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FROM MANAGING INFORMATION TO MANAGING RELATIONSHIPS: REFRAMING THE ROLE OF ICT

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RELATIONSHIPS: REFRAMING THE ROLE OF ICT**

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ABSTRACT

Today, one could argue that business is in a relationship age rather than an information age. In a relationship age economy, competitive success largely depends on managing the complex interdependencies of the firm's *relationship assets*. Indeed, the firm's relationship assets—its customer assets, employee assets, partner assets and supplier assets—lie at the heart of a firm's ability to create value. To more effectively manage relationship assets, firms should strategically apply ICT within a framework that allows them to assess, monitor and measure such assets. In this article, one such framework is proposed. Important ICT that are necessary for the effective management of relationship assets are also described.

Keywords: relationship assets, economic ecosystem, lifetime engagement cycle, information technology

Introduction

Hidden, or intangible, assets have been described as the vehicle in the new economy (Lev, 2001). Knowledge is the fuel that powers it (Quinn, 1992; Drucker, 1993). According to Blair and Wallman (2001), the transition to a new economic order, one driven by intangible assets and based on the development, utilization and management of knowledge, is now a foregone conclusion.

Although intangible assets vary widely in their description and definition, the underlying basis of a firm's attempt at creating value in the market is tied directly to four such assets: customer, employee, partner and supplier assets. These four *relationship assets* constitute the cumulative net present value of the expected future opportunities of any business.¹ Sawhney and Zabin (2001) argue that long-term business relationships that create and sustain predictable growing cash flows are *the* key determinants of enterprise value in today's financial markets. One might suggest then, that the information age is transforming into a relationship age (Anderson, 2003).

To elaborate on the concept of the relationship age and the firm's relationship assets, this paper is divided into four parts. First, a brief review of economic ages is described in order to set the context for the current economic climate. Second, the *value* of the firm's relationship assets is expounded in order to reveal the connection between relationship assets and value creation. Next, a framework from within which managers can holistically view and assess their relationship assets is presented. Finally, various information and communication technologies (hereafter ICT) that are seen as being instrumental in the process of managing relationships are discussed. This paper's goal is to help business and ICT managers and executives better

¹ Gummesson (2002) uses the term return on relationships (ROR) to describe the long-term financial gains resulting from the establishment and maintenance of an organization's network of relationships.

understand the real impact of relationship assets on their businesses, and to suggest a framework for creating strategies that might more effectively leverage relationship assets—via the application of ICT—for value creation.

Economies in Transition: Enter the Relationship Age?

Today, it appears that we may be experiencing another transition or transformation along the pathway of economic development (Table 1). With the mastery of production techniques and large-scale information availability, the industrial and information ages produced lower prices, higher quality, and more specialized bundles of goods and services. However, when the basis of price, quality, and to an extent specialization, becomes a fundamental and necessary entry point into any market, some other means of differentiation and competitive advantage is required (Butz and Goodstein, 1996). As argued by Pine and Gilmore (1999), the basis of competitive differentiation is now in the staging of *experiences*.

Issue	Industrial Age	Information Age	Relationship Age
Basis of Value Creation	Better production management	Better information management	Better knowledge management
Strategic Plan	5 years	3 years	Perpetual
Management Structure	Centralized	De-centralized	Virtual
Key Investments	Land & machines	ICT & ICT networks	People & knowledge tools
Strategic Resource	Raw materials	Information	Relationship assets
Nature of Production	Mass	Specialization	Customization & personalization
Economic Output	Goods	Product/service bundles	Experiences
Marketing, Sales & Service	Uniformity	Segmentation	One-to-one
Nature of Competition	Adversarial; distrust	Cooperation; loose affiliation	Collaboration; trust
Basis of Market Valuation	Book value	Multiple of revenue/ earnings	Market-to-book ratio/market capitalization

Table 1 Characteristics of the various economic ages

Realizing that the conversion of raw materials and information into products and services at the lowest price with the highest quality is not enough, firms are increasingly required to create memorable experiences around their products and services, ones that are customized and personalized to create unique value for each customer (Berry et al., 2002). Firms stage an experience when they actively engage with a customer on a personal, memorable level (Pine and Gilmore, 1999). It is the firm's employees who create and deliver those experiences. Yet, although employees play a central role, ICT is also playing an important role in the creation and delivery of experiences (Gummesson, 2002; Kotha et al., 2004).

