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# Interdependency in the Relationship of Project Partners: How Can It Work?

ZoltánVeres
*Budapest Business School, Budapest, Hungary*

József Hack-Handa
*Budapest Business School, Budapest, Hungary*

## Abstract

Success of a project transaction is uncertain until it is completed. Information on a particular project supplier's competence profile reduces the buyers' uncertainty. In the first phase we used expert mini focus groups to explore general views of project buyers and suppliers on project characteristics and their expectations and risk perception throughout the project. In the second phase structured in-depth interviews with project managers were undertaken. In the last step we had taken a larger sample that permitted us to apply multivariate statistical methods. The results of our qualitative research and quantitative analyses revealed that there are areas that both buyers and suppliers pay attention to, which means that these are considered as risk factors by managers. Findings from the qualitative interviews helped us understand the pattern of competences and activities that most likely to have an impact on risk and/or value perception. The quantitative research could also uncover the activities of which impact is resistant to contradiction. As a next step of our study we aim to test the impact of the presence or absence of the most important competences.

**Keywords:** Projects, Competences, Risk

## Introduction

Firms build and leverage their competences in order to develop long-term relationships, achieve a better market performance, and thus, a sustainable competitive advantage. While the economics, supply chain management literature have long been investigating the factors influencing supplier selection, besides a heavy focus on pricing, it is not clear why certain companies in the project industry succeed (Cova and Holstius, 1993) and are better at closing a deal with a project buyer, than others. We argue the answer can be found in the perceived competence of actors.

Business-to-business projectscan have tangible (eg. hardware, buildings) and intangible (eg. software, engineering, consulting, production know-how) components. This research aims to investigate the competences the supplier should invest in, in

order to influence the buyer's risk and value perception. In particular, this study investigates the following research question: What competences are important from a buyer's versus supplier's perspective?

## Literature review

The following literature review reveals the research that has been undertaken in this area by discussing the domain of competences on the buyer's risk and value perception in a project environment.

### Competences in Projects

In the areas of management and marketing, the resource-based view of the firm has been used to explain how firms create a sustainable competitive advantage (eg. Barney, 1991) by leveraging their tangible (e.g. hardware, buildings) or intangible (e.g. technology, reputation, alliance, know-how, relationship) assets (e.g. Bharadway, Varadarajan and Fahy, 1993; Sirdeshmukh, Singh and Sabol, 2002; Srivastava, Shervani and Fahey, 1998). Some of these competences draw on the company's past, such as previous project successes of the supplier, references, buyer-supplier relationship, and reputation (epistemic competences) (Veres, Sajtos and Hack-Handa, 2012), whereas others represent a promise for a reliable and successful outcome (heuristic competences) (c.f. Cova and Salle, 2007; Grant, 1995; Lapierre, 2000; Möller, 2006). These competences are also context-dependent on one hand; for instance, a construction company's most important competence lies in the execution of complex tasks, whereas a consulting company's main competence revolves around its employees and their relationships with their clients (Sveiby, 1997), and time-bound on the other hand (Cova, Ghauri and Salle, 2002). Beyond the possession of these competences, Golfetto and Gibbert(2006) emphasize the utilization, promotion and "selling" of these competences in business-to-business contexts (Gibbert, Golfetto and Zerbini, 2006). Therefore, this study aims to explore the relevant competences influencing the buyer's risk and value perception (Nador, 2012; Veres, 2012). It is to mention that the studied phenomenon is culture-specific to some extent as we found it in a comparative research (Sajtos, Veres, Hack-Handa and Greve, 2012).

### Perceived Competences and their Impact on Risk and Value Perception

Overall, the success of a project transaction is uncertain until it is completed.Risk is referred to as the subjective assessment of uncertainty and is associated with situations with potential negative consequences (Dhalakia, 2001) in comparison to alternatives (Aqueveque, 2006), and thus, risk serves as an inhibitor to purchase intention (Pavlou, Liang and Xue, 2007). As project buyer lacks the required knowledge to complete the project, the buyer's major risk is related to the supplier's expected performance, which is driven by the presumed weaknesses of the supplier (Veres, 2009). Information on a particular supplier's competence profile reduces the buyers' market uncertainty (in the pre-transaction phase) (Golfetto and Gibbert, 2006), and their transaction uncertainty (in the implementation phase) (Ford, 2002). Therefore, at the outset of the project a large emphasis is placed on the perceived competences and promises of the expected benefits (Page and Siemplenski, 1983; Veres and Sajtos, 2012).

