The Business Concept as a Symbol

This article explores the meaning of the business concept in the context of a professional service (knowledge-intensive) company. It is based on a study of a Swedish computer consultancy company (CCC), covering a wide set of aspects (Alvesson, 1995), only a few of which are addressed here. The study is grounded in a cultural approach to management, that is, it focuses on the level of shared meanings, ideas, and symbolism, which are viewed as significant elements in how companies—as socioeconomic phenomena—function. The article then aims to make an empirical and theoretical contribution in three respects: (1) developing the understanding of the business concept, (2) illuminating certain aspects of the management of professional service companies, and (3) illustrating how a cultural approach to business and organizations also provides insights about themes conventionally understood in analytic, objective, and rationalistic ways. While the first aspect refers to certain core aspects of "macro management" and organizational functioning, the second involves a specific type of organizations, and the third is mainly a matter of a certain form of understanding—the use of culture as a metaphor for organizations.

A cultural approach to business and organizations

It may be argued that organizational culture refers to significant aspects of organizational life (e.g., Alvesson and Berg, 1992; Frost et al., 1985, 1991; Smircich, 1983). Developed and socially transmitted shared ideas and understandings of how people in the same work context should relate to and make sense of tasks, technologies, social relations, customers, and the like is crucial for collective action. Culture—in the sense of shared meanings, ideas, and understandings—is especially significant in terms of control and coordination in
complex and uncertain organizational situations that demand a high degree of decentralization. Here, bureaucracy, almost by definition, fails. The fact that management cannot very effectively control behavior or measure the quality of the output does not mean, however, that they give up intentions of control. Weick (1987, p. 124) suggests: "Whenever you have what appears to be successful decentralization, if you look more closely, you will discover that it was always preceded by a period of intense centralization where a set of core values were hammered out and socialized into people before the people were turned loose to get their own 'independent, autonomous' ways."

The significance of socialization has attracted great interest recently; it illuminates the role of culture in managing workers with a high degree of "behavioral autonomy." It only captures, however, parts of the control issue in highly decentralized contexts. The durability of the effects of a (limited) socialization phase is not endless. It would not take care of all the control problems of management, except perhaps in very stable situations involving people who had experienced a very long and intense socialization process (for example, scientists and physicians). Typically, the core values must be "hammered out" regularly, through various means, and communication of the business concept and mission statement are examples of such "hammering out."

There are many views and definitions of culture. D'Andrade (1984, p. 116), for example, views culture as "learned systems of meaning, communicated by means of natural language and other symbol systems, having representational, directive and affective functions, and capable of creating cultural entities and particular senses of reality."

To Jelinek, Hirsch, and Smircich (1983, p. 331) "culture—another word for social reality—is both a product and a process, the shaper of human interaction and the outcome of it, continually created and recreated by people's ongoing interactions."

An important distinction is between (1) studying corporate cultures as variables or empirical objects—thus seeing culture as a delimited part of organization—and (2) thinking culturally in relationship to a wide set of corporate phenomena (Smircich, 1983). The second version, to which this study adheres, means that the researcher is sensitive to the level of shared meanings and symbolism in all aspects of organizational life. Potentially, culture may also lead to productive interpretations and insights about other phenomena than those conventionally seen as part of "corporate culture."

A vital aspect of a cultural sensitivity is not to overemphasize homogeneity and unity. The level of sharedness within a specific collective (a company, a division, a work group) as well as the clarity and coherence of meaning cannot be taken for granted. Openness for ambiguity—uncertainty, incoherence, contradiction, variation—is part of a sensitive approach to organizational culture research (Alvesson, 1993; Martin, 1992; Martin and Meyerson, 1988).
The company

The computer consultancy company (CCC) was founded in 1977 by three men who were at the time in their early thirties. The market for computer consultancy services was expanding rapidly, and employees were being recruited at a fast pace. CCC is a homogeneous company, where 80 percent of its employees are computer consultants, including project managers. The rest are managers, almost all of them also computer specialists, and administrative personnel. The average age is somewhere below thirty-five.

The company sells consultancy services of various types. The tasks vary from large projects, employing up to a dozen project leaders and programmers going on for three or four years, to minor activities that will occupy a single person for some days or weeks. The qualification level of tasks also varies. At one extreme there are advanced investigations of information strategies for large companies; at the other, the requirement is for an extra resource at a client’s computer department during a peak in the workload. Some projects demand innovations, others are of a routine character.

The company is organized in the form of twenty subsidiaries, each employing between one and fifty persons. Every subsidiary has its own market niche based on region, type of services provided, or type of clients. Of the 500 employees, about 60 percent work for firms located together and rather tightly integrated in the company’s main building outside Stockholm, where the top management is also situated. One-third of all personnel work in the six foreign subsidiaries and around 10 percent are employed in two subsidiary companies located in Sweden, outside Stockholm.

A key feature of the management principles behind the organizational structure, according to official policy statements as well as interviews of managers and employees, is its emphasis on small scale, decentralization, and a flat hierarchy. No subsidiary should employ more than fifty people in order to maintain a sense of belonging among personnel and to make it possible for the managing director of each subsidiary to know personally and have contact with all his or her subordinates. When a subsidiary grows, so that more than fifty people are employed, it is divided.