On the other hand, the ability to create memorable experiences for customers is often dependent on resources from outside the firm. Thus, firms are increasingly forming relationships with other market participants across the globe. These are achieved via outsourcing, risk/reward-sharing arrangements and new alliances, in order to create more compelling value propositions in the market. A move towards a relationship-centric culture appears to be the order of the day. In fact, many experts argue that relationship assets, and the future economic benefits that they can create, are indeed the firm's most valuable capital store today (e.g., Tapscott et al., 2000; Sawhney and Zabin, 2001; Anderson, 2003).

Relationship Assets: Just How Much Are They Worth?

Suggesting that customers or employees are valuable is certainly a cliché. However, perhaps a more appropriate debate is: "*How much are they really worth?*" Rather than rely on rhetoric to the answer to the question, some statistics described below with respect to a firm's ecosystem of relationships—including customers, employees, partners and suppliers—will be considered.

Each of these relationships in the firm's *economic ecosystem* has a potential to contribute to the firm's performance.²

Customer Relationship Value

Customer relationship assets represent the store of value within a firm's customer relationships. From a financial perspective, these assets represent the net present value of positive cash flows to be derived from future periods. To maximize these future cash flows, it is imperative that firms and their managers understand the unique characteristics of their customers (and customer segments) so that measures may be taken to increase the value derived from them (Zeithaml et al., 2001). This means expanding customer share by increasing the frequency and volume by which customers purchase a firm's particular products or services. This also means that costs must be minimized, while at the same time allocated more productively. Lastly, profitable customer relationships must be retained. Consider the statistics described below (Bhote, 1996; Lemke, 2001).

- It costs five to seven times more to find new customers than to retain current customers.
- Retained customers (loyal customers) cost 27 percent less per transaction, yet generate average sales that are 60 percent higher than those of new customers.
- A five percent reduction in customer defection can result in profit increases from 30 to 85 percent.
- If companies can increase their customer retention by two percent, it is the equivalent of cutting their operating expenses by 10 percent.

² The economic ecosystem refers to the firm's network of relationships, both internal and external, that constitute a measurable financial value.

Employee Relationship Value

Like customers and other relationships that constitute a firm's economic ecosystem, each one has an economic value. Employees are no exception. Pfeffer (1998) suggests that closer attention should be paid, and economic models applied, to the measurement and prediction of the value creation potential associated with employee assets. Without question, employees constitute one of the most critical stores of capital of any business. Recent surveys examining opinions of CEOs from around the world confirm that employees continue to be rated as the most important asset to future competitive advantage and growth (PricewaterhouseCoopers, 2002). Not only are employees—and the intellectual capital they generate—perceived to be critical to a firm's success, they have a clearly identifiable economic impact on a firm's performance.

By way of example, a recent report found that firms with employee turnover of 10 percent or less have as much as a 10 percent point customer retention rate advantage over a firm with employee turnover of 15 percent or more (Comeau-Kirschner, 1998). In light of the customer value statistics presented above, this is a clear, measurable bottom line advantage. Additionally, another study found that billions of dollars of market capitalization is being lost in four industries in the United States due to share price and operating earnings reductions associated with employee turnover (Sibson & Company, 2000). Gummesson (2002) argues that only when internal (i.e., employee) relationships work can the firm have any hope of creating a delighted—if not totally satisfied—customer.

Partner Relationship Value

In an era of increasing global business exchange, the ability of firms to produce, sell products and services and to provide after-sales support, requires the involvement of specialized participants that are external to the firm. Partners, alliances and distributors represent such

externally-based constituents that represent a relationship asset. The reality is, in today's global economy, firms can hardly compete as an island unto themselves (Inkpen, 1996; Dyer and Singh, 1998). Other organizational actors must become part of the firm's economic ecosystem in order to build success in the marketplace. As such, value from various partner relationships should be evaluated with the same rigor as other constituents in the ecosystem.