Suppliers might not feel confident – at the start and during the project – in their ability to successfully deliver on what they have promised to the project buyer. However, as the project progresses this risk component reduces and it might be replaced by the risk of the buyer not paying or not accepting the project as delivered. Similarly, the buyer's risk might remain constant due to the uncertainty in the supplier's ability to successfully deliver the outcome of the project. These risks can be managed through targeted acts and communication – especially under the condition of bounded rationality (Singh and Sirdeshmukh, 2000) – that can help the buyer distinguish between 'high' and 'low' quality providers (separating equilibrium) (e.g. Spence, 1974).

## Methodology

Qualitative data was collected in two phases. In the first phase we used on-site, expert mini focus group interviews in various contexts, such as market-research, construction, IT consulting and web design, advertising, etc. The objective of these interviews was to explore general views of project buyers and suppliers on project characteristics and stages and their expectations and risk perception throughout the project. A total of 90 buyer- and 90 supplier interviews were undertaken by using a standard interview guide and each focus group consisted of two-three people of decision makers, such as project experts and business marketers.

In the second phase 129 (49 hard-type and 80 soft-type projects) structured in-depth interviews with project managers were undertaken. Construction, manufacturing and property development were categorised as hard-type, whereas IT or other types of consulting, advertising, media and market research were considered as soft-type projects. We asked middle managers of companies who participated in both, the preparatory and implementation phase of the project. The objective of this phase was to identify factors that make projects successful where respondents had to categorise competences according to their importance in terms of their effect impacting risk perception. The interview guideline can be seen in the Appendix.

In the last step of our research project we had taken a larger sample that permitted us to apply multivariate statistical methods. The judgmental sampling procedure was used in our survey to ensure that each of the relevant project types is represented in the sample. As target population, this study considered all Hungarian companies, who mainly undertake projects and targeted the CEO of the company as the primary respondent to the survey. We chose face-to-face interviewing techniques, which resulted in a final sample size of 392. Half of the firms surveyed were typically in a seller/supplier position in their project activities (n=197), the other half of them were buyers/procurers (n=195).

## Findings from the Qualitative Phase

According to a project supplier: *"we do not sell physical things, but rather a future promise… therefore, we have to provide some evidence to the client that we are able to implement the project, and hence, the client becomes more efficient or will save some money"*. This represents a view that suppliers need to demonstrate that they possess the capability to successfully cooperate and finish the project. In order to do that they need to provide manifestations (diagnostic cues) to influence (but not bias)

the buyer's decision, and thus manage his future expectations. Diagnostic cues can be the presence of a quality control system (for instance, ISO), references, company size, and in particular, activities that buyers are aware of about the supplier. While in certain contexts (eg. event management) if the stakes are high, the history of the relationship outweighs any other factors; this research aims to focus on projects where client and supplier had no prior history, and hence buyers/suppliers have to rely on information received through various channels. The idea of selling future promises is also closely related to information asymmetry, where the client's subject knowledge usually outweighs that of the supplier; however, suppliers draw on their wide range of experience and system thinking competences. Furthermore, interviews revealed that (perceived) information asymmetry varies across contexts; it is likely to be high in finance and low in the training industry and business tourism.

We found differences in the type of information that buyers and suppliers look for about the other party before they meet the potential buyer or supplier. Suppliers usually look for "official" financial information (profit and loss statement, balance sheet, stock prices, etc.) about buyers, whereas buyers usually consider past project-related information, such as references, recommendation, evidence of expertise or samples of current work. After the initial information search, the first meeting provides an opportunity to have a first impression about the other party. In particular, the supplier aims to uncover the capability of the buyer (commitment), whereas the buyer explores the supplier's expertise and his personality.

