“The Dynamics of new joint business development from a teleological perspective”

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This study is a process analysis from a teleological perspective on the formation of a joint venture. A teleological perspective can be described as a continuous process. This means that something will never happen without a reason, and there is another reason for the reason why it happens. In this way a circle is created. Previous studies were done in the field of new business development, but the emphasis on the process itself is rare. I found two models that can be helpful in a teleological process analysis. I used these models to get a better insight in analyzing the process of new business development. Beside the insight in dynamics a made a comparison between the two models used. The new business development in this process analysis is done at a company that was intended to get involved in a joint business collaboration for a new indoor sports concept. Main findings are the usability of the models in new business development processes. After the process analysis with the mentioned literature as a theoretical framework it can be concluded that the process of new business development follows a continual process, that is to be simplified by the use of a model. This study is relevant to understand the dynamics in new joint business development processes from a teleological perspective and it gives additional insights to the existing literature.

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Keywords  
New Business development, teleological perspective, joint venture, process analysis, joint venture, broaden markets.  
Teleological process analysis.
1. INTRODUCTION

Most companies want to grow. To reach this aim, it might be helpful at a certain point in time, to start a new business with another party, for instance a joint venture or alliance (Roberts & Berry, 1984). There are several benefits to start this joint business. The main reasons to start such a collaboration are sort out in three groups: internal, external and strategic reasons. (Fea, 2013) The first category (internal reasons) includes spreading costs, opening access to financial resources, connection to technological resources, improving access to new markets, and help economies of scale. Possible external reasons can be to develop a stronger innovative product, to improve speed to market, or a strategic move against competition. At last, possibilities for the group of strategic reasons can be: synergetic benefits, share and improve technology and skills and the diversification of market or products (Bruce, Leverick, Littler & Wilson, 1995).

Several studies are available about the collaboration between companies (Boddy, Macbeth & Wagner 2000; Parkhe, 1993), but there are rare resources about the way collaboration unfold out of a point of view of the process of new business development. Doz (1996), and Arino and De la Torre(1998) both studied the process of new joint business development. Doz came up with a model that can be used in the process analysis. Arino did a longitudinal case study to get a better insight in the model introduced by Doz (1996). Beside this study there is a study done by Ring and Van der Ven (1994). These are the only studies found in new joint business development process. Therefore, there is a relevance to do more research about the process of the development of new joint business (Park & Ungson, 2001). These research are necessary for getting more insights in process dynamics, because this process can be part of future new joint business development success. That is why this report had been started. Before starting this research it is important to know that joint business development processes can be studied into four different perspectives (Van de Ven & Poole, 1995), which are the dialectical perspective (De rond & Bouchikhi, 2004), the teleological perspective (Ring & Van de Ven, 1994), the lifecycle perspective, and the evolutionary perspective. This paper is written out of a teleological perspective. This perspective is an interesting way to look at a new case and yet there are not a lot of studies available about process analysis out of a teleological perspective. Also the model of Ring and Van de Ven (1994) has not been tested a lot. That is why the focus in this study is on these aspects.

When combining these concepts and existing literature, the research question for this process analysis I state is “What are the dynamics of new joint business development from a teleological perspective?”

To increase the generalizability companies in the case analysis have pseudonyms

This analysis has scientific relevance as it connects existing literature with my own practical findings after the new business development process analysis held by Finnplay, the above mentioned models were used for the analysis. I came to new insights, which might help the company to deal with these problems in future situations.

The structure of this paper is as follows. The above mentioned section provides an introduction to the concepts and describes the academically relevance of this paper. The second part reviews the existing studies so far around this problem. The third part describes the used methodology in this study. After that, the paper describes and discuss the founded results during the case study at Finnplay. The final part of the paper includes a conclusion and discussion where findings were analyzed. The references can be found in the appendices.

Last, I would like to thank mister Loohuis (University of Twente) for supervising during this study and both companies for their hospitality and cooperation during the last two months.

2. LITERATURE REVIEW

This part of the paper discusses the existing relevant academic literature on the above discussed topics.

As mentioned before, there is already literature available on the topics covered in this study. During this study I tried to combine these topics to get new insights in new business development processes. To describe the dynamics of joint ventures I would like to explain the concepts and discuss the existing literature. To scope this study I will focus on joint venture companies in a teleological process perspective.