Partnerships, whether they are in the form of alliance partners, channel partners or both, can significantly enhance a firm's ability to create value in the market. Consider the following statistics (Harbison et al., 2000):

- Strategic partnerships have consistently produced a return on investment of nearly 17 percent among the top 2,000 companies in the world for nearly a decade. This is 50 percent better than the average return on investment that companies produced overall.
- The 25 companies most active in partnerships achieved a 17.2 percent return on equity—40 percent more than the average return on equity of the Fortune 500. The 25 companies least active in alliances lagged the Fortune 500, with an average return on equity of only 10.1 percent.
- Companies who manage partnerships successfully see 20 percent higher profitability as compared to companies who manage partnerships less successfully. Revenue generation from high-success alliances equates to 21 percent of a firm's overall sales, as compared to 14 percent of low-success partnerships.

As impressive as the above statistics may be, unfortunately, many partnerships fail to achieve their stated goals. The number one reason for failure is linked directly to *relationship* issues, such as chemistry, commitment and culture (Murphy and Kok, 2000).

Supplier Relationship Value

As firms create products and services and engage customers in mutually beneficial exchanges of value, suppliers are playing an increasingly important role. In fact, Prahalad and Ramaswamy (2000) claim that as firms incorporate the customer experience into their business models, the co-opting of customer competence relies heavily on suppliers. Some experts argue that companies are no longer competing so much on their products as on their supply chains (Newton, 2000). Indeed, the reliance on suppliers as part of a firm's overall strategy to create value is becoming increasingly vital.

To confirm the value and importance of suppliers and their impact on firm performance, consider the following benefits derived when firms effectively integrate and manage the supply chain through the use of ICT (Teagarden, 2000):

- Inventory turns doubled;
- Inventory levels reduced by as much as 50 percent;
- Stock outs reduced nine fold;
- On-time deliveries increased by as much as 40 percent;
- Cycle times decreased by as much as 27 percent overall;
- Supply chain costs reduced by as much as 20 percent; and
- Revenue increases by as much as 17 percent.

The above statistics represent a small sample of the empirical research highlighting the economic impact of the various relationship assets in the firm's economic ecosystem. Although this network of relationships has always been tantamount in market exchanges, Tapscott et al. (2000) suggest that an increased emphasis on relationship assets has occurred in the last ten years, particularly with respect to new web-based business models, increased focus on core competencies, and the need to co-create value with partners, suppliers and even customers in order to extract maximum efficiency and differentiation in the market. According to Schrage

(1997), creating the most value in the twenty-first century largely depends on the adept management of relationships. However, Schrage (1997), at the same time, cautions that the largest bottleneck in the pathway to increasing value creation in most organizations today is, in fact, poorly managed relationships.

Relationship Management: The Framework

As demonstrated above, relationship assets have a significant impact on the firm's performance in terms of costs, revenues and market valuations. Understanding the potential value of each of the firm's relationships and how to maximize that value is critical to generating market success. Developing an efficient, workable framework for managing a firm's relationships is, therefore, paramount in the quest for maximizing economic performance.

Relationship Management Framework

Generating economic value in the relationship age requires more than faster and cheaper digital networks, more than rapid product or service innovation, and more than the latest e-business model. Creating lasting market value is becoming increasingly dependent on the ability to learn about, learn from, and to manage key relationships—relationships with customers, employees, partners and suppliers. Doing this requires a consistent framework for regularly assessing the status of each relationship asset. At a minimum it is recommended that, for each relationship, a business should identify the goal of the relationship, the desired value outcome of the relationship (which could also be viewed as the measure of success for the relationship), and the key ingredient of success for the relationship (Table 2).³

³ Of course, one of the keys to applying this framework is to uncover the economic impact of the *interdependencies* among the relationship assets. Thus, a holistic, rather than an individual approach can be taken when evaluating a firm's relationship assets. By studying the interdependencies of relationship assets, the most fruitful economic analysis can be achieved.