The company has been and was at the time of the study (the end of the 1980s) very successful, according to all common business criteria: high profits, rapid growth (between 20 and 50 percent increase of personnel per year), a lot of basically positive attention from the mass media, the clients and the rest of the market that gave the company very good evaluations in market investigations, and a low personnel turnover (below 10 percent).

Methodologically, the study was primarily based on semistructured interviews with about thirty managers and consultants. I also made a few weeks of participant observation and observed artifacts, such as the corporate building. For details about the study, see Alvesson (1995).
The notion of the business concept

The notion of the business concept has had and continues to have a considerable impact on management studies and corporate practice in Sweden. This notion or similar ones, such as mission statement or defining the business, is also used in other countries, but with hardly the same frequency and persistence with which the topic turns up in Swedish management theory and practice. A seminal source in the Swedish context was Normann (1975), whose concern was the complicated and hard-to-pin-down know-how that is built into the organization and that can give the company superior capability in relation to its environment (the market). According to Normann, the term "business concept" is perhaps not really ideal, partly because the interest is in concrete relationships as well as ideas, and partly because it references a complex system and therefore cannot be reduced to a single concept or idea. Normann defined the business concept as a "system for dominance" in a given market segment. One problem with this comprehensive notion of the business concept is that it includes too much. Many writers prefer to split up the product-market relationship and the company's competence (technology). Sjöstrand (1985), for example, spoke of the exchange idea to describe the basis of a company's relations with its environment. Understanding companies such as CCC requires seeing the notion of the business concept in relation to the company as a whole. I therefore associate myself with a broader notion of the business concept, similar to Normann's approach. The problems associated with this broader idea of the business concept are discussed further below.

The business concept combines a number of factors within and outside the company and weaves them together into a complicated pattern that consists of various compatible components. These components are the niche/market segment, the company's product system, and the company's organizational structure and competence. Thus, a functional business concept means that a company, operating in a given market, offers the customers products that are adapted to the market niche, with an organization that is structured so that technology, competence, and management style are precisely balanced for the product and the market involved. Expressed in the very simplest terms, the business concept represents a harmony among the market, the product, and the organization.

In this sense, the notion of the business concept is one variation of a large number of more or less closely associated conceptualizations of a company's fundamental relationships with its market. In his classic piece, Levitt (1960) argued that one should try to avoid thinking of a company's operations in terms of the technology or products with which it worked, and instead extend the perspective to look at the company and the industry on the basis of the customer's needs or functions that are satisfied. He challenged his colleagues to adopt a less shortsighted, less myopic approach to the market. As many authors have pointed out, this is in itself insufficient and only describes one aspect of
how the “business concept” is basically developed. Conceptualizing one’s own operations—for example, regarding oneself as a railway or tin can manufacturer or defining operations as a company in the transport or packing industry—may facilitate the understanding of one’s own role in relation to the customer’s situation and competitive conditions, but it does not say very much about what should be done in concrete terms or about what the company’s distinct competence looks like.

Different authors have tried to arrive at definitions of operations in ways that are sufficiently viable to serve as a starting point for well-thought-out strategies. Abell (1980) suggested, for example, that “defining the business” is a question of determining the combination of customer functions, customer groups, and the company’s own technologies. However, Normann’s (1975) conception is more advantageous for my study. His notion of the business concept does not have the same bias toward marketing as those applied by most authors in this field, and he pays attention to the organizational dimension. Compared with many mission statements—which sometimes are not much more than slogans (Swales and Rogers, 1995)—business concepts often are somewhat more informative and elaborate. In some cases, however, the terms are used synonymously.

According to Normann (1975), the notion of the business concept has a deeper meaning that encompasses various intraorganizational structures, as well as the product/market considerations:

We not only wish to include ideas about the market and the company’s role—what is to be dominated—in the notion of the business concept, but also how this is to be achieved and the conversion of these ideas into concrete arrangements. It is not enough to say that you are in the transport business—if this is in any way a statement endowed with insight into a given situation. You do not have any kind of business concept unless you also have a formula for how “you can make money” in the transport business and unless you have been able to translate this formula into organizational and other types of arrangement. [pp. 48–49]

Normann referred to Selznick (1957), who emphasized the importance of an institutionalization process through which understanding of the organization’s external mission and special competence is embodied, permeates the organization, and is anchored in the values of the members of the organization. The business concept, for its full realization, thus calls for the mobilization and commitment of employees. This is, as elaborated later, more profound in a loosely coupled, adhocratic organization such as a professional service company than in a more machine-like organization. As Ashforth and Mael (1996) put it, “as the bureaucratic structure dissolves, it becomes increasingly important to have a clear ‘cognitive structure,’ a sense of the whole: what the organization stands for and where it is going” (p. 20). Specific actions in order to create and strengthen a feeling of organizational identity are important here.
**CCC's business concept**

CCC's management indicated that the company's business concept is a matter of "combining management know-how with technical computer know-how, so that clients become more competitive and efficient" (Annual Report, 1986). Almost identical formulations emphasize the goal of helping clients to integrate a strategic perspective into their data processing systems and to improve the clients' business: "We sell opportunities to improve efficiency and competitiveness with the help of data processing" (from an interview with the CEO).