Van de Ven and Poole (1995) made a distinct typology of process theories which form a clear framework for classifying the existing literature and research on joint ventures. The authors arrived four general but distinctive developmental theories, each of which speaks well to dynamic processes in organizational life. These four theories are life cycle, evolution, dialectics and teleological. These ideal types represent different event sequences, driven by diverse motivators or thoughts.

In this paper I will use the framework of Van de Ven and Poole (1995) to systematically organize the existing literature on joint ventures.

1 will first shortly describe these four distinct approaches to process analysis according to the current literature. Then I will focus on teleology as point of view for this paper. This is because it came clear that although the study of Doz (1996), Ring & van de Ven (1994), and Arino and De la Torre (1998) as well, teleology in process analysis is well underrepresented in current research.

2.1 Four different approaches

Van de Ven and Poole (1995) describe in their study four major approaches to analyse process dynamics. First of all the life-cycle approach According to life-cycle theory, change is imminent: that is, the developing entity has within it an underlying form, logic, program, or code that regulates the process of change and moves the entity from a given point of departure toward a subsequent end that is prefigured in the present state. Second, the evolutionary, according to which organizations must continuously compete for survival given a scarce resource base and a series of blind variations (De Rond & Bouchikhi, 2004). In contrast to life-cycle approach, the emphasis is now on the environment of the organization as the principal motivator for the change. Third approach is the dialectical approach This perspective is informed by the social philosophies of Marx and Hegel, predicting the collision of coexisting but contradictory social forces so as to produce a new social order. Within the context of organizations,
dialectical forces compete for scarce resources and managerial attention, undermine organizational features, and thus help account for conflict and, more relevantly, the production of emerging organizational arrangements (Benson, 1977). The study I did was based on the fourth approach, the teleological approach.

### 2.2 Teleological Approaches

Another school of thought explains development by relying on teleology, or the philosophical doctrine that purpose or goal is the final cause for guiding movement of an entity (Van de Ven & Poole, 1995). This teleological scoop will be the base for this case study. The roots of this way of thinking are described to Aristotle in the fourth century after Christ. He retained a strong belief in purpose or goal as governing process (Lear, 1999).

Csibra, Gergely, Biró, Kös, and Brockbank (1998) state that teleological interpretations make reference to the outcome that follows the action. Causal explanations on the other hand point at a necessary condition that is prior to an event. In our case that would be the new joint business development.

According to teleology, development of an organizational entity proceeds toward a goal or an end state. It is assumed that the entity is purposeful and adaptive: by itself or in interaction with others, the entity constructs an envisioned end state, takes action to reach it, and monitors the progress. Thus, proponents of this theory view development as a repetitive sequence of goal formulation, implementation, evaluation, and modification of goals based on what was learned or intended by the entity. The theory can operate for an individual or for a group of individuals or organizations who are sufficiently like-minded to act as a single collective entity. Teleology inherently affords creativity because the entity, consisting of an individual or group, has the freedom to enact whatever goals it likes (Van de Ven & Poole, 1995).

Good models for a teleological view on development are included in Ring and Van de Ven (1994), and Doz (1996).

The article of Ring and Van de Ven (1994) examines the developmental process of cooperative inter-organizational relationships that entail transaction-specific investments in deals that cannot be fully specified or controlled by the parties in advance of their execution. A process framework (see figure 1) is introduced that focuses on formal, legal, and informal social-psychological processes by which organizational parties jointly negotiate, commit to, and execute their relationship in ways that achieve efficient and equitable outcomes and internal solutions to conflicts when they arise. The assessment based on efficiency and equity is the fourth principle in the framework. The framework is elaborated with a set of seven propositions that explain how and why cooperative inter-organizational relationships emerge, evolve, and dissolve (Ring and Van de Ven, 1994).

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**Figure 1.** New business development process model by Ring and Van de Ven (1994).

Doz (1996) examines how the learning takes place in strategic alliances between firms mediating in initial conditions and the outcomes of these alliances (figure 2). He uses the dimensions environment, task, process, skills and goals to assess the evolution of cooperation in strategic alliances.

Alliance partnerships grow over time, and learning occurs throughout the evolutionary process. The dynamics of learning and partner interaction and communication continuously change over the course of time. Initial motivating conditions for exploring partnerships generate adaptive learning capacities in firms, and these lead to greater responsive abilities to meet new conditions encountered at each phase of the development process (Doz, 1996).