Managing the buyer's risk perception is vital throughout the entire project and beyond. High risk perception of projects is also attributed to the interdependency between buyers and sellers, which means "*if a project is abandoned then its outcome is destroyed"*. Most respondents agreed that *"the client's risk is larger than the cost of the project as the client's business is at stake"*. At the start of the project *"...it seems like a public relations exercise that we inform the clients about certain risk factors... in the name of self-defence.",* which also reassures clients not to follow unrealistic objectives. The interviews revealed that solely communicating the risk factors will increase the level of perceived risk; thus, risks always have to be presented with the solution in order to decrease the buyer's risk perception. According to a project supplier *"...buyers do not want standardized answers... but they expect us to find a solution for them…therefore*, *suppliers, instead of developing highly standardized offers, they need to have the ability to divide complex problems into smaller (modular) tasks in order to reduce the buyer's risk perception*". Suppliers, who provide a range of solutions rather than a standardized one, and further, who (communicate that they) understand the challenges of coordinating across various departments (within the company) are more likely to develop positive attitudes (i.e. trust) in the project buyer. During the project, companies consciously aim at reducing risk through standard procedures, such as, continuous project monitoring, milestone meetings (regular visits) and plan updates. Buyers revealed that the frequency of visits and the introduction of support contracts are very effective tools in reassuring the buyer about the supplier's intention; hence they are assumed to reduce risk and increase his trust. However, at the same time these processes make the buyers more knowledgeable and involved in the project, which on the other hand, increases his/her risk perception.

With regard to the role of competences (second phase of qualitative research), both, buyers and sellers collectively agreed on communication skills, expertise, and credibility to be the most important competences, whereas the very same competences were not mentioned in the 'least important' category (see Table 1). Besides similarities, the main difference is that while suppliers are concerned about buyer's financial stability, their ability to explicitly articulate their needs and their problem-solving skill, buyers emphasized suppliers' expertise, licences, professional staff and amount of experience. Our qualitative interviews further revealed that suppliers, who show leadership and proactive behaviour, are valued by project buyers. The factors listed previously should be clearly distinguished from other tangible evidences (eg. ISO, references), as the former ones are more likely to increase perceived trust and or image, whereas the latter ones are more likely to reduce risk in the project buyer, but not necessarily influence customer value. Finally, risks always have to be communicated with a solution to project buyers in order to decrease their risk perception.

**Table 1: Categorisation of Perceived Competences from Most to Least Important An Overlook**

| | Perceived by Buyers | | | Perceived by suppliers | | |
|---|---|---|---|---|---|---|
| | **Most important** | **Neither** | **Least important** | **Most important** | **Neither** | **Least important** |
| Credibility | 74* | 21 | 0 | 57 | 34 | 5 |
| Expertise | 74 | 21 | 0 | 64 | 25 | 7 |
| Quality of staff | 67 | 21 | 7 | 55 | 30 | 11 |
| Comm. skills | 65 | 30 | 0 | 66 | 27 | 4 |
| Project management skills | 60 | 26 | 7 | 54 | 36 | 5 |
| Ethical behaviour | 54 | 35 | 7 | 50 | 43 | 4 |
| Innovation capability | 53 | 19 | 19 | 34 | 34 | 27 |
| Licences | 47 | 28 | 12 | 52 | 21 | 14 |
| Conflict management skills | 46 | 42 | 7 | 46 | 41 | 7 |
| Financial stability/reliability | 44 | 32 | 16 | 79 | 13 | 5 |
| Financial assets | 39 | 33 | 19 | 57 | 30 | 2 |
| Corporate reputation | 32 | 46 | 18 | 18 | 38 | 36 |
| Relationship man. | 30 | 42 | 21 | 36 | 50 | 11 |
| Materials used | 26 | 35 | 26 | 23 | 23 | 48 |
| Recognising own constraints | 23 | 49 | 19 | 36 | 46 | 13 |
| Foreign language skills | 18 | 28 | 46 | 14 | 36 | 43 |
| Responsibility delegation | 16 | 44 | 33 | 20 | 43 | 29 |
| Instruments used | 14 | 42 | 30 | 20 | 25 | 50 |
| The supplier's network | 9 | 40 | 42 | 13 | 23 | 55 |

*numbers represent percentages based on a sample size of n=57 (buyers) n=56 (suppliers)

## Quantitative analyses

### Quantitative findings from data of the qualitative phase

After the qualitative phase of our research some quantitative analyses were carried out using the same 129 structured in-depth interviews. We started our analysis by presenting descriptive findings on the evaluations of the capabilities of an imaginary project partner. The respondents were asked to put cards with a capability into one of

three piles. They could put a card (a capability) into the pile of outstanding important factors, of average importance factors, or into that of least important factors.