Relationship Asset	Relationship Goal	Measurements/ Outcome	Key Ingredients For Success
Customers	<ul style="list-style-type: none"> • Customer share • Totally satisfied customers • Accelerated purchase frequency • Loyalty 	<ul style="list-style-type: none"> • Captured lifetime revenue • Higher profitability • Referral source 	<ul style="list-style-type: none"> • Knowledge of the customer • Segmentation by profitability tiers • Integrated, multi-channel business model
Employees	<ul style="list-style-type: none"> • Personal growth/ development • Varied job experiences • retention 	<ul style="list-style-type: none"> • Improved value contribution • Higher productivity • Improved customer retention 	<ul style="list-style-type: none"> • Organizational design & leadership • Strategic HRM policies & programs • Knowledge tools
Partners	<ul style="list-style-type: none"> • Speed to market • Improved innovation • Accelerated business velocity 	<ul style="list-style-type: none"> • Increased customer share • Revenue growth • Improved customer retention 	<ul style="list-style-type: none"> • ICT integration • Collaboration • Continuous and open communications
Suppliers	<ul style="list-style-type: none"> • Real-time inventory management • Maximum component quality 	<ul style="list-style-type: none"> • On-time deliveries • Less stock-outs • Fewer product returns • Decreased supply chain costs • Higher customer satisfaction 	<ul style="list-style-type: none"> • Supply chain automation • Business process integration • Open information & best practice sharing

Table 2 Relationship framework

The relationship framework serves not only as a tool for the leadership of the firm to focus attention and resources on the key relationships within its economic ecosystem, but also serves as a guide to better understand their interdependencies. For example, as was discussed earlier, employee turnover affects customer turnover, which affects profitability and market capitalization. Partners impact on sales and even new product development (or service delivery), which impact customer satisfaction and loyalty and ultimately a firm’s economic performance. Supplier provided, poor quality components may ultimately lead to poor quality

products, which will likely affect customer satisfaction and may even affect employee morale, possibly leading to customer defection and employee turnover.

When considering relationship assets from a strategic, and even tactical perspective, the key is not to assess a single constituent in isolation, but rather to understand the links among the constituents that will maximize the opportunity to create value. As Hakansson and Snehota (1995: 384, 385) state:

What makes the economy of relationships so special is indeed that a relationship has functions (has economic consequences) for several actors and thus the outcomes of different relationships are interdependent. . . Thus it is not enough for any actor to be concerned just about itself in order to be successful.

Taking such a holistic view will assist in developing a strategic approach to managing relationships. The relationship framework outlined in this paper is a good first step towards viewing relationship assets holistically, and in doing so, offers a means of formulating strategies that will help ease the burden of such a complex management issue.

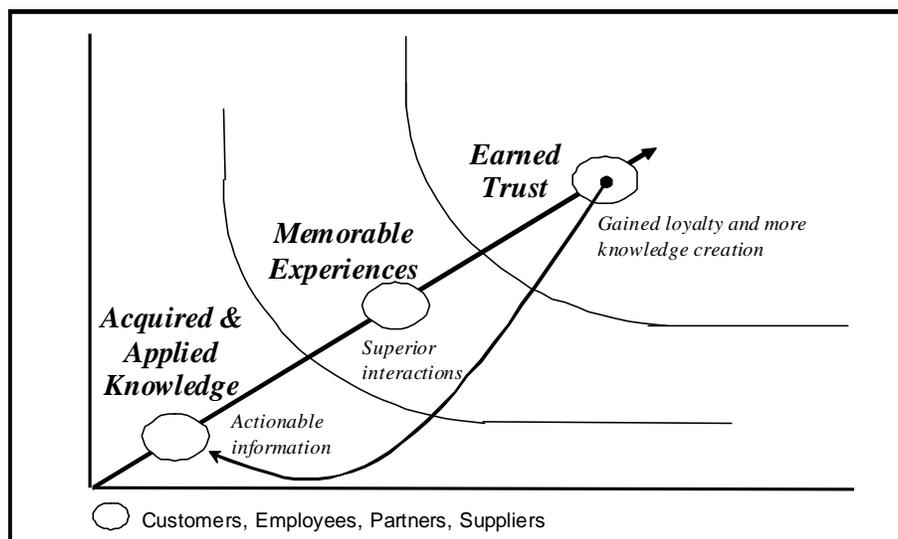


Figure 1 Lifetime Engagement Cycle

From a tactical perspective, applying the framework to the management of a firm's relationship assets takes the form of an engagement cycle: (1) harnessing relationship assets by applying acquired knowledge to (2) create differentiated, memorable experiences that (3) establish trust, build loyalty, and create more knowledge (Figure 1).

