-stricken turn when the official distributors fail them.’ Acting as an intermediary between chipmakers and purchasers worldwide it meets customers’ requirements in one of two ways. Either it is holding the item in stock on a speculative basis or, if it is not, then it will seek out a supplier that does hold stocks of the item, buy the item and resell it. The core of its activities is its electronic trading floor where the worldwide availability and pricing of semiconductors are continuously reflected on a big board as over 75 multi-lingual traders work the market 24 hours a day, seven days a week.

NECX has a policy of repackaging all items before selling them because it aims to maintain anonymity between its customers and its suppliers. The reason given for doing this is that anonymity protects both the buyers, who are having difficulties in maintaining their output because of supply difficulties, and the sellers, who have surplus stocks, from being identified by their competitors. More importantly, from NECX’s point of view, it makes it difficult for NECX to be by-passed by a customer in future going direct to the supplier(s). Given the nature of the purchasing situation (‘where the panic-stricken turn when the official distributors fail them’), the customer usually has no time to check the quality of the supplies but has to accept that NECX is dealing with reputable suppliers. However no manufacturer’s warranty is provided with the supplies being provided by NECX.

Compared with companies manufacturing chips (e.g. Intel or Siemens), not only is NECX not a manufacturer but it makes its profits by offering a very different product. NECX only exists to cope with the uncertainty of both supply and demand. Although from time to time it does hold stocks of chips on a speculative basis, its ideal is to know where there are surplus supplies of chips so that, when approached by a potential customer, it can make a trade. Indeed its assets include the knowledge of where it can obtain chips surplus to others’ requirements and being known by firms that may face unforeseen shortages. Another asset is knowledge of its customer’s and suppliers’ business circumstances. Lack of such knowledge can be expensive as NECX found when, due to lack of knowledge of one its customer’s other business connections, it suffered a loss of $80,000 on a single trade.

Questions:

a) Describe the value equations for the exchange between the Customer and NECX’s (supplier). What, if any, relationship functions are involved?

b) Describe the value equations for the exchange between the Customer and its main Supplier of electronic components. What, if any, relationship functions are involved?

c) Compare your answers to Q1 and Q2 how and why are they different and similar?
Week 3:  
Relationship and Network Management

**Required Reading**

- Ian Wilkinson “The Development of Business Relations and Networks” Chapter 4 *The Business of Relating Business* 2006

**Discussion Questions**

1) Do the arguments about competition outlined in the Stalk and Lachenauer article mean that there is no room for relations and networks when firms play “hardball”?

2) What are the main problems involved in developing a firm’s relationship and network strategies?

3) Discuss the idea of relationship and network management reflected in the Lawrence, Morse and Fowler article. Are relationship and network strategies only relevant for firms who are in control of their relations and networks? What are the strategic options for firms with little or no power over others?

**Case Study**


**Additional Reading:**

Week 4

Economics of Insourcing and Outsourcing

Required Reading

Ian Wilkinson “The Economics of Insourcing and Outsourcing” Chapter 3 The Business of Relating Business 2006


Distribution Costs Exercise (For Week 4)

Consider the following distribution system. Suppose 100 firms supply 2 products each to each of 1000 customers. Each supplier is the same size and has the same costs, each customer has identical costs and demand. The costs of distributing products to a customer or collecting goods from a supplier are the same. The costs comprise a fixed cost component of $2 per delivery (or collection) and a variable cost per unit carried that varies depending on the number of units carried, as shown in the following table.

a) What are the total distribution costs with and without an intermediary?
b) What are the economic principles underlying the differences in costs?

<table>
<thead>
<tr>
<th>$ Variable cost per unit sold</th>
<th>Total Number of Units Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>&lt;10</td>
</tr>
<tr>
<td>9</td>
<td>&lt;101</td>
</tr>
<tr>
<td>8</td>
<td>&lt;501</td>
</tr>
<tr>
<td>7</td>
<td>&lt;1001</td>
</tr>
<tr>
<td>6</td>
<td>&lt;2,001</td>
</tr>
<tr>
<td>5</td>
<td>&lt;3,001</td>
</tr>
<tr>
<td>4</td>
<td>&lt;4,001</td>
</tr>
<tr>
<td>2</td>
<td>&gt;=10,000</td>
</tr>
</tbody>
</table>

Discussion Questions

1) Distinguish between complementary and similar activities. How does the similarity and complementarity of activities influence a firm’s marketing and business strategy?