Three different types of capabilities can be identified according to the answers of the respondents (as seen in Table 2). The first group of capability includes the *most important factors*, namely "expertise (know-how)", "communication" and "trustworthiness". At least two-thirds of the respondents valuated these capabilities as factors of outstanding importance, while only 2 to 5 percent of them considered that these were factors of smaller significance. In the opposite group there are the *least important factors*, namely the own network, the instruments, devices used and the (foreign) language communication. Less than 20 percent of the respondents classified these capabilities as factors of outstanding importance, while more than 40 percent of them chose these cards to the group C, i.e. to the factors of smaller significance.

We identified another type of capabilities as well. These factors' common characteristic is that almost as many respondents found them very important as less significant. There are only two capabilities in this group: the corporate reputation and the delegation of responsibility and competence. We called these capabilities *divisive*. The other factors are not in our focus point in this section.

**Table 2: Classification of Capabilities by the Distributions of Respondents' Evaluations**

| Groups of factors | Capabilities |
|---|---|
| the most important factors | - expertise (know-how)<br>- communication<br>- trustworthiness |
| the least important factors | - own network<br>- instruments, devices used<br>- (foreign) language communication |
| the divisive factors | - corporate reputation<br>- delegation of responsibility and competence |

After we had identified these groups of factors, we studied first the bivariate relationships between the evaluations of the factors and the position in the partner relation by analyzing contingency tables. We signed the statistically significant differences with the grey colour of the cells. We used adjusted standardized residuals to test the significance of the relationships by cells. The results are shown in Table 3. The following conclusion can be drawn from the data: the buyers think more important the trustworthiness, the expertise and the instruments, devices used than the suppliers. We can see another interesting result: there are only significant differences between the opinions of suppliers and buyers in the evaluations of most important and the least important factors.

**Table 3: The Relationship of the Position in the Partner-relation (Buyer or Supplier) to the Evaluation of the Most Important, the Least Important and the Divisive Capabilities of Project-partners** (in percentage)

| factors (capabilities) | position in the partner-relation | A – a factor of outstanding importance | B – a factor of average importance | C – a factor of smaller sign. | not class | Total % |
|---|---|---|---|---|---|---|
| **the most important factors** | | | | | | |
| trustworthiness | supplier | 57% | 33% | 6% | 3% | 100 |
| | buyer | 74% | 21% | 0% | 5% | 100 |
| communication | supplier | 70% | 24% | 3% | 3% | 100 |
| | buyer | 67% | 29% | 0% | 5% | 100 |
| expertise (know-how) | supplier | 60% | 25% | 10% | 5% | 100 |
| | buyer | 77% | 18% | 0% | 5% | 100 |
| **the least important factors** | | | | | | |
| own network | supplier | 11% | 27% | 52% | 10% | 100 |
| | buyer | 9% | 38% | 42% | 11% | 100 |
| (foreign) language communication | supplier | 16% | 33% | 44% | 6% | 100 |
| | buyer | 18% | 26% | 47% | 9% | 100 |
| instruments, devices used | supplier | 19% | 24% | 51% | 6% | 100 |
| | buyer | 14% | 39% | 33% | 14% | 100 |
| **the divisive factors** | | | | | | |
| corporate reputation | supplier | 19% | 38% | 35% | 8% | 100 |
| | buyer | 27% | 45% | 21% | 6% | 100 |
| delegation of responsibility and competence | supplier | 24% | 40% | 29% | 8% | 100 |
| | buyer | 18% | 44% | 29% | 9% | 100 |

The results of these cross-tabulation analyses are affirmed by Kruskal-Wallis tests.

**Findings from the quantitative research module**

Weaskedrespondentstoevaluate the importance of 40 competence-based features of firms involved in a project cooperation.Inthequestionnairea7-pointscalewasapplied,where1meant "notat all", 7meant " highlydetermining". Keeping deadlines, informing a partner of a change in deadline and keeping an oral agreement were the features that best determined of a good project partner according to the respondents' evaluation. The mean value given by the respondents was more than 6 point in our 7-point scale in these attributes. The foreign nationality of a partner was considered to be the least important feature.