The Lifetime Engagement Cycle

Traditional fixed assets, such as plant and equipment, typically go through a cycle in terms of their productive life: acquisition, use and disposal. Similarly, relationship assets must be managed through a cycle to maximize their value. The Lifetime Engagement Cycle (LEC) is proposed as one useful framework for conceptualizing and managing relationship assets through a life-cycle. The LEC constitutes three separate, yet interlinked, phases:

1. **Acquired and Applied Knowledge** – Knowledge is information that, when viewed relative to other information and filtered by experience, translates into the ability to act (Pfeffer and Sutton, 1999). In order to leverage relationship assets effectively, the firm should identify, understand and manage knowledge about each relationship. Amazon.com's ability to personalize web pages for its customers, including the capability of making sales recommendations based on user preferences and past purchases, is a good example of acquired and applied knowledge. However, while learning about and learning from customers is important, they should not be the only focus. Learning from and about other relationship assets such as partners, suppliers and certainly employees, is vitally important too. This first phase of the LEC is the fundamental building block for executing the remaining phases in the cycle.
2. **Memorable Experiences** – Experiences, as an economic offering, are becoming a key competitive differentiator (Pine and Gilmore, 1999; Berry et al., 2002). Where products are tangible commodities that businesses standardize and inventory, and services are intangible

activities performed for a particular client, experiences occur when businesses intentionally use services as a stage and products as a prop to engage an individual in a relationship (Pine and Gilmore, 1999). While the experience itself is an intangible, it has real value, which is retained by the recipient long after the value of the component products and services have dissipated. A good example would include a trip to Disney World, where even parking the car is designed to be an experience that won't be easily forgotten (Carbone and Haeckel, 1994). To leverage this second phase of the LEC, firms must translate learning and knowledge into distinct, positive interactions that can be repeated time and again across multiple touch points and interaction channels.⁴ Positive interactions that are repeated time and again, regardless of the touch point or interaction channel, leads to the creation of consistently memorable experiences. The more the firm learns about each relationship in its ecosystem (the first phase of the LEC), the greater the prospects of successfully creating experiences that are memorable.

3. Established Trust – Trust is a driving force in any long-term business relationship (Morgan and Hunt, 1994). Creating trust helps a firm establish barriers of exit, where constituents such as employees, customers, partners, and suppliers choose to remain loyal to the firm over time. As shown above, loyalty can be very important to the firm's financial productivity. Additionally, the more trust that is built and the longer the relationship, the greater the likelihood that additional knowledge can be gleaned which can then be used for continuously improved relationship management. Firms should strive to earn trust and build loyalty with the most valued relationship assets while at the same time capturing better, actionable knowledge about them. Dell Computer, for example, through its highly integrated

⁴ Examples of interaction channels include call centers, web sites, point-of-sale terminals, face-to-face interaction, kiosks, email, fax machines, standard mailings, voice response systems, etc.

business model, including the integration of multiple value chain constituents through complex ICT, has created a trusted bond among its ecosystem that is not easily broken.

The LEC offers a template through which firms can effectively manage their relationships. Given the discussion thus far, perhaps one of the best ways to create a competitive business strategy in the twenty-first century, and to apply the concepts of the LEC framework, is to consider the framework in conjunction with ICT, and specifically those technologies that lend themselves to the management of relationships.