CCC's market segment is comprised of medium-sized and large companies and is thus primarily composed of top decision makers. Such clients are offered data-processing services that can help customers improve their business. The products are computer-consultancy services in the broadest possible sense of the term, ranging from the implementation of major computer development projects to specific services, such as "management for hire," training, investigations, project management, and so forth. The organization is characterized by a number of operational subsidiary companies with different market orientations, project organizations, and areas of competence, with programming and project management as their primary features.

CCC pushes its business concept hard. The business concept has a crucial role in the training and socialization of new recruits. During a weeklong introductory course, the training managers repeatedly emphasize the business concept. It is often mentioned in corporate publications and often cropped up spontaneously in my interviews. The message is frequently hammered out by managers in interactions with subordinates.

Like Normann (1975), we could assume that a company's business concept is a decisive factor in its success and that the degree of agreement and harmony between the various parts of the company determines whether the business concept works—or fails to work. Perhaps we should conclude that the concept has been implemented and has a powerful impact in view of CCC's splendid successes in the form of high profits, rapid growth, good market reputation, and a high degree of personnel satisfaction. However, the question is whether matters are really as simple as this.

**A small mystery**

According to Asplund (1970), two important elements of social-science research are supposed to be (1) the formulation and (2) the solution of a mystery. So I am now going to depict a small mystery (or quiz).

The ten or so people whom I interviewed about CCC's business concept gave me what can only be described as highly divergent responses when questioned about the concept—despite the fact that all my interviewees should have had a good insight into the company. Most of them had several years of experience at

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CCC, and they were project managers, subsidiary managers, and the like—not just junior consultants.

Some of my interviewees considered that the official business concept described actual conditions rather well and that CCC’s successes were largely a result of close adherence to the concept. Here are some typical responses:

Linking the development of a new system to the customer’s business concept and area of operations is our basic philosophy.

I don’t believe we are any better [than other companies] from a purely technical point of view. We are better at some things. And that is precisely the fundamental business concept: management and computer development. But we are no better at computer development, perhaps worse in some cases. But on the management side—our way of handling customers—that’s where we are better.

Our target group is corporate managements, not data-processing departments.

The business concept here signals the organizational identity (Albert and Whetten, 1985), and it reveals ideas about the essential characteristics and distinctiveness of the company. But other interviewees give a different picture about the company. A consultant that had worked for CCC almost since the start said:

We are supposed to be computer consultants, combined with management consulting, and this has been part of our business concept for several years. But Christer, Hasse and John [i.e., CCC’s founders] represented the management side. They didn’t recruit people at a lower level with that orientation, they wanted computer consultants—programmers and systems analysts.

Another interviewee confirmed this account:

Question: The connection between computers and management, that is to say the business concept, does that apply to the technical subsidiaries?

Response: Yes, that’s true on paper, but we have never worked with it. . . . My impression is that there is something slightly strange about computers and management, computers and business concepts, working with such things consistently, especially when you have a lot of technically based activities. . . . As an ambition back in 1977, it was no doubt an exceptionally fine service. But then we couldn’t really make it. Of course, if you send out Carl Fredricson [the chairman of the company and one of the founders] as a consultant, he can probably fix up a good strategy and combine computers with management, and no doubt that’s what he did in the early days. But it is all very bound up with a couple of key individuals.

In these statements, the business concept seems to refer to history rather than to the company of today. A more recently employed person said:

When I was recruited, I asked my boss if there were any management assignments. He was very honest and replied “What the hell, no way.” Well, he expressed it more elegantly than that, but that’s what he was trying to say.
Another interviewee maintained, rather cynically, that the real business concept, when the company started up, was to recruit programmers who were a scarce resource on the labor market at that time and, by the skillful use of social attractions, to retain them in the company and to make money by selling their labor in the form of consultancy services. (Strictly speaking, this does not contradict the official business concept.)

Somewhat confused by the various statements made about CCC's business concept—which cannot be wholly explained by differences in the positions of the interviewees or by the fact that they worked for different subsidiary companies—I asked a subsidiary manager how things "really" were with the management aspects—and received the following answer:

Good question. It is excellent that it is included [in the formulation of the business concept]. The fact is that, both traditionally and currently, CCC has had extremely good contacts at top level with customers, compared to other consulting companies. We have found this very useful, especially on the technical side. In most cases, our competitors only work at a lower operative level, dealing with development managers, for example. And we do that too. But in practice, we also have a contact network at a higher level. Damn useful! And that's the level you sell at.

There are also consultants who have this profile, on the technical side too. Not here with me, but with X [another subsidiary manager]. X and Y could take on a major consultancy assignment which involved starting up and operating a major development department in a company.

But then on the technical side, we interpret these things differently. In our world, management means development managers. At Company EX, the development manager has a budget of SEK 400 million [about $60 million]. We don't just talk to him about programming, we also talk business. That's the kind of relationship we have.

Management is not just running the company, it's also project management. I don't think we can say that we have smarter technical people than our customers. But nonetheless we work much better in projects than they do. That's because we bring in some project management. It permeates our whole approach. Push things forward until you achieve objectives. This has been expressed in the project philosophy course, and this is an approach which characterizes CCC's whole method of working.

Some other interviewees also provided information that was somewhere between these rather contradictory views of CCC's business concept. In other words, I obtained responses that were extremely varied from a number of individuals who might have been expected to have a good knowledge of the company's operations and who ought to have been acquainted with the business concept as applied at CCC and the key terms utilized in this concept—for example, "management."