We conducted a factor analysis (with maximum likelihood method and varimax rotation) to reveal any patterns among the competences both in supplier companies and buyer companies.We identified four factors (see Table 4). The emerging factors explain 41% of the total variance. The KMO value is 0.77, Bartlett's test came out as significant, which indicates that our variables were suitable for a factor analysis. The results are based on only 14 questions because the other items were eliminated due to a lack of communalities, or difficulty in the interpretation of factors.The factor

analysis produced the following factors that characterize the importance of special features of project cooperation:

**Table 4: Factor structure of competences**

| Items | Factor loading | Factor label (expl. variance %) |
|---|---|---|
| discuss problems/risks with us honestly | 0.70 | Correctness (13.3%) |
| make the limitations/boundaries of their competencies clear to us | 0.58 | |
| open to clarify problems | 0.49 | |
| react quickly to emerging issues | 0.49 | |
| adapt quickly to new business partners | 0.46 | |
| apply the most up-to-date methods | 0.67 | Verified competence (9.8%) |
| quality assured (eg. ISO) | 0.64 | |
| have both theoretical knowledge and business experience | 0.44 | |
| good at nurturing our business relationship even if we do not have a joint project | 0.72 | Personal contact (9.1%) |
| have a great personal relationship with them | 0.54 | |
| their credibility is supported by their personal connections | 0.45 | |
| do not have outstanding debts | 0.65 | Financial reliability (7.5%) |
| meet their financial obligations according to the contract | 0.60 | |

(KMO=.77; total variance explained =41%)

After finishing factor analysis on the total sample of Hungarian project participants we analyzed the subsamples of suppliers and buyers separately. The basis and the reason of these separate factor analyses was that we had found evidences of a link between the buyer/supplier position and the evaluation of a project partner's expected competences in the previous stages of our research project. From the beginning of this research project we had a general assumption about the influence of the position of the participants (buyer or supplier) on the expectations of the partner's competences in a project cooperation, but we did not want to make special statements about the matter or the direction of this influence and henceforth about the differences between the expected competences of the two sides without empirical data. We followed this direction in this phase of our research, too, and we could get evidence about the assumed correlation, although we need further research to help us understanding and interpreting the quantitative findings.

Although we could identify four factors from the factor analysis on the total sample, using the same procedure for suppliers and buyers separately we could identify only three factors for both groups. Result of our survey suggests that there are differences related to the expected project competences between buyer and supplier companies. Another important finding of our research is that the same or similar factor that we can label with the same expression (i.e. correctness) can have more or less different meaning in different participants of project cooperation.

For supplier companies the factor analysis produced the following factors that characterize the importance of special features of project cooperation:

**Table 5: Factor Structure of Competences (Supplier Companies' Expectations)**

| Items | Factor loading | Factor label (expl. variance %) |
|---|---|---|
| react quickly to emerging issues | 0,67 | Correctness (16.9%) |
| can clearly formulate the business problem (pre-contract phase) | 0,63 | |
| discuss problems/risks with us honestly | 0,53 | |
| notify us of changes on time (eg. delays) | 0,51 | |
| have both theoretical knowledge and business experience | 0,66 | Expertise (13.5%) |
| find the right solution when it is needed | 0,61 | |
| tasks and responsibilities are well defined in their project teams | 0,51 | |
| have good reputation in the business community | 0,66 | Verified competence (11%) |
| quality assured (eg. ISO) | 0,63 | |

(KMO=.74; total variance explained =41%)

It has to be mentioned that the third factor above was selected by the analysis due to the correlation of its items and not because of their outstanding importance. In fact these items belong to the less important ones of an average of 4,7/7 and 4,0/7, respectively. The item "have good reputation in the business community" takes the 34$^{th}$ place while "quality assured" the 39$^{th}$ in the importance ranking of the 40 items.

For buyer companies the factor analysis produced three factors – correctness, financial reliability and keeping contract - that characterize the importance of special features of project cooperation (see Table 6).