Doz (1996) studied two longitudinal cases and replicated four cases. He concluded that successful alliance projects were highly evolutionary and went through a sequence of interactive cycles of learning, re-evaluation and readjustment. On the other hand the failing projects were highly inertial, with little learning and understanding of each other. (Doz, 1996)

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**Figure 2.** The model generated by Doz (1996).

### 3. METHODOLOGY

This process analysis is about a business relationship between two enterprises. Before the methodology explanation I would like to introduce both companies.
Introduction Finnplay:

Finnplay was founded in 1980 as an importer of durable wooden playground equipment. The company, as known nowadays in its current form was established in 2006. The wooden playsets are still one of their core businesses, but beside these cash cows there are some new innovative products. They call them the ‘interactives’ high-end playground equipment for a high end price, but with a high end experience factor. The player is involved in the games by a voice that explains the game, keeps the score and is also the arbitrator. Some examples are an interactive football wall, that includes 12 computers and hundreds of led lights, a DJ booth where you can link you smartphone to mix your own music and an interactive dance floor with educational applications to learn for example counting in Chinese. Cool stuff for playgrounds, but also care homes are part of the customer base. Unfortunately school and community budgets to renew the schoolyards and playgrounds are becoming less and less because of the economic crisis, so Finnplay is looking for new business opportunities. The main idea is to sell their outdoor interactive products for indoor purposes, but they do not know yet in what way.

Introduction Sport Centre Utrecht, Sporty-Center:

Sporty-Center is a sport centre near the center of Utrecht. Beside an ordinary fitness centre eight squash courts, ten pool tables and four tennis courts are available. It was founded in 2011 and after three years after starting their company they made up the balance. The conclusion was that the business was running well except the tennis courts. A new business concept was needed to fill in these tennis courts.

The intended collaboration:

At the end of February 2014 the director Dutch operations of Finnplay came in contact with the Dutch institute for sport and motion. The aim of this institute was to make non-sporting people in society enthusiastic about sport. The director of this institute is accidentally a friend of the director of Sporty-Center. This man brought these two parties together. The intended collaboration was as follows: Finnplay was manufacturer of high end playground and schoolyard equipment with the intense to explore new business in the market for indoor applications. Sporty-Center was a predominantly well running sport centre around 1500 square meters, free for new business opportunities. The collaboration of these two companies made it possible to start a sport hall with the equipment of Finnplay.

This case study was used to explore the current theories about the teleological process and to reflect the existing literature on strategic alliances. This case nearly started at the same point as both entrepreneurs met each other. One week after the first meeting I followed the forming of an alliance between these partners in real life.

The research involvement lasted two months and draws on a participant-observation study (Czarniakowska-Joerges, 1998; Czarniakowska, 2004; Van Maanen, 1982). According to Czarniakowska (2004), participant observation implies that “the researcher assumes the role of an organizational member (or the other way around-an employee becomes a researcher)”. This approach allowed me to theorize out of the “logic of practice”(Czarniakwska, 2009; Sandberg & Tsoukas, 2011). This “logic of practice” is an overall problem for most management theories, because they are developed within the framework of scientific rationality. It means that theories generated within this scientific rationality framework are not able to connect with organizational practice and its practitioners. Sandberg and Tsoukas (2011) elaborate practical rationality as an alternative framework and show how it enables development of theories that grasp the logic of practice and, because of that are more relevant to management practice.

I was involved in the development of plans behind the new joint venture. Also the research for marketing options and market analysis was my task for the new alliance.

In a period of two months, data were collected at both companies by taking notes from several planned and ad-hoc meetings particularly organized around product development and marketing, including their follow-up after the meetings. In addition, I studied e-mail exchanges between both partners related to product development and the new activity in a broader sense. Beside the email conversations I had an inside in the customer reports made by Finnplay for every party they work with. Additionally, I collected data from market actors to understand the context in which the new activity between both partners was about to develop. I visited and interviewed staff at possible competitors and suppliers for the new developed idea. Due to a lack of time and the need to start from one of the two companies, the study only took place over a time span of two months. Within these two months, all plans and appointments had to be made and even the plan had to be executed since the owner of the play hall wanted to open in four months. Because of this short time planning, a lot of intensive communication took place in the first weeks. In the complete project I could see how the partners came together, with a plan, started negotiating, troubles came up and I saw the whole plan dissolve.

