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Achieving Entrepreneurial Growth Despite Resource and Capability Constraints: The Role of Service Intermediaries

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Achieving Entrepreneurial Growth Despite Resource and Capability Constraints: The Role of Service Intermediaries

ABSTRACT

Entrepreneurial growth—firm growth via the introduction of new market offerings or expansion into new markets—is an important topic for entrepreneurship scholars and practitioners alike. Any firm that wants to exploit opportunities for entrepreneurial growth needs resources and capabilities that it can use to develop new market offerings or to enter new markets. However, many firms face resource and capability constraints, and research has shown that strategic partnerships can provide external pathways for firms to exploit growth opportunities despite their resource and capability constraints. All the extant external growth pathways have in common that they require firms to have some resources and capabilities, which are valuable for partners and can be jointly appropriated with them. An alternative pathway for firms to leverage external resources and capabilities—especially knowledge-based ones—that has received little attention in the literature on growth is short-term contracting of professional service firms such as accounting firms, marketing agencies, or R&D consultancies. Hence, we investigate the role of *service intermediaries*—professional service firms that facilitate the exchange of services among other firms—as external managers who support their clients to access and leverage a broad range of required resources and capabilities from third parties. We conducted a nested multi-case study of two service intermediaries that enabled two small, wineries from North Macedonia to successfully seize entrepreneurial growth opportunities in markets abroad despite their resource and capability deficits. We identify seven support mechanisms—need articulating, social embedding, linking, governing, clarifying, renegotiating, and mediating—through which the service intermediaries orchestrated complementary external resources and capabilities on behalf of the wineries, thereby enabling the two firms to successfully develop two new product lines for and enter two new geographic markets each. We also identify process differences depending on the stage of the opportunity evaluation process, target market characteristics, and external stakeholder involvement for which we postulate three propositions about the influence of mechanisms on

the growth opportunity development. Our study offers novel insights and makes a contribution to research on entrepreneurial growth and resource orchestration.

PLAIN ENGLISH SUMMARY

Many firms face resource and capability constraints that inhibit their entrepreneurial growth. One approach that firms can use to overcome these constraints is by leveraging external resources and capabilities. However, constrained firms often are unable to establish relationships with and leverage resources and capabilities from external providers. Our study demonstrates how service intermediaries can orchestrate the complementary external resources and capabilities of constrained firms to enable the exploitation of growth opportunities in new markets. The findings of our study can provide policymakers, especially ones focused on regional competitiveness and economic growth, with a framework to foster the creation of intermediaries, which in turn can enable resource- and capability-constrained firms to exploit growth opportunities. In addition, constrained firms may use our findings of this study as a guiding framework when leveraging complementary external resources—independent of whether they orchestrate these resources themselves or engage external resource orchestration managers.

Keywords: Entrepreneurial growth, resource orchestration, resource constraints, process research, service intermediaries, professional service firms

1. INTRODUCTION

Entrepreneurial growth—firm growth via the introduction of new market offerings or expansion into new markets (Naldi & Davidsson, 2014)—is a topic of fundamental importance for entrepreneurship scholars and practitioners alike (e.g., Baker et al., 2021; Joseph & Wilson, 2018; Lockett et al., 2011; Nason & Wiklund, 2018). Any firm that wants to exploit opportunities for entrepreneurial growth needs resources and capabilities that it can use to develop new market offerings or to enter new markets (e.g., Clarysse et al., 2011; Penrose, 1959; Santos & Eisenhardt, 2009).

However, many firms face resource and capability constraints (Bottazzi et al., 2014; Noda & Bower, 1996; Souder & Shaver, 2010), and research has shown that strategic partnerships can provide external pathways for firms to exploit growth opportunities despite their constraints (Capron & Mitchell, 2012; McKelvie & Wiklund, 2010; Nason & Wiklund, 2018). For example, research has found that firms can exploit growth opportunities through strategic alliances (e.g., Rindova et al., 2012), joint ventures (e.g., Lu & Xu, 2006), or franchising agreements (e.g., Carney & Gedajlovic, 1991). All these external growth pathways require firms to have some resources and capabilities that are valuable to partners and can be jointly appropriated with them (Bradley et al., 2011; Capron & Mitchell, 2012; Garnsey & Leong, 2008; Mishina et al., 2004). They are also long-term focused with the goal of partners obtaining some degree of ownership and control over each other's resources and capabilities (Capron & Mitchell, 2012; McKelvie & Wiklund, 2010).