**Table 6: Factor Structure of Competences (Buyer Companies' Expectations)**

| Items | Factor loading | Factor label (expl. variance %) |
|---|---|---|
| when they have got insufficient expertise they reach out for external help | 0.67 | Correctness (15.2%) |
| tasks and responsibilities are well defined in their project teams | 0.62 | |
| do not take advantage of our lack of expertise | 0.58 | |
| have sufficient financial background to finance the project | 0.62 | Financial reliability (11%) |
| meet their financial obligations according to the contract | 0.54 | |
| do not have outstanding debts | 0.54 | |
| do not ask for things that are not specifically included in the contract | 0.70 | Keeping contract (9.2%) |
| do not change the conditions during the course of the project | 0.50 | |

(KMO=.71; total variance explained =41%)

## Conclusions and Further Research

### On interdependencies

To present the explored interdependencies let us start from equally important features on both sides. Equal importance can be found by independent samples t-test for equality of means. Results are presented in Table 7. The items show those capabilities where opinions of both sides can be considered as equal on a significance level of 0.05, while between the items marked with grey shading there is basically no difference at all. Items selected by factor analyses have been marked by *.

The results of our qualitative research and quantitative analyses revealed that there are areas that both buyers and suppliers pay attention to, which not only means that these are the relevant areas, but also that these are considered as risk factors by managers. Therefore, as a next step of our study we aim to test the impact of the presence or absence of the most important *competences* – mentioned by buyers and sellers - on risk and value perception. The benefit of this is – besides confirming the differential (positive) effect of the presence of various competences, – to demonstrate the negative, damaging impact of the absence of a particular competence on how a buyer sees a potential supplier & vice versa.

In summary, findings from the qualitative interviews helped us understand the pattern of competences and activities that most likely to have an impact on risk and/or value perception of the buyer. This research aims to learn about how suppliers are perceived through their positive and negative activities by their potential buyers and how these activities impact buyer's risk and value perception before selecting a potential project partner. Similarly, suppliers will also be able to understand the impact of certain negative and positive information about the company, and further, how negative information can be counteracted or overcome. Finally, the quantitative research could

also uncover the activities of which impact is resistant to contradiction. This is not only relevant from a managerial perspective (Veres, 2009), but it also represents a very fruitful domain for cross-disciplinary research.

**Table 7: Independent Samples Test**

| | belong to supplier factors | belong to buyer factors | Levene's Test for Equality of Variances (F) | Sign. | t-test for Equality of Means | df | Sig. (2-tailed) | Mean Diff. |
|---|---|---|---|---|---|---|---|---|
| make the limitations/boundaries of their competences clear | | | 0,00 | 0,95 | -0,06 | 390,00 | 0,95 | -0,01 |
| adapt quickly to new business partners | | | 0,46 | 0,50 | 0,07 | 386,16 | 0,94 | 0,01 |
| sufficient empathy towards us | | | 0,62 | 0,43 | -0,26 | 389,00 | 0,79 | -0,04 |
| react quickly to emerging issues | * | | 0,85 | 0,36 | -0,40 | 387,00 | 0,69 | -0,04 |
| tasks and responsibilities are well defined in their teams | * | * | 0,16 | 0,69 | 0,56 | 388,00 | 0,58 | 0,08 |
| having insufficient expertise they reach out for ext. help | | * | 0,01 | 0,94 | -0,63 | 386,00 | 0,53 | -0,09 |
| notify us of changes on time (eg. delays) | * | | 3,94 | 0,05 | -0,79 | 371,53 | 0,43 | -0,09 |
| their credibility is supported by their personal connections | | | 4,98 | 0,03 | -1,03 | 380,66 | 0,30 | -0,16 |
| do not take advantage of our lack of expertise | | * | 1,15 | 0,28 | -1,05 | 385,00 | 0,29 | -0,17 |
| do not have outstanding debts | | * | 0,04 | 0,85 | 1,15 | 384,00 | 0,25 | 0,21 |
| good at selecting project participants | | | 2,38 | 0,12 | -1,18 | 390,00 | 0,24 | -0,15 |
| do not ask for things that are not included in the contract | | * | 1,70 | 0,19 | 1,20 | 388,00 | 0,23 | 0,18 |
| willing to come to a consensus | | | 2,60 | 0,11 | -1,25 | 388,00 | 0,21 | -0,14 |
| open to clarify problems | | | 0,04 | 0,84 | 1,35 | 390,00 | 0,18 | 0,15 |
| their project leaders are authorized to make decisions on upcoming problems | | | 2,16 | 0,14 | 1,39 | 386,00 | 0,17 | 0,18 |
| good at nurturing our business relationship even if we do not have a joint project | | | 0,21 | 0,64 | 1,42 | 388,00 | 0,16 | 0,24 |
| discuss problems/risks with us honestly | * | | 2,63 | 0,11 | -1,49 | 390,00 | 0,14 | -0,19 |
| keep to their word | | | 0,00 | 0,96 | -1,60 | 389,00 | 0,11 | -0,17 |
| meet their financial obligations according to the contract | | * | 8,32 | 0,00 | 1,72 | 367,16 | 0,09 | 0,25 |
| can clearly formulate the business problem | * | | 0,08 | 0,77 | 1,87 | 387,00 | 0,06 | 0,24 |
| do not change the conditions during the project | | * | 8,11 | 0,00 | -1,88 | 380,02 | 0,06 | -0,24 |