ICT and the Relationship Management Framework

During the information age, ICT was heralded as the quintessential tool for strategically managing the firm because the management of information was seen as the key to competitive survival. Today, however, ICT should rather be viewed as the indispensable tool for strategically managing the firm's relationship assets. Echoing this belief, Schrage (1997: 8) states:

Its time to stop thinking about computer networks and digital technologies as media for managing information and to start thinking of them as media to manage relationships. As a general rule, too many organizations have spent too much time obsessing on the information they want their networks to carry and far too little time on the effective relationships that those networks should create and support. This is grave strategic error. (emphasis in original)

Without question, ICT has completely revolutionized the world of information processing. However, while an enormous amount of time and money have been spent on building more reliable, scaleable and cost-effective information networks, the genuine significance of ICT is not rooted in the information they process or store. A sober assessment of the impact of ICT in

most industries yields a very simple observation: the most profound impact that ICT can have is on relationships between people and between organizations. The effective management of relationships via ICT then, may indeed be the cornerstone of success in a new century.

The Technologies of Relationship Management

Business relationships are about people—learning from them and about them, creating mutually rewarding experiences and building trust in order to establish long-term loyalty and more learning and knowledge. Certainly, any relationship management strategy requires the human touch; however, in today's ever-expanding global economy, where the complexity of establishing and maintaining business relationships is more difficult than ever, ICT are critical tools to create competitive advantage, and to build and maintain the relationships that bind businesses together. Managers face many difficult investment decisions and day-to-day operational questions when it comes to ICT and business relationships. For example, which of the relationships should the firm focus on first? Does one relationship create more value than the others or do the interworkings of two or more relationships generate even higher value? Which technologies will help the firm best manage its many relationships? Where will the highest return from technology come from in the least amount of time?

The vastness of ICT solutions makes any discussion on the topic difficult at best and will not be examined in-depth in this paper. However, from a relationship management perspective, we can distil the effort in view of the Lifetime Engagement Cycle (Figure 1) by focusing the discussion of ICT on: 1) acquired and applied knowledge; 2) memorable experiences; and 3) established trust.

Technologies of Acquired and Applied Knowledge

The ability to effectively use knowledge is marked by the ability to create content (Pfeffer and Sutton, 1999). Content enables a firm to use knowledge to create memorable experiences that

build trust and loyalty. In essence, the question any firm must ask about its relationships is simply: “What do we know?” For customer relationships, a firm must have knowledge of demographics, acquisition costs of customers, product or service purchase histories, annual revenue per customer or customer segment, customers lost, service costs to customers, profitability per customer or segment, retention rates, satisfaction scores, etc. For employee relationships, it must have knowledge of revenue and profit per employee, level of skill and experience, turnover to customer defection ratios, revenue loss impact, etc. For partner relationships, average monthly or quarterly leads generated and closed, revenue attainment, service costs to revenue generation ratios, profitability levels, customer share gain contribution, and so forth should be monitored for each partner. Lastly, a firm must build knowledge of relative costs, number of defects, percent on-time deliveries, frequency of stock outs, among others, for each supplier.

The key technologies for the acquired and applied knowledge phase of the LEC include data staging technology, data analysis and analytical applications, business intelligence and decision support software, knowledge management systems and enterprise application integration (EAI) software. The aforementioned technologies, and certainly many others, are largely geared towards the enablement of a better understanding of the dynamics of each relationship asset—and the relative value of each in the firm’s economic ecosystem. By designing ICT to focus on knowledge acquisition that can provide a supreme understanding of relationship assets, firms are better positioned to differentiate themselves in the market and to fulfill the other two phases in the LEC.

Technologies of Memorable Experiences

The second phase of executing the LEC is concerned with staging memorable experiences. While many factors comprise the tactical execution of an experience, technology is playing an

increasingly important role (Kotha et al., 2004). And although the central focus is on the customer experience, firms should also consider how to create positive experiences for all of their relationship assets. As such, firms might ask the question: How are we marketing and selling to, treating and/or collaborating with our business relationships? In other words, when a relationship asset (either internal or external) has an interaction with the firm, are they encountering positive, productive experiences, or are they encountering detrimental or poor experiences?