The process research is concerned with understanding how things evolve over time and why they evolve in this way (Van de Ven & Huber, 1990), and process data therefore consist largely of stories about what happened and who did what when that is, events, activities, and choices ordered over time. (Langley, 1999)

I followed the suggestions of Miles & Huberman (1994) for data analysis following an iterative process. Furthermore, I draw on ideas presented by Sandberg and Tsoukas (2011) to explore practitioners’ responses to practice breakdowns and to understand how actors in both partner firms sustain and transform their relationship practice.

The validity of a research refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. It means that I actually measure what is intended to be measured. (Babbie, 2010)

Like already mentioned above, the intention of the study is to follow the teleological perspective on joint business development. During the research mixed methods were used to provide construct validity. In addition to following existing literature, data was gained by semi-structured interviews, observations and access to intern data from both the companies.

The fact that most aspects of the teleological perspective show up, does help with coping this problem. The case follows the states described in the original study. (Ring en van de Ven, 1994) (Doz, 1996). For the case study itself I found a great paper with a relative subject. (Loohuis, Von Raesfeld, & Groen 2013) Studied breakdowns in joint business development as a change oriented process. In his study he used the same methodology of a participant-observation as I do in this study.

4. PROCESS ANALYSIS

As mentioned in the methodology chapter the case study is based on a two months during participant observation study
First event

At the end of march 2014, Finnplay and Sporty-Center had their first meeting. The first contact was informal and took place at Sporty-Center. Both parties told each other the history of their companies, their plans for the future, and of course their qualities and unique selling points. They found out each other’s strengths. The great strength of Finnplay are its capabilities to create a unique playground with the wow factor. The special strength of Sporty-Center is that it is founded by a very enthusiastic and ambitious entrepreneur. The entrepreneur of Sporty-Center sees opportunities for new businesses in a lot of things, and nothing can stop him reaching his goals. After the pleasant acquaintance the conversation went more formal. What were the plans of both parties, and was there a chance to make such a beneficial collaboration? Finnplay told Sporty-Center their qualities and showed Sporty-Center some examples of some playgrounds they designed before. They also told about their business and the ambition to get a broader vision by using new business opportunities. One of these opportunities is the possibility to sell their interactive play sets for indoor purposes, Sporty-Center told Finnplay that he has four indoor tennis playgrounds that were not that beneficial as expected. He was looking for new business opportunities to fill in the space and hopefully to get a better profit margin on the square meters. He came up with some ideas, from which the kinds of sport centre was the most concrete one. He thought that was all new and never done before. Kids can walk in and have a great time while playing some different sports, of course with professional guidance, for the lowest price as possible. Finnplay was overwhelmed and thought that this was the best opportunity for new business development in the last few years. This entrepreneur from Sporty-Center was very enthusiastic, very ambitious, well informed and he had a history in the indoor sport branch. Together with the products delivered by Finnplay this must be a golden combination for the future. Some quotations:

New business development manager Finnplay:

‘Sporty-Center is a really great company, the vision is clear and the entrepreneur is really fantastic. This must be the best chance in years and we are going to join him and perhaps in a few years we have a franchise formula and take over the world with the Finnplay / Sporty-Center!’

Entrepreneur Sporty-Center:

‘The products of Finnplay are bench mark. What they design and deliver is the best you can get although it is not the cheapest solution. I think it is far the best solution. Beside the products, their capabilities to create a unique experience is good to see and gives me confidence for the future project.’

At the end of the meeting they made the appointment that Finnplay was going to come up with a plan to create a kids sport centre by using their products.

Analysis after the first event

During the first event both parties got to know each other. There was an enthusiastic atmosphere and it seems that there was a click between both parties. At the end of the meeting they agreed to work out their own vision on the ideas for the kids sport centre. Both parties were willing to get the best out of this win-win situation. This first step can be seen as a begin of negotiations Ring and van de Ven (1994) of joint expectations risk and trust thoughts. In this first step it has the form of informal sense making. Of course after this first event both parties had to do an individual assessment to see if this would be the best way to work in the future. In the first event both parties need to find out the initial conditions Doz (1996). They found out the partner routines, interface structures and each other’s expectations of performance (They are both willing to work on new business opportunities to get more benefits out of their current businesses), behaviours (In what way do they deal with customers etc.) and the companies motives to put effort in this intended collaboration. For Finnplay it is the chance to extent their market, for Sporty-Center it is the opportunity to make their tennis playground more profitable.