Short-term contracting with professional service firms, such as accounting firms, marketing agencies, or R&D consultancies, is an alternative pathway for firms to leverage external resources and capabilities, especially knowledge-based ones. Professional service firms are a major component of the global economy as evidenced by their global market value of \$5.7 trillion in 2019 (Wood, 2019). They also play a key role in the delivery of many public schemes for high-growth firms (e.g., Denmark growth houses, Nederland's Growth Accelerator, and Commercialization Australia) due to their highly specific business and entrepreneurial skills that are necessary to work with such firms (OECD, 2013). Short-term contracting with professional service firms is a particularly suitable pathway for firms to access required,

external resources and capabilities when costs, flexibility, or time are critical (Capron & Mitchell, 2012; Carney & Gedajlovic, 1991; McKelvie & Wiklund, 2010; Teece, 1986). Short-term contracting also does not require firms to possess valuable resources and capabilities as they need to bring into long-term partnerships (Capron & Mitchell, 2012).

Although research suggests that professional service firms can positively influence growth (e.g., Belso-Martinez et al., 2013; Chrisman & McMullan, 2004; Weemaes et al., 2020), we do not know how exactly firms can leverage professional service firms during their growth. Specifically, unpacking the underlying micro-level actions and process mechanisms of how these firms give access to and help leverage external resources and capabilities can help us understand the intricacies of entrepreneurial growth. Moreover, the process of leveraging external resources and capabilities for growth in an ad-hoc and on-demand manner in short-term contracting is rather complex and thus should not be taken for granted (cf. Capron & Mitchell, 2012). For example, it is far from trivial to (1) understand and articulate a firm's resource and capability deficits (Collis, 1994), (2) identify suitable external providers of complementary resources and capabilities (Dyer & Singh, 1998), and (3) jointly leverage complementary external resources and capabilities with internal resources (Chirico et al., 2011).

Accordingly, we examine the process that *service intermediaries*—professional service firms facilitating the exchange of services among other firms—undertake to support the access and leverage of a broad range of required external resources and capabilities for firm growth (Clayton et al., 2018; Empson et al., 2013; Zhang & Li, 2010). We specifically address the following research question: *How do service intermediaries influence the entrepreneurial growth initiatives of firms?* To answer this question, we conducted a nested multi-case study of two service intermediaries that enabled two small wineries from North Macedonia to successfully seize two entrepreneurial growth opportunities each in markets abroad despite their resource and capability deficits. Drawing on resource orchestration research, we identify seven process mechanisms—*need articulating, social embedding, linking, governing, clarifying, renegotiating, and mediating*—through which the service intermediaries orchestrated complementary

external resources and capabilities on behalf of the wineries, thereby enabling the wineries to successfully enter four new geographic markets with customized products. We also identify process differences based on process stages (prospecting, developing, and exploiting), target market distances (Europe vs Asia), and types of external resource and capability providers (third-party professional service firms vs end consumers) for which we postulate propositions.

The remainder of the paper is structured as follows: We first review research on firm growth, resource orchestration, and service intermediaries. We then discuss the research method of our study. This is followed by the presentation of our findings in two sections: the first detailing the seven inductively derived process mechanisms for complementary external resource orchestration and the second providing processual insights into the prevalence of different mechanisms based on contextual differences. Finally, we discuss our contributions to the research on entrepreneurial growth and resource orchestration and conclude with the limitations and future research opportunities.

2. RELATED WORK AND THEORETICAL FOUNDATIONS

In the following sections, we review and synthesize existing work on (1) entrepreneurial growth, (2) resource orchestration, and (3) service intermediaries to build the theoretical foundations for our study. First, we point out the critical importance of resources and capabilities for firm growth and identify different pathways for how firms can obtain the resources and capabilities they need to successfully pursue growth. We conclude that professional service firms might provide a particularly suitable pathway to access resources and capabilities that are only needed in the short term but that little is known about how firms can leverage them for entrepreneurial growth. Next, we direct attention to managers as a key factor influencing firms' ability to access, integrate, and leverage the resources and capabilities they require to successfully exploit growth opportunities. We conclude that managers' ability to orchestrate resources and capabilities is especially important for firms that face resource and capability constraints and point out that managers do not necessarily need to reside within the boundaries of the firm. Lastly, we identify service intermediaries as a type of professional service firm that can act as an external manager

and explain why they are particularly well positioned to enable their clients to access and leverage the resources and capabilities they require to pursue entrepreneurial growth externally. We conclude that despite their potential little is known about how service intermediaries might facilitate the growth of resource- and capability-constrained firms.