What is the "real" state of affairs? Following contemporary ideas on language,
according to which words cannot mirror an external reality (e.g., Deetz, 1992; Steier, 1991), one may doubt the relevance of the question. One may argue that talking about the business concept is an empirical phenomenon—or rather a varied set of phenomena—but what people do in other corporate everyday work situations is something else. Despite considerable sympathy for this position, I will still discuss the relationship between the business concept as an expression used, with the aim of saying something about what goes on and about typical actions and activities in work situations.

Are the actual ways in which money is made in the company (i.e., what a conventional management theorist would refer to as the “real” business concept) well illuminated with what is expressed “officially” as the business concept? Or is the company’s espoused business concept rather different from the ideas and objectives that guide the sales of the services and the carrying out of assignments in everyday operations? The business concept is clearly misleading if management’s formulation of the business concept is considered to be a question of giving business and strategy issues the same weight in CCC’s operations as data-processing matters in project work or in the competence profile of CCC’s consultants. But if the business concept is interpreted as meaning that data-processing services, in a wider sense, are the primary feature and that an attempt is also made to describe and handle such data-processing aspects from a management and business perspective, then this formulation seems to make sense for those involved, at least a great deal of the time.

It might be said that data processing is the core of CCC’s operations. The management perspective comes into its own in three ways: (1) in the form of minor management assignments, for example, strategic information studies, (2) as a sales channel where the contact network means that consultancy services are anchored at a high level in the customer company, and (3) because in many cases there is an attempt, in parallel with the main consultancy project operations, to relate day-to-day activities to overall business, strategy, and management issues to the extent that management also includes project management, then obviously this is an important part of CCC’s operations. However, at the same time, management aspects in the sense of strategic or top-management questions provide a limited aspect of CCC’s operations in volume terms. Only a very limited number of individuals have any extensive competence in the management-consultancy area. Several projects are to some extent linked to what is commonly referred to as business and strategy issues, and they involve an interaction between CCC employees and customer management, while in other (most?) projects there are no or only weak such links and interactions.

It is important to note how the meaning of the business concept has partially shifted at CCC, even though the formulation of the concept has remained unchanged since the formation of the company. Originally, CCC was only concerned with administrative data processing, and business and strategy aspects were more central parts of the projects. The three founders of the company also
represented a considerable fund of corporate management competence. But as time passed, considerable technical competence was developed, together with expertise in other operational areas that do not have the same clear business orientation (regarding the contents of consultancy projects) as the dominant themes of earlier years. Instead, the work has come to focus more on developing computer components in industrial products. Concepts such as management, strategy, and improvement of the customer's competitiveness are also rather broad and imprecise; even though the words were seen as less relevant to illuminate the technical projects, they can cover almost anything and various types of couplings are possible. For example, skillful, competent project management can be regarded as a form of management, but it is hardly strategic management.

In CCC, we can note changes in organizational culture in relationship to the business concept. One is the inclusion of a new group of employees—engineers—whose work and occupational community bring about somewhat different cultural orientations compared with the administrative computer people. As Van Maanen and Barley (1985) pointed out, the inclusion of a new occupational group is a source of cultural change. We can also, partly as a result of this, but also because of a general reduction of the ratio of people with strategic-management knowledge, compared with computer experts and other changes in the project activities, note discrepancies in the meaning ascribed to what the company does. We can, on this issue, point at cultural differentiation and even fragmentation as understandings increasingly vary (see Martin, 1992). This point should not be pressed too hard. Still, there are shared understandings about the company being skilled in coping with customer relations (the social dimension) so that the business concept indicates an ideal for project work. The concept then represents an endeavor, the ideal ambition being to “enhance the focus on computer questions so that it is no longer purely the computer departments which are concerned with data processing, but instead it becomes an aspect of the company's operations which is just as important as personnel questions and other product resources” (subsidiary manager).

In this light, the fact that ambition is not always realized is not that significant. The company comforts itself with the thought that there is a chance of achieving this objective, even if there may be projects that do not fully achieve CCC's business concept. Such projects may be used as a springboard to establish contact with corporate management and thus approach closer to strategic issues. This is how CCC bridges the contradiction between ideals and (perceived) reality. Of course, the ambiguity and fluidity of the vocabularies used facilitate such contradiction-bridging operations. They do not, however, succeed in avoiding experiences of contradictions between ideal and reality, between claims of what one is doing and direct work-related experiences.

As addressed below, the business concept may be employed in ways that supplement the claims to use it for descriptive purposes. My response to the
question of why various versions of the “true nature” of the business concept exist at CCC is that the business concept may have various functions that can be accentuated or toned down in various ways. The complexity of these functions constitutes an important background dimension that contributes to informing CCC employees—and probably applies in any other kind of operation—about the form that matters “really” take.

Possible functions of the business concept

I shall examine six possible functions of a business concept such as CCC’s: analytical, integrative, controlling, ideological, marketing, and image-transmitting. (I am using the term function here in a “soft” way, referring to outcome-related ways of using the concept.)