Second event

The second meeting was planned at Finnplay. During this meeting some drawings were made with their vision on the kids sport centre and a presentation with their plans. They also include an operation budget, and estimate the visitors about the need to get a profitable concept. The different possibilities for filling up the hall were discussed as well. Sporty-Center was still enthusiastic, and together with Finnplay he came up with the idea to involve some business model experts to help with the creation of a franchise business model. This plan was the real deal and their idea was that not only Utrecht, but the whole world has a need for this product.

At this moment I got involved in their plans. Finnplay called the University with the request for two students who were capable to create a business model for a franchise formula for kids indoor sport centres. Beside business model generation support I did this case study to find out which dynamics took place in joint business development. I based my study on a teleological perspective and Mentink (2014) focused on a dialectical perspective. I had an advisory role in the business model generation and the marketing plans. Beside that the accent was on the dynamics on the study.

Analysis after the second event

The positive feelings that both parties had after their first meeting also dominated the second event. Both parties expressed their ideals for the hall and they discussed about the do’s and don’ts. commitment for future action is reached through psychological contracting Ring and Van de Ven (1994). Nothing is formal contracted in this stage, they only expressed the will to continue in this manner. The second event can be also be seen as a ‘learning about’ phase Doz (1996). After this event both environments of the companies were clear and set a common goal. Beside this, the companies made clear what the individual skills were (X the designer, Y the entrepreneur with no fears for any risk).
**Third event**

During the third meeting, Finnplay presented a concept version of their ideal design for the hall. The whole hall was filled with products of Finnplay and their focus was on having fun and getting a unique experience. Finnplay has a preference for the fun factor, because they think there is a better fit with their products. Sporty-Center liked that idea, but they wanted to focus more on sport. Both parties discussed about the experience and about the dilemma if their focus should be more on sport or fun. The main problem in this case is that Finnplay does not have that much products in its portfolio that are related to sport. That is why a discussion started between the two companies. Finnplay wanted to sell as much products as possible, while Sporty-Center wanted the best concept for a kids sport centre. Beside this difference in opinion there is another remarkable issue during this meeting. I would like to discuss these issues after some quotations.

Finnplay:

‘Sporty-Center has to find out what customer demand can be filled. We do not know which accent is right or wrong; sport or fun. And beside that we do not know what the best revenue model is. Sporty-Center has to find out these things.’

Sporty-Center:

‘Finnplay is benchmark, so I expect a design that has a perfect balance with exciting products for a good price. I will not have to look for other suppliers, but their price has to be competitive. Together we have to develop the best possible franchise formula.’

These quotes make it possible to conclude that the two parties have a different approach in this project. Finnplay wants to sell as much as possible products, and Sporty-Center wants to create the best solution as possible.

**Analysis after the third event**

The first analysis after this event is that the differences between the companies are emerging. Finnplay wants to sell as much products as possible out of their own portfolio, with an emphasis on fun and experience. On the other hand, Sporty-Center wants a hall were the emphasis is on sports activities. The problem at this point is that the product portfolio of Finnplay does not include that much sports related activities. This event can be seen as a negotiation meeting. Both parties have to come to a consideration in the way the hall is filled. Another point of focus are the prices of the product for Sporty-Center, which is going to be a serious problem in this extended collaboration. The entrepreneur of Sporty-Center found some products from other suppliers for lower prices. This is a serious problem in negotiations and the question is: will it come to a commitment during the upcoming events? Or are these problems too big to solve and is relationship entering a complete breakdown (Loohuis, 2013)? This process is in the Doz, 1996 model in the revised conditions phase. This exists of the expectations of performance, behavior and motives. These factors have to readjust before the process can go for the next step in this collaboration.

**Fourth event**

Between the third and the fourth meeting some different drawings were exchanged. It seems that there was an agreement. Five products of Finnplay could be supplemented with some products from other manufacturers. This is like the perfect solution and both parties should be satisfied. But, Finnplay is disappointed about the number of products that might be used and Sporty-Center is not sure about the amount of money to be invested. The first meeting synergy is almost gone and both parties are disappointed in the collaboration so far. Significant detail in this phase was the quotation of the general manager of Finnplay.