2.1. The Role of Resources for Growth

Research suggests that the availability of resources and capabilities, which firms can use to exploit entrepreneurial growth opportunities, is a precondition for firm growth to take place (Lockett et al., 2011; Nason & Wiklund, 2018; Penrose, 1959). That is, when firms recognize growth opportunities and are willing to act on them, they need to be able to obtain and leverage the resources that are required to exploit these growth opportunities. If firms do not already possess the required resources, they can either develop them internally (i.e., *organic growth*), acquire them externally (i.e., *acquisition growth*), or use contractual relationships to leverage external resources (i.e., *hybrid growth*) (McKelvie & Wiklund, 2010).

Because many firms face constraints in terms of internally developing or externally acquiring the resources they would need to grow (Bottazzi et al., 2014; Noda & Bower, 1996; Souder & Shaver, 2010), research on growth has looked into the use of external resources through strategic long-term partnerships (e.g., Lorenzoni & Ornati, 1988; Miozzo & DiVito, 2020; Rindova et al., 2012) and short-term contracting of professional service firms (e.g., Belso-Martinez et al., 2013; Chrisman & McMullan, 2004; Weemaes et al., 2020) as alternative pathways to achieve growth. This research suggests that leveraging external resources (e.g., knowledge, expert networks, venture capital, brand equity, or distribution channels) via strategic long-term partnerships can considerably ease the internal resource constraints of firms that want to pursue growth (Jarillo, 1988; Lechner & Dowling, 2003; Lechner et al., 2006).

Although strategic partnerships are beneficial for growth, such partnerships require firms to have resources and capabilities that are valuable for partners and can be jointly appropriated with them (Bradley et al., 2011; Capron & Mitchell, 2012; Garnsey & Leong, 2008; Mishina et al., 2004). Strategic

partnerships also have in common that firms obtain some degree of ownership and control over external resources and capabilities (McKelvie & Wiklund, 2010), and their establishment and maintenance are challenging and require capabilities and resource commitments in itself (Jarillo, 1988; Lechner & Dowling, 2003; Lechner et al., 2006). For example, firms need to actively manage and reduce uncertainty for their partners to be able to access resources promptly (Miozzo & DiVito, 2020), and even if firms manage to do this their external partners might unexpectedly terminate partnerships once they do not fit their capability portfolio anymore (Garnsey & Leong, 2008).

Whereas engagement of professional service firms has been shown to positively influence growth (e.g., Belso-Martinez et al., 2013; Chrisman & McMullan, 2004; Weemaes et al., 2020), we do not know a lot about the specificities of how growth-pursuing firms can engage and jointly work them. Specifically, we do not know much about the micro-foundations including process actions and process mechanisms of how professional service firms give access to and help leverage external resources and capabilities necessary for growth. In addition, the process of leveraging external resources and capabilities for growth in an ad-hoc and on-demand manner through short-term contracting of professional service firms can be very intricate (cf. Capron & Mitchell, 2012) considering the challenges of dependence on external partners, need for relational governance, and risk of opportunistic behavior (Dyer & Singh, 1998; Lavie, 2006; Nason & Wiklund, 2018).

2.2. The Role of Managers for Growth

Managers play a critical role in firm growth. On the one hand, managers' cognition, knowledge, and expertise influence the growth opportunities firms can identify (e.g., Eshima & Anderson, 2017; Joseph & Wilson, 2018; Kor & Mesko, 2013). Conversely, managers' willingness and ability to obtain and leverage resources influence the growth opportunities firms can exploit (e.g., Eshima & Anderson, 2017; Lockett et al., 2011; Mishina et al., 2004). For example, the lack of managerial knowledge of and experience with foreign markets can limit the growth of small- and medium-sized firms because it prevents them from entering new markets (Haddoud et al., 2021). Similarly, as noted, the establishment and maintenance of

partnerships are challenging (e.g., Miozzo & DiVito, 2020). However, despite the importance of managers, surprisingly little is known about their actions and the underlying processes of how they obtain and leverage complementary external resources to achieve firm growth (McKelvie & Wiklund, 2010; Naldi & Davidsson, 2014; Nason et al., 2019) which, as we argued above, differs from internally developing resources for growth.