The analytical function is a question of capturing the core of the operations as precisely and “realistically” as possible (i.e., what characteristics of the company and what aspects of the market have an effective exchange relationship, and what are the decisive features of this relationship?). In other words, this function calls for a creative picture of and insights into the nature of the corporate operation. The analytical function is a question of providing as good a basis of knowledge as possible for management’s intellectual functioning and corporate strategies. This is primarily what Normann (1975) referred to with his notion of the business concept. Much the same applies to other authors, who speak of the “definition of business” or in tone of similar expressions (e.g., Abell, 1980).

The second function is integrative: The business concept constitutes a cohesive link in operations. This is not the same as Normann’s reference to coherence and harmony in the business concept (the system for achieving dominance). For Normann—and for most other authors who speak of the business concept—this is mainly a question of control from above so that the various components match and support one another. When I refer to the integrative function, I am thinking more of the anchoring of the business concept with various subunits within the company, which makes it cohesive in what might be called a voluntary manner. Thus, the business concept is not, as in Normann’s case, what guides (lies behind) various control and coordinative measures, but is in itself the (symbolic) means of achieving integration. The business concept—if the personnel are familiar with and positive toward it—transmits a feeling of belonging to a totality. The business concept’s integrative function is a question of indicating frameworks for operations, which then tend to be retained, in addition to the use of direct control via budgets, marketing plans, and other formal control systems. Hence, the integrative function is mainly a matter of avoiding disintegration, and the business concept works as a social glue.

The third function is controlling (steering). I imagine that, in purely concrete terms, the business concept provides guidance for company managers, consultants, and others in their operative action. Knowledge of the business concept
means that it tends to indicate the direction to be taken in doubtful situations. This controlling and guiding function differs from the analytical function in that, in this case, concrete action—not analysis and decision making at a strategic level—is in focus. In a similar manner, the controlling function differs from the integrative one. While the integrative function primarily involves the maintenance of the “system” and linkages within the organization, the control (steering) function is linked directly with what is to be implemented.

Naturally the business concept exerts control in a variety of ways. (All the functions discussed here are a matter of control.) What I am interested in here is direct control, that is to say, how the business concept, in itself, affects actions. I thus imagine that a business concept, with which all employees are more or less acquainted and that all accept, has a certain direct operative influence. This is something quite different from a business concept that exists in the minds of corporate management and then materializes in the organizational structure, technology, the competence of personnel, and the like. In this case, the business concept itself has no meaning for the actions of employees; only the arrangements that result from the business concept have such a meaning. However, in a company such as CCC, the concept influences directly because the personnel are acquainted with the business concept and are expected to act in accordance with certain situation-dependent interpretations of this concept. Thus, management can exercise control by telling people what the business concept is and reckon that, to some extent, it determines the orientation of productive behavior. It must be emphasized, however, that the business concept, far from always having a strong and direct impact on project work, can sometimes have a modest or even insignificant impact on work behavior when projects do not match the ideals of the business concept.

Something along the same lines applies to the ideological function. In using this term, I wish to indicate that the business concept can mean that the company’s operations are characterized in a way that legitimates and evokes positive attitudes to them, both internally and/or externally. The concept is then designed “in order to ensure maximum employee buy-in” (Swales and Rogers, 1995, p. 223). It must be associated with broadly shared values and contain key words that are positively loaded. However, the ideological function also requires that the business concept be regarded as more or less “correct” (or perhaps not too “incorrect”). If there is a discrepancy between a glamorous formulation of the corporate mission and the view held by internal and external interested parties of the “true nature” of operations, the business concept’s ideological function does not work. However, the degree of “correctness” and precision of a business concept differs markedly between what follows from the analytical and ideological usages of that concept. The analytical function of the business concept is fulfilled best if the “company’s way of making money” is formulated rather precisely and takes the inevitable degree of complexity into account. From an ideological perspective, however, the “positive” elements are emphasized.

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rather simple message is also normally required.

The fifth function concerns marketing. I am referring here to marketing in a rather narrow sense, primarily sales and other marketing areas that are directly linked to the establishment of exchange relationships between companies and customers. Since the product offered by CCC and similar companies is not of a material nature and is difficult to describe, other methods of trying to explain the product (service) become more important. Communicating what you are doing at a comprehensive level is one way of trying to indicate what is being offered. Arguably, the business concept is also more significant in this respect in a professional service company than in manufacturing or mass-service companies. Ideally, in the context of marketing, the concept is formulated so as to provide information that facilitates sales and interactions between CCC and customers when working on projects.

The image aspect represents a further function. A company’s image is a comprehensive summarized picture of the company held by a certain section of the environment. The image thus refers to an overall view of an object. Sometimes it is maintained that it is possible to have an image about anything. As a psychological concept, an image is a dimension of how people conceptualize and perceive an object. But I consider that, in contexts such as the one discussed here, the concept is only meaningful if there is a certain distance between the observer (the observing group) and the object in question. If the observer is very close, or is even part of the object (e.g., a particular company), the object becomes too complex to permit discernment of any special “image” (Alvesson, 1990).

While the marketing aspect of a business concept is linked with sales and specific exchanges in a market, the business concept as a component in a company’s image has a broader meaning. The target groups are larger—not merely potential customer companies but also people who may be of interest as recruits and employees, the general public, and so on. Thus, from the image perspective, the corporate business concept should be formulated in a manner that facilitates the desired image. In relation to the functions listed above, this means that the business concept should be simple, easy to grasp and, thus, easy to communicate. The general public is less well equipped to understand what the company does—and is, of course, less interested—than the company’s customers and personnel.