General manager Finnplay:

‘This is going to be a hard negotiation. I will give Sporty-Center a maximum discount of 15%.’

They were working on plans to build a franchise formula with Sporty-Center as a new business model. But if you talk about the negotiations with your intended business partner like this, I doubt if Finnplay wants to work together on a new business, or wants to sell as much as possible products, like their current business. I am sure they want to work together, but the only thing matters is the amount of money they can earn out of the deal. A good way to do business in the short term, but perhaps they have to invest in projects like this for the long term, otherwise there is nothing ‘new business’ in this.

**Analysis after the fourth event**

After the fourth event Mentink & Gijbers find out that an indoor kinds hall as mentioned by Finnplay is not a realistic idea. During the high amount of money to be invested, this concept is never going to be profitable. The concept of Sporty-Center, with the lower investment is more realistic to succeed, but only if the entrepreneur is fully involved in the project for at least 60 hours a week. Focusing on the model of Ring and Van de Ven (1994) there was a sort of commitment between the two parties in which the focus was on a bit of sports related products and a bit of products with the accent on the fun factor. This can be seen as a revised condition (Doz, 1996), but Finnplay was not satisfied with the amount of products they were allowed to supply and the negotiations began again.

**Fifth event**

During this event Sporty-Center decided to only buy two products of Finnplay. The reason for this is that the products are too expensive and competitors deliver nearly the same products for indoor purposes, but only for about half the money. It is a huge disappointment for Finnplay. They had invested a lot of time in this intended collaboration.

Business development manager Finnplay:

‘I have just spoken to owner Y. He is going totally his own way. He just wants to buy only two products from us. Nevertheless we are going to search for indoor business opportunities.’

**Analysis after the fifth event**

Finnplay and Sporty-Center decided to stop their cooperation and move on separately. The only role of Finnplay now is as a supplier of just two products. The different visions of both parties let to this breakdown in business development (Loohuis, 2013). Sporty-Center goes further on emotion and intuition, and Finnplay wanted to have everything sought out. This difference in the rigidity versus flexibility dimension was too big to become a good alliance. Look at the models of Ring and Van de Ven (1994) and Doz (1996) the process cycle was abruptly stopped.
Sixth event

Although the companies stopped searching for a joint business model, there was a sixth event. Finnplay tried to convince Sporty-Center that their products are much better and are the key to success for the indoor kids sport centre, but Sporty-Center firmly supports its decision, because of the lower investment for nearly the same products.

Some quotations after this event:

Finnplay:
’Sporty-Center is only driven by intuition. Nothing is calculated and none of their decision are based on proper research. Besides this we visited a presentation from Sporty-Center for people who were interested in indoor sport solutions. It was a mockery, nothing was prepared and it was very amateurish. The only reason why Finnplay wants to work together with us is because of our fantastic business network and our fantastic products.’

Sporty-Center:
‘During these few months it became clear that the only intention of Finnplay was to sell as much products as possible. They never had the intention to develop a franchise formula on their side. Prices were sky high and they never came up with solutions that was beneficial for the concept. Also their calculations and market research was very bad, this concept is only driven by intuition. Nothing was prepared and it was very amateurish. The only reason why Finnplay wants to work together with us is because of our fantastic business network and our fantastic products.’

Analysis after the sixth event

My conclusion after these quotes is that the cooperation is completely gone. Although Finnplay tried to open the negotiations for the last time to come to each other, Sporty-Center held the door closed. His way or no way was the language spoken. The cooperation had moved to competition. Sporty-Center focuses on the short term. He wants to open the center within a few months. Finnplay focuses on the long term, the new business development. This resulted in a very different ideal approach and it was clear that they were on divergent paths.

Overall findings during the observation

As a case overview and meta analysis I made two tables of what happened during the two months of observation. In the tables the point in time and the phase/step in the model of Ring and van de Ven (1994) and in the model of Doz (1996) as well are shown.

<table>
<thead>
<tr>
<th>Event/Stage</th>
<th>Negotiation</th>
<th>Commitment</th>
<th>Execution</th>
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Table 1. findings according to the Ring and Van de Ven model.