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# Appendix

**Expert interview guideline**

**Research aim:**

To explore the organizational capabilities of the actors in project transactions

**Operationalization:**

Project transaction = to realize a unique task as a business service

**Research target groups:**

Specialists of companies / institutions, who are making decisions in the preparation and the execution of project transactions
(*Make an effort to ask suppliers and buyers collaborating in the same project*.)
**The business areas, involved in the research:**

a/ (hard) projects, realized with a considerable physical content – construction industry, infrastructure development etc.

b/ (soft) projects, realized with a limited or negligible physical content – ad hoc market research, consulting projects, (ad) campaign organization, the setup of IT software systems etc.

**Respondents' profile:**

Identical number of sellers and buyers in a position of (possibly) middle managers with a higher qualification.

It is necessary to record the following data without the firm's name: respondent's gender; estimated age group and professional profile; firm's scope of activity; and its estimated size (for example: employees' number).

**Interview:**

**First part (20 minutes):**

- What are your expectations in connection with the prospective partner at the time of preparation of a project transaction? From among these, which ones insure the successful outcome of the project?
- From what can you judge, that the partner will meet these requirements? What kind of information do you check on? What is that, in which you rely on the partner?
- In what way do you manage to get information from the partner's real capabilities?
- If you should make a choice, in judging the partner's suitability on only three factors, then which three would you select?
- Which three features would you be cautious with? From what can you judge them?

*Instruction: When moderating the interviews, make an effort to achieve that the respondents support their statements with particular project episodes.*

**Second part (20 minutes):**

1. Tell me, please, the procession of the latest important project, in which you took part personally.
*Instruction: The interviewer has to observe what kind of episodes the respondent mentions. Ask the respondents to characterize the pre-story of the partnership (its length in time, the frequency of transactions...) briefly!*
2. Tell me, please, a case that remained so in your memory, that it had confirmed you on the later success of the project.
3. Tell me, please, a case that remained so in your memory, that had made youuncertain regarding the later successfulness of the project.

**Third part (20 minutes):**

(*Hand over the cards to the respondent!*)
Please, classify these capabilities (on the cards) of an imaginary project partner into the following three groups:

A/ factors of outstanding importance
B/ factors of average importance
C/ factors of smaller significance

*Instruction: We solve the classification by making piles. Respondent may assign at most 10 into a group! Before making groups, ask him to interpret the factors in a few words. To the ,,other:" card, he may write a factor about which he thinks it was missing from the list. The factors mentioned in a spontaneous manner in the first part can be a basis to this.*

**CARDS:** communication; innovational capability**;** relationship management**;** project management skills**;** trustworthiness**;** HR profile**;** conflict solving capability**;** competence to act (for example: permission)**;** material inputs used**;** financial resources**;** (foreign)language communication**;** expertise (know-how)**;** financial reliability**;** delegation of responsibility and competence**;** recognition of the limits of own competence**;** own network**;** extension of own competence**;** ethical behavior**;** corporate reputation**;** instruments, devices used**;** other