These six functions are summarized in figure 1 and explained in Table 1.

The order in which I have arranged these six functions also suggests the degree of complexity and precision in the considerations of the business concept. The analytical function needs these characteristics to a high degree, while the contrary applies for the image-oriented function. An ideologically formulated business concept is not a successful instrument for corporate management’s precise analysis of “the company’s way of making money,” nor is it really appropriate as the lodestar for concrete action. Action requires a feeling for when deviations from a theoretically correct course of action are justified and a subtle

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understanding of what the business concept means at a down-to-earth level. Concrete action also deviates from the understanding of the business concept that is appropriate from an analytical point of view, while a fairly high degree of abstraction and an overall systems perspective are more justified from an analytical perspective.

Of course, there are also common features. Despite everything, there is a common core, namely, that the business concept should capture what the company really does in order to earn money.

CCC’s explicit business concept—the concept that is formulated and embellished—probably provides a form of compromise between what would be optimal on the basis of the various functions, with a certain bias toward the ideological, integrative, and image functions. In this respect, it is similar to what is sometimes referred to as mission statements, which stand somewhat apart from the normal recursive processes in companies. They are “pithy and upbeat” and sound somewhat like “inspirational speeches” and “tend to stress values,
positive behavior and guiding principles within the framework of the corporation’s announced belief system and ideology” (Swales and Rogers, 1995, pp. 226–227). The idea of the business concept—at least to some extent realized in CCC—is to be somewhat more relevant for actual operations. The analytical and controlling functions hamper the ideological overtones somewhat because they require more complex descriptions and interpretations than the business concept formulations, which work best in relationship to less-informed groups. The meaning and interpretation of the business concept vary between different groups of interested parties and also from one situation to another. This partly accounts for variations in my interviewee responses about CCC’s business concept. Different functions surface to a greater or lesser degree for different individuals, faced with differing situations and tasks. A number of functions, with their accompanying specific interpretations, give rise to multiple ideas about the core of the business concept.
At the same time, it is difficult to imagine excessive variations in the interpretation of the business concept as a result of the “official” business concept being accompanied by a number of different definitions held by different groups of employees. Excessive variations would lead to too much confusion and other experienced difficulties. I believe that it is not possible to make any clear distinction between “official” and “real” business concepts or espoused business concepts and business concept(s) in use. The official version is “real” enough, and widely subscribed to. Even if it might be advantageous to have different explicit business concepts for different situations and for different groups, this is hardly fully possible in practice. The business concept is needed as a summarizing, comprehensive description of the nature of the company’s operations. Belief in one business concept at the corporate management level, communicating it in a markedly different form to employees, and then formulating it for the general public in terms that differ once again would be counterproductive and would not result in a common understanding of the essence of the firm’s operations. It would also hinder the communication of the business concept and cast doubts on the integrity of the company. In CCC, such doubts clearly existed among some employees.

An important aspect here is that, in this kind of organization, it is not possible to clearly separate the internal and external sides of operations—since in many other (professional) service companies, production is carried out in direct, often long-term interactions with customers. The employees’ understandings of the business concept influence their work and communication with customers, and the customers’ image of the company—partly based on how they read the business concept—also frames their interactions with the personnel of CCC. The internal and external sides of the business concept—related to identity issues (ideological and integrative functions) and image (as well as marketing)—thus interact and overlap.

Since the business concept constitutes a synthesis of various goals and considerations, it is not merely a direct reflection of the “company’s way of making money,” in a manner complying most closely with the analytical function, because all the other functions also enter into the picture. The business concept, when relating to operations as a whole, is not devoid of tension. Contradictions can be seen in the divergent information supplied by the interviewees when asked about CCC’s business concept. The ambiguity of the concept (and the company’s practices for that matter) is considerable, but not so great as to prevent some organizational members from perceiving it as misleading or irrelevant in relationship to the consulting projects actually carried out. Still, to some extent, it triggers cynicism.

The space for different interpretations of the business concept can also be seen in certain concrete problems. According to one subsidiary manager, the problems of another recently started subsidiary were partly due to incorrect interpretation of the business concept. The corporate management aspects of
operations were overemphasized and many of the consultants recruited were highly qualified and expensive, and not particularly suitable for "normal," labor-intensive programming assignments. Perhaps one might say that, in some cases, the business concept was interpreted on the basis of an ideological version, where exquisite formulations are taken literally, rather than based on a controlling (steering) function, which is more pragmatic and operational—and more appropriate in the context. However, this unfortunate interpretation of the business concept did not seem to be common among subsidiary managers. Generally speaking, the concept was interpreted pragmatically, that is to say, in line with the function that matched the context. Managers, on the whole, did not appear to be religious about the business concept in relationship to project work, even though they certainly referred to it in everyday work and not only in "inspirational speeches."