2) What economic principles underlie Davis and Spekman’s analysis of outsourcing decisions?

3) What economic principles are reflected in the Brown, Durchslag, and Hagel article examples and arguments?
Case Study


Additional Reading

Jerome Barthelemy “The hidden costs of IT outsourcing” MIT Sloan Management Review; Spring 2001; 42, 3 60-69

David W. Parker and Katie A. Russell “Outsourcing and Inter/Intra Supply Chain Dynamics: Strategic Management Issues” Journal of Supply Chain Management 40,4 Fall, 2004

Week 5

Coordinating Business Relations

Required Reading

Ian Wilkinson “Managing in Business Relations” Chapter 5 The Business of Relating Business 2006

X. Luo, R. Slotegraaf and X. Pan “Cross Functional ‘Coopetition’: The simulateneous role of cooperation and competition within firms” Journal of Marketing 70 (April) 2006 67-80


Charles J Corbett; Joseph D Blackburn; Luk N Van Wassenhove, “Partnerships to improve supply chains” Sloan Management Review; Summer 1999; 40, 4

Discussion Questions

1) Compare the power-conflict and trust commitment views of business relationship coordination and management. 

2) What is the role of personal relations in managing business relations based on your analysis of the Hayto article and your own experience? 

3) What do we learn about relationship management from the Luo, Slotegraaf and Pan article? How does the management of intra-firm relations affect the management of inter-firm relations? 

4) When are adversarial business relations the most appropriate type of relation? 

5) Compare and contrast the Corbett et al and Hansen and Nohria articles in terms of what they say about developing collaborative relations
Case Study:


Additional Reading


K.D. Bradford, A. Stringfellow, B.A. Weitz “Managing conflict to improve the effectiveness of retail networks” Journal of Retailing 80,3 2004


James Lincoln, C. Ahmadjian and E. Mason “Organizational Learning and Purchase-Supply Relations in Japan” California Management Review 40 (3) Spring 1998 241-264


Week 6
Managing in Networks: The Beer Game Simulation

Required Readings

(Readings will be provided during the class)
Week 7
Managing Complexity: Management and Policy Implications of a Network View

Required Reading


Jeffrey Dyer “Key Lessons for Implementing the Extended Enterprise” ch 7 in *Collaborative Advantage*, Oxford Uni Press 2000


Discussion Questions

1. What does complexity mean and what marketing management implications does it have?

2. How useful is the concept of network position and network positioning?

3. How should a firm go about improving and defending its business network position?

4. What are the implications for trade policy of a relationship and network perspective?

Additional Reading

Jeffrey Dyer, Nile W. Hatch “Using Supplier Networks to Learn Faster” *Sloan Management Review* 45 (3)


Achrol Ravi S. and Kotler Philip (1999) “Marketing in the Network Economy” *Journal of Marketing* 63 (Special Issue) 146-163

Workload

It is expected that you will normally spend 10 to 12 hours a week studying for this course. In addition to attending classes, you will need to devote time to:

➢ Reading and researching
➢ Class preparation of readings and discussion questions
➢ Preparation of written reports on assigned readings/discussion questions
➢ Assessment tasks

In periods where you need to complete assignments or examinations the time required may be greater.

Please note that Faculty reviews consistently show that two factors have a detrimental effect on students’ academic performance:

➢ Undertaking an excessive workload of study and paid employment
➢ Poor time management, especially insufficient time devoted to study outside of classes

You should take the required workload into account when planning how to balance study with paid employment and other activities.