As showed in the table, the process never came in the execution phase. All the events can be seen as a form of negotiations and in two events there was a sort of commitment between both parties. All the events had a assessment between both parties, but above all individual to evaluate if this is the direction the company wants to go. So the conclusion might be that in a perfect case were the intended collaboration is to be realized, the process is a continual process as mentioned by Ring and Van de Ven (1994) but in this particular case, actors came never out of the negotiation and commitment phase and in place of an phase of execution after commitment was reached, they fell back in negotiations. In the second table the findings according to Doz (1996).

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<tr>
<th>Event/Stage</th>
<th>Initial-Conditions</th>
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<th>Re-evaluation</th>
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Table 2. findings according to the Doz (1996) model.

When analysing the case findings according to the Doz (1996) model there is contrast to the Ring and Van de Ven model (1994) a sort of continual process, although just one complete ‘lap in the model’ has been made. After the fourth event there were only some negotiations, but the desired collaboration failed.

5. DISCUSSION

Ring and Van der Ven (1994) discussed in their paper a set of seven propositions that explain how and why cooperative inter-organizational relationships emerge, evolve, and dissolve over time in the development process. They made a concluding model that has been published in the literature chapter. In the case I studied I found out that the negotiation phase in this case was the most difficult one in the process of new business development. Both parties came barely out of this phase. I also saw some stages of commitment in the early stages, but this changed during the time. A phase of execution did not took place, because it became clear that there was not enough commitment between both parties, so there was not a continual process as mentioned in the model. The big differences in culture are in my opinion the greatest reason of failure in this particular case. Finnplay was a bit too much risk avoiding and they had the fear to walk out of their comfort zone to discover new ways to do business. Sporty-Center was in my opinion too much driven by emotional feelings of the entrepreneur. Decisions were never based on research, only on the good or bad feeling by the entrepreneur. Interesting is the fact that the findings according to the Doz (1996) model show a more continual process before the intended collaboration is cancelled. A Disadvantage of this analysis it that the new business development process in this case failed in an early sage, which made it not possible for me to do a completed process analysis that passes all stages of the model by Ring and Van de Ven (1994). Nevertheless, this analysis demonstrates that this model can help in analyzing new business development processes. It can especially help for managerial purposes to make the managers in advance aware of these models to simplify the complicated process of new business development and make them aware of the different stages to pass. The aim is that managers are better prepared before the first meeting, and can take this difficult process step by step supported by theories. If I look at the process analysis by the model of Doz (1996), the
conclusion is that it works quite similar to the Ring and Van de Ven (1994) model. Although the process in this case passed all the stages in the Doz (1996) model and not in the Ring and Van de Ven model I’m restrained to take conclusions out of it, because of the limitations of this study. The time was very short, and it was just one case, so further research is necessary to conclude differences between these models. These model can be a helpful theory support for managers before they start the negotiations with a potential partner. Comparing both models, (Ring an van der Ven, 1994; Doz, 1996), the process in this case passed all the stages in the Doz (1996) model and not in the Ring and Van de Ven (1994) model. I am restrained to take conclusions out of it, because of the limitations of this study. The time was very short, and it was just one case that makes further research necessary to conclude differences and usability between these models.

6. CONCLUSION

The main purpose of this paper was to do research on new joint business development processes dynamics. Where life-cycle, dialectical and evolutionary approaches were covered extensively, the teleological approach was only used in a few business development process studies. Because of the underrepresentation in the existing literature, I chose to look at this case out of a teleological perspective. I used the studies by Ring and van der Ven (1994) and Doz (1996) to analyze the process of new business development in a case study. This was an interesting case to study where I saw an intended collaboration from the start of the project till its failure. This failure was the result of differences in culture and differences in business approach that can be seen as the most important dynamics in this new business development process. Beside the interesting failure in new business development I found an interesting difference in the used models as mentioned in the discussion. As an advice for managers who are willing to collaborate with other parties I really recommend the managers to learn about joint business development processes, so that they are aware of the different stages in this process before they start randomly without any theoretical knowledge about these very complex processes. I am aware of the limitations of a single case study and of the short time of two moths of observation. This was not beneficial for the generalizability of this study. To get a validating comparison between the models used further research is necessary this can be done with ten different case analysis for example. When comparing these ten analysis, a validating comparison between the models can be made. For further readings I can highly recommend the study of Mentink (2014). He studied the same case out of a dialectical perspective. It is interesting to compare both studies and see the differences between my findings and his ones.

7. REFERENCES