A certain degree of uncertainty in contacts between CCC and a particular client from the public sector may also be interpreted in terms of the client focusing on CCC's business concept image, rather than applying a more appropriate marketing interpretation. This particular client was surprised that CCC was interested in doing business in the public sector, since CCC was considered to have a typically "private-industry" orientation. In particular, many formulations associated with the business concept employ key words such as "corporate management," "business," "competition," "strategies," and the like, from which one might infer that CCC is not interested in the public sector. Thus, in this case, it can be seen that the corporate image hindered marketing and the establishment of an exchange relationship with the client. The correct (pragmatic) interpretation of the business concept, in terms of client types, should be that CCC is interested in offering computer consultancy services to an extremely broad spectrum of customers and that, prior to the assignment and while the assignment is going on, CCC wants to establish contact with the customer's management and to get the customer to see data processing in a comprehensive corporate perspective.

I thus perceive the business concept as a phenomenon with many facets that in itself can encompass various kinds of tensions in terms of interpretations and perspectives.

Proposals for revising the notion of the business concept

It is now time to return to the current view of the business concept, as propounded by Normann (1975), and to compare this view with the conclusions I have reached so far. Normann primarily employed the business concept as an analytical notion, regarding it chiefly as an instrument for corporate management to use in clarifying the company's orientation and the degree of cohesion between the three components contained in the notion: the market niche, the product, and the organization. Similar standpoints have been adopted by other authors who speak of "defining the business," meaning determining the starting
point for the corporate strategy (Abell, 1980). However, my discussion has also stressed the possible meaning of the business concept in direct relationship to other groups of interested parties. The organizational and cultural functions of the business concept have been spotlighted and are not just strategic aspects, while wider organizational and marketing perspectives have also been related to the business concept.

Two aspects appear to be relevant in understanding how the notion of the business concept I have proposed differs from established views. One concerns theoretical assumptions. My approach draws on a cultural metaphor, while others rely more, although far from exclusively, on machine and organism images of organizations (see Morgan, 1986). Normann (1975)—while also talking about values, learning, and actors—frequently used expressions such as niches, systems for dominance, the “embodiment” of systems, and a “well-oiled machine.” The other aspect concerns the empirical terrain, the kind of company addressed. Earlier work, such as Normann’s, may be more relevant for the understanding of mass-producing industrial and service companies, which often differ markedly from knowledge-intensive service companies in the respects discussed here. Business, strategy, and marketing questions cannot be centralized and concentrated in companies like CCC in the same way that they can in most companies that produce physical goods and routine services. The need for a broad anchoring of the business concept within the company is related to the professional service company’s marketing situation, the knowledge-intensive work, and the organization’s adhocratic features. The importance of the business concept as a cohesive force seems to be much greater in knowledge-intensive service companies than in several other types of operations. At any rate, this is what a CCC executive felt:

[S]omething which I think is characteristic of knowledge companies is that there has to be a fantastically powerful business concept which holds things together, irrespective of objectives and strategies. I think a business concept is even more important in a knowledge company than in any other type of company. It is a major parameter to hang things on. There is no product which can rely on if you land up in a tricky situation, when you have to explain what you’re doing. There’s just a business concept.

In a case study of a U.S. computer consulting company, Deetz (1997) also observed the significance of the business concept to support how people relate to their operations.

On this basis, some revision of the current notion of the business concept is in order.

1. Instead of assuming that the business concept has a systems character—that is to say, it consists of many different components that form a complex pattern and expresses a “totality”—ideas of loose coupling and fragmentation may moderate the picture. The meaning of the business concept becomes highly
context- and situation-dependent. It needs to be considered as multifaceted, containing multiple, rather than a single, definite meaning.

2. Instead of strongly emphasizing the actuality of the business concept as a mirror of corporate reality, other functions need to be taken seriously. According to Normann (1975), "The business concept is an expression of concrete circumstances which exist in a company, it describes the actual way in which the company functions or ... its 'way of making money'" (p. 53).

It may often be better to view the espoused business concept as an ambiguous representation of the "the company's actual way of working" and acknowledge the rhetorically designed nature of formulations. An idealistic gloss thus tends to characterize communications of the business concept.

One important aspect of the business concept is that it tends to encompass itself. The business concept is an image of the company, but it is also an important part of what is depicted. This image is a "part" of the company. The formulation of the business concept is to some extent self-fulfilling. The way in which you describe how you make money has consequences for how you really do make money. For this reason, too, it is reasonable to imagine that the business concept is described to some extent in a manner that contains an ideal state of affairs toward which to strive. The promotional qualities are salient. As a portrait of the company, it is painted in bright colors. As with other claims about an organization's essence, or soul, formulations of the business concept tend to be simplified and idealized (Ashforth and Mael, 1996).

3. According to Normann (1975), the nature of the business concept is characterized by harmony and agreement/compliance: "A business concept can be likened to a complicated and well-oiled machine, where all the parts fit in with each other and contribute to the whole" (p. 53).

My case study suggests that the machine metaphor may be less appropriate, at least in relationship to some organizations. As already pointed out, the parts of CCC do not necessarily fit together, and they may operate relatively independently without affecting other "components." The umbrella is a better metaphor than the machine for CCC's business concept. Operations are rather broad and dispersed; assignments cannot always be fully described on the basis of the business concept and sometimes they do not live up to the concept particularly well. Rather than organizational operations being characterized by cohesion, consistency, system design, and this reflection in the business concept, in practice it is more likely that there is room for divergence, including variations in how closely activities are related to the business concept. Generous, broad interpretations of the concept are also possible. The business concept umbrella is better conceptualized as a social integrative force, reducing disintegration.
The symbolic value of the business concept

As implied above, the business concept—at least in the case of CCC and, in many other companies too, even outside the category of knowledge-intensive companies—has considerable symbolic value. After Cohen (1974), we can define symbols as "objects, acts, concepts, of linguistic formations that stand ambiguously for a multiplicity of disparate meanings, evoke sentiments and emotions, and impel men to action" (p. ix).