Resource orchestration “earned its way” (Strauss & Corbin, 1998, p. 292) into our study as a useful theoretical perspective for analyzing how service intermediaries orchestrate complementary external resources across firm boundaries. Although resource orchestration’s theoretical foundations have been developed within the boundaries of the firm, recent research has pointed out the generative potential of taking resource orchestration as a lens to investigate how firms access and leverage resources across firm boundaries (Baert et al., 2016; Nason et al., 2019). Recent research also suggests that not even the managers—that is, service intermediaries in our research context—themselves necessarily need to reside within the firm (Barthélemy, 2017).

Aligned with research on firm growth, research on resource orchestration suggests that it is not only the possession of resources that enables firms to effectively compete but also that managers have to effectively and efficiently orchestrate resources to realize their firms’ value creation potential (Carnes et al., 2017; Chadwick et al., 2015; Sirmon et al., 2007; Sirmon et al., 2011). Resource orchestration research identifies three key processes through which managers oversee resources within a firm (Sirmon et al., 2011): (1) *structuring* describes the actions to acquire, accumulate and divest resources to develop a firm’s resource portfolio; (2) *bundling* describes the efforts to stabilize and enrich existing capabilities and pioneer new ones; and (3) *leveraging* describes the acts to mobilize and integrate capability configurations and deploy capabilities to exploit opportunities.

Resource orchestration research further suggests that firms with resource constraints depend even more upon their managers’ abilities to efficiently and effectively orchestrate their resources and capabilities to seize opportunities than firms with more resources and capabilities do (Sirmon et al.,

2011). Research on small firms largely confirms this assumption. For example, De Massis et al. (2018) show that highly efficient resource orchestration practices enable innovative Mittelstand firms—owner-managed small and medium-sized enterprises (SMEs) in Germany—to outcompete their global competitors despite severe financial and human capital constraints. Similarly, Yu and Wang (2021) show that bricolage—a manager’s ability to make something out of nothing—is an efficient approach to orchestrate resources that is even more important for the growth of new ventures than the mere possession of resources.

Although resource orchestration has been developed within the boundaries of the firm, recent research has pointed out the generative potential of taking resource orchestration as a lens to investigate how firms access and leverage resources across firm boundaries (Baert et al., 2016; Nason et al., 2019). Moreover, recent research suggests that not even the managers themselves necessarily need to reside within the firm (Barthélemy, 2017).

2.3. Service Intermediaries as External Managers

Service intermediaries are professional service firms that act as external managers and support their clients in accessing and leveraging required resources and capabilities externally (Clayton et al., 2018; Empson et al., 2013; Zhang & Li, 2010). They employ a highly educated workforce of professionals whose expertise and networks they use to assist customers with their tasks and challenges (Von Nordenflycht, 2010). Their services are usually customized to individual customers’ needs and characterized by a high knowledge intensity (Morris & Empson, 1998).

Importantly, service intermediaries are well positioned to act as external managers of knowledge-based resources and capabilities across firm boundaries for at least two reasons (e.g., Chatain, 2011; Wagner et al., 2014; Zhang & Li, 2010). First, by providing their services to various clients, service intermediaries are positioned at the intersection of different firms and industries (Wagner et al., 2014; Werr & Stjernberg, 2003; Zhang & Li, 2010). Second, by externally sourcing services themselves, service intermediaries are embedded in networks of specialized resource and capability providers (Barthélemy,

2017; Howells, 2006; Sako, 2006). Contrary to strategic long-term partnerships, service intermediaries can also be engaged ad-hoc and on-demand when needed (Zhang & Li, 2010). They can thus provide a particularly suitable alternative pathway to enable growth via external resources in situations where strategic long-term partnerships are either not feasible or desirable.

However, despite their potential, the role of service intermediaries in helping firms to overcome resource and capability constraints has received little attention so far (Clayton et al., 2018), especially in the context of entrepreneurial growth of constrained firms.ⁱ We thus conduct a nested multi-case study of two service intermediaries that enabled two small, wineries from North