Format and teaching approach

The course consists of 3 hour sessions held once week. A participative teaching style is adopted. Each week a set of readings is assigned as well as discussion questions and/or case studies which will form the basis of class discussion and interaction. Students are expected to read all the assigned readings for each week and to prepare written reports and presentations for particular readings, discussion questions or case studies assigned to them.
Staff and contacts

Course Coordinator: Ian Wilkinson
Email address: i.wilkinson@unsw.edu.au
Telephone: 9385 3298
Location: Room 301 John Goodsell Building

Ian Wilkinson was educated in the UK and Australia and has held academic posts at various American, European as well as Australian universities, including: Berkeley, Bath, Cincinnati, Temple, Lancaster, Stockholm School of Economics and UIBE, Beijing. He has published three books and over 150 research papers and he is a member of the editorial review board of eight international journals. His current work focuses the development and management of interfirm relations and networks in domestic and international business and the dynamics of markets and industrial networks, including an interest in complexity theory and its implications for marketing and management. He has been a consultant to many firms and organisations, was a member of the Australian Government’s Trade Policy Advisory Committee and a judge of the Multicultural Marketing Awards.
Assessment

All assessment tasks are subject to the following SISTM policies:

Any number of the assessment components may be scaled to a mean of 60%.

All components of assessment must be completed at a satisfactory level (normally a minimum mark of 50%). If this level of performance is not achieved in any component a UF will be awarded.

Team members are expected to work in a harmonious and professional manner.

This course will be assessed in accordance with the School’s assessment policies that can be found at: sistm.web.unsw.edu.au

Summary of requirements

The table below provides an overview of the assessment tasks, due dates and relative weighting

<table>
<thead>
<tr>
<th>Assignment Name</th>
<th>Due date</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>Readings and Discussion Question Reports</td>
<td>As assigned</td>
<td>30%</td>
</tr>
<tr>
<td>Presentations and participation</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Relationship History Analysis</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Final Examination (Take home)</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Written reports on readings or discussion questions

Due: Each week students will be assigned readings or discussion questions to critically review and discuss and to present to the class. Word length: 2-3 typed pages.

- **Presentations** may use 2-3 overhead slides to summarise main points
- **For Readings:**
  - Summarise main points and contributions
  - Critically evaluate the arguments and evidence presented
  - Relate the issues discussed to other readings and to professional experience as appropriate
  - Identify other issues arising.
- **Discussion Questions:**
  - Take a point of view on the issues involved and provide supporting arguments for the view taken
  - Relate your arguments to assigned readings plus other research and experience
  - Propose relevant issues for class discussion
Business Relationship History Analysis

Due: Word length: Max 15 pages plus appendices

This project involves describing and analysing the way a particular business relation has developed over time, how and why it developed as it did, how it is coordinated and managed and the functions it performs for those involved. The focus should be on an important relation and preferably one in which there has been significant change over time such as a move from a less to a more collaborative form of relation or the reverse.

Issues to be covered include:

- Details of the firms/organisations involved and how they came together to begin with.
- How is the relationship coordinated and managed?
- Who is and has been involved in the relation?
- What is the structure of the relations in terms of activity links, actor bonds, resource ties and schema coupling and how has this changed over time?
- What is the nature of power, conflict, trust and commitment in the relation and how and why has this changed over time?
- What are the functions of the relation for those involved and how these have changed over time?
- What is the effect of any prior history of the parties involved on the relation?
- Describe the key events and stages in the development of the relation and how they are interconnected
- How is the relation connected to other relations, including a description of the value net for each organisation involved and how the relation fits in their respective value nets
- Key problems and issues encountered
- How well is the relation performing and what does performance mean for each party involved?
- How could management in either organisation involved improve the relation? What kind of problems are involved and how could they be overcome

You can use various sources of information and all information will remain confidential unless explicit permission is given by you and the firms involved to use the material in future classes and publications. Choose a relation you are familiar with so that you have some personal experience and knowledge – it does not have to be a relation in Australia or involving an Australian organisation. Interview others involved to get different perspectives on the relation and how it has developed over time. Analyse any documents and reports of meetings and negotiations. Use any measures of behaviour such as sales, costs, number of meetings available.
Presentation and participation

Active participation is an important component of the Master Marketing. All students are expected to participate in class discussions and activities as well as, at various times throughout the session, make presentations in class.

Final Examination

The final exam will be a take home essay exam, including a case study, and is due one week after the last class. The essay questions will be based on the discussion questions use in the course and other issues arising in discussion and presentations.