As should be apparent, the business concept as a symbol has quite varied meanings for the entire collective working at CCC. Variation occurs not only between different people, but even more so between different contexts. For those in the company who consider that the business concept does not cover core operations, the formulation of the business concept tends to be a historical by-product or some kind of notation of a ceremony, something to know about and perhaps to feel some respect for, but of no great concern in daily and concrete actions. For a few people, the business concept is hardly more than a publicity stunt:

You use the business concept to get yourself an image in the market. If you tell people that you are a humdinger at bending pipes and people then come to you, get their pipes bent and are satisfied—well then you are a humdinger at bending pipes. That's the image you have on the market. And if you have never bent a single pipe before and you have just done it for the first time for a customer, it doesn't make any difference to the customer. The whole business concept, then, is a question of fooling people, and making money. But that's another story. [Consultant]

For other people—and this seems to include corporate management and other leading actors—the business concept says something important about the company's way of working, or at any rate its ambitions for its work. This interpretation is probably the most widely held within the company and it is the most important, at any rate, in integrative and ideological terms. The dynamics and flexibility of the business concept, however, must be emphasized. The meaning is contingent on whether the concept is invoked in strategic analysis, in sales talk, in project management, or in PR work.

One significant aspect of the business concept involves history. Within the company, it is thought that CCC based itself on the business concept and its idea of combining corporate management and computers right from the start, and that the business concept has stood the test of time ever since, for the most part, at least. If one compares competitors' descriptions of themselves with CCC's, there is hardly any noticeable difference. Everyone in the business places computers in a wider perspective and emphasizes that "information processing can be a highly important competitive tool from a strategic point of view and may open up opportunities to offer new services" (Programator, Annual Report, 1986).

However, for (most) CCC employees, the business concept expresses the idea
that the company was one of the initiators of this perspective on computer questions and that management and strategy know-how are deeply embedded in CCC's methods. In other words, the business concept expresses the far-sightedness and a go-ahead spirit that are considered to characterize CCC. The continuity in the CCC business concept means that the personnel believe that concept denotes consistency and purposefulness and that the market has confirmed the company's good qualities. (Market research, at the time of my study, gave the company a very good rating.)

Thus, the business concept may be regarded as a symbol for the organization, expressing the company and its qualities. A great deal of the corporate pride I encountered in the course of interviews with employees centered on the business concept. One person said: "This is what we are good at. This is CCC's strength." The business concept spotlights the areas where CCC is better than other companies and is not merely a dispassionate description of the "company's way of making money." For certain personnel groups, this has an expressive-affective loading and thus has "institutional" qualities—that is, qualities (i.e., for many people it transmits signals of CCC as an institution, as of holding value in itself [Selznick, 1957]). For them, the business concept expresses the organizational identity of CCC and this becomes a source of identity also for segments of personnel.

Summary

One important result of this study—focusing on the value of and respect for CCC's business concept—is that the business concept, at least in some settings, encompasses words that have considerable symbolic value. Obviously, if the words are to have any effect, they must be based on competence and practical achievements, although the simultaneous ambiguity of complex social practice and the language offer much leeway. The symbolic value of the business concept lies in denoting such competence and achievement. Emphasizing the business concept as a symbol means a radical reinterpretation of earlier understandings of it as a rational, analytical management tool, offering the starting point for corporate strategies.

There is always a risk of trying to make a general claim, based on a case study—and CCC may be seen as a company quite different from the large majority of manufacturing and mass-service companies. To the extent that companies become more complex, more adhocratic, and more knowledge-intensive, issues such as corporate image and a shared experience of an organizational identity may become increasingly vital for top management. Mobilizing employees around core concepts and communicating them powerfully to the market—partly through employees as "part-time marketers" (Gumnesson, 1991)—seem to become increasingly significant and, in this process, the business concept loses some of its analytic and strategy-defining qualities and becomes instrumental in
efforts to develop, maintain, repair, or strengthen organizational identity and image. The borders between the internal and the external are thus weakened.

As with much else in contemporary business and organizations, efforts to utilize the business concept for a multitude of purposes—from providing a starting point for strategic management to a resource in market communication and a symbol for employee identification—means that it becomes the object of a multitude of sometimes incoherent and contradictory meanings. The vagueness and fluidity of the language use concerned allow for a good deal of flexibility, but part of corporate practice is viewed as kicking back at the formulation of the business concept. The ambiguity of organizational life and multiple interpretations of corporate reality, partly fueled by and fueling this experienced ambiguity, means that the business concept—like other social-integrative means of management control—exists in a tension-ridden social context where the dialectics between creating unity, coherence, direction, promise, pride, and greatness, on the one hand, and contradiction, confusion, fragmentation, disappointment, conflict and cynicism, on the other, easily become manifest.

References

Gummesson, E. “Marketing-Orientaition Revisited: The Crucial Role of the Part-Time