For customer relationships, firms need to consider segments and target markets, product or service customization and personalization and the quality of sales or service interactions. For employee relationships, the quality of productivity tools, the availability of on-line education and training tools, the breadth and depth of access to customer records, and the ease of knowledge-sharing capabilities must be addressed. For partner and alliance relationships, the level and ease of information sharing, the level of process automation, and the sharing of best practice experiences need to be taken into account. For supplier relationships, the issues include: the level and ease of information sharing and exchange; level of process automation; and ease of replenishing parts and supplies either via on-line purchasing or via automatic stock-out alerts.

The representative technologies for the memorable experiences phase of the LEC include e-commerce systems, collaborative filtering software, call centers (sales, after-sales service), business rules, customer relationship management (CRM) software, unified messaging systems, intranet systems, enterprise information portals (EIP), partner relationship management (PRM) software, extranet systems, electronic data interchange (EDI) systems, supply chain management (SCM) software and enterprise application integration (EAI) software. The technologies mentioned here are geared largely towards engineering consistently positive experiences (via a variety of interaction channels), not only for customers, but also for all the constituents within the firm's economic ecosystem.

Technologies of Established Trust

The third and final phase of executing the LEC is concerned with establishing trust. Trust is the lynchpin of any long-term business relationship (Morgan and Hunt, 1994). Evidence presented in this paper suggests that long-term business relationships can have a dramatic impact on revenue growth, profitability and, for public firms, market capitalization. Interestingly, in America, Reichheld and Schefter (2000) find that individuals who purchase products or services through the Internet rank trust as the number-one purchasing factor. Other attributes, including lowest price and product selection, lagged behind.

In the case of established trust, the firm might simply ask: Are we establishing trust with our relationship assets? For customers, this question may lead to a focus on satisfaction levels, average customer tenure, percent repeat customers, and the degree and level to which customers are willing to share personal information. For employees, satisfaction levels, average employee tenure, annual employee turnover, and percent new employees referred by existing employees should be considered. For partners, scrutiny should be given to average tenure, impact on product and service reputation, and the number of exclusive partnership contracts. For suppliers, average tenure, level and degree of information/best practice sharing, and the favorability of contract terms relative to other firms must be addressed.

Representative technologies of the trust phase of the LEC include firewalls and Internet security systems, call centers (after-sale service), web self-service systems, field service automation software, help desks, enterprise information portals (EIP), and enterprise application integration (EAI) software. The aforementioned technologies represent a few of the many technologies that can be used to create a favorable reputation, both internally and externally, and ultimately to establish trust and loyalty with the firm's various relationships.

Conclusion

In this paper, it has been suggested that the current global economic environment may be best described as the relationship age. Of course, relationships have been important to business since the beginning of economic exchange. However, only within the last 10 years or so research demonstrated their *quantitative* impact on multiple dimensions of firm performance, particularly with respect to their economic impact when viewed as *interdependent* rather than independent assets (Zeithaml, 2000).

From a technology perspective, with the explosion of ICT in the last 20 years, better, more reliable and faster information networks have been built, at great expense, to manage data. However, ICT must now be inextricably linked to supporting and managing firms' relationship assets. As suggested in this paper, relationship assets can have a significantly positive impact on the performance of a firm while conversely, relationship assets that are mismanaged or neglected can have dire financial consequences.

One potential approach in the pursuit of more effectively managing relationship assets is to implement a relationship framework, where it is recommended that for each relationship a business identify the goal of the relationship, the key value outcome of the relationship and the key ingredient of success for the relationship. Once strategies are developed for each relationship, applying the framework to the practical management of a firm's relationship assets takes the form of a Lifetime Engagement Cycle: (1) harnessing relationship assets by applying acquired knowledge to (2) create differentiated, memorable experiences that (3) establish trust, build loyalty, and create more knowledge.

Tactical fulfillment of the LEC is furthered by the use of a variety of ICT, each of which not only serves a particular need of an individual relationship asset, but can be leveraged across multiple relationships to ensure scalability, cost sharing, and ease of management. By

using ICT wisely, firms can become more effective relationship builders—and managers. Of course, ICT alone is no panacea for creating a relationship-centric firm. Executive leadership, effective development of business processes and the development of firm capabilities must be co-evolved and co-sequenced with managerial and technological innovation to develop a relationship-centric culture.

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