All exams are conducted in accordance with the UNSW Rules for the Conduct of Examinations and it is the student’s responsibility to be familiar with these rules. For more information, refer to the Master of Marketing Student Information Guide or the UNSW examination website at:

Any review of assessment results will be conducted in accordance with the School's assessment policies that can be found at: insert web address
Grading and feedback

All assignments and examinations are assessed using the Fail, Pass, Credit, Distinction and High Distinction grading system (see table below)

<table>
<thead>
<tr>
<th>Code</th>
<th>Grade</th>
<th>% Mark</th>
<th>Explanation</th>
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<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85-100</td>
<td>An outstanding performance</td>
</tr>
<tr>
<td>DN</td>
<td>Distinction</td>
<td>75-84</td>
<td>A superior, well above average performance</td>
</tr>
<tr>
<td>CR</td>
<td>Credit</td>
<td>65-74</td>
<td>A good, above average performance</td>
</tr>
<tr>
<td>PS</td>
<td>Pass</td>
<td>50-64</td>
<td>An acceptable level of performance</td>
</tr>
<tr>
<td>FL</td>
<td>Fail</td>
<td>0-49</td>
<td>Unsatisfactory performance</td>
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Assignment submission

Unless otherwise arranged with the lecturer, all assessment must be submitted in the class in which it is due.

Late submission

Assignments are due on the date indicated in this overview. Extensions will only be granted on medical or compassionate grounds under extreme circumstances, and will not be granted because of work and other commitments. Requests for extensions must be made in writing to the lecturer prior to the due date. Medical certificates or other evidence of extreme misfortune must be attached and must contain information that justifies the extension sought.

Late submission of assignments will incur a penalty of 10% of the percentage weight of the assessment component per day after the due date. An extension in the time of submission will only be granted under exceptional circumstances by the lecturer-in-charge. In all cases documented evidence must be provided.

Word count & assignment format

Word count limits are a guide but assignments significantly greater than this will be penalised. All assessment should include an assignment cover sheet clearly indicating date submitted, course number and name, students name and contact details and course coordinator. Written work such as essays should be typed in 12point font, single spaced and stapled with allowance made (2.5 cm on each side) in the margin for comments and feedback. Please do not bind assignments.
Student responsibilities

Attendance and participation
Students are expected to be regular and punctual in attendance at all classes in the courses in which they are enrolled. It is important to note that if students attend less than eighty per cent of their possible classes they may be refused final assessment. All requests for non-attendance at class must be submitted to your lecturer or the Director, Master of Marketing.

Academic honesty
Students and staff are governed by the normal laws which regulate our daily lives. But in addition the University has its own code of rules and conduct. This is because good conduct and academic honesty are fundamental to the mission of the University as an institution devoted to the pursuit of excellence in scholarship and research, and to the service of society. These principles apply not only to students but to the whole University community, including staff engaged in research. They have been developed over many years and are widely supported by staff and students. Staff and students are committed to good conduct and academic honesty and are keen to see that these values and principles are upheld.

The University Council has defined student misconduct as follows (29th August 1994): Student misconduct includes student academic misconduct and also encompasses conduct which impairs the reasonable freedom of other persons to pursue their studies or research or to participate in the life of the University.

It is the responsibility of all students to familiarise themselves with the rules that govern student and academic misconduct. For more information, please see: http://www.student.unsw.edu.au/academiclife/assessment/academic_misconduct.shtml

Plagiarism
Plagiarism is considered academic misconduct and, as such, will be severely penalised. Plagiarism involves using the work of another person and presenting it as one’s own. Acts of plagiarism include copying parts of a document without acknowledging and providing the source for each quotation or piece of borrowed material. These rules against plagiarism apply whatever the source of the work relied upon may be, whether printed, stored on a compact disc or other medium, found on the World Wide Web or Internet.

Similarly, using or extracting another person’s concepts, experimental results or conclusions, summarising another person’s work or, where, there is collaborative preparatory work, submitting substantially the same final version of any material as another student constitutes plagiarism.

It is your responsibility to make sure you acknowledge within your writing where you have “sourced” the information, ideas and facts etc.
The basic principles are that you should not attempt to pass off the work of another person as your own, and it should be possible for a reader to check the information and ideas that you have used by going to the original source material. Acknowledgment should be sufficiently accurate to enable the source to be located speedily. If you are unsure whether, or how, to make acknowledgment consult your lecturer.

For more information on plagiarism and how to avoid it, visit the UNSW Learning Centre website: http://www.lc.unsw.edu.au/onlib/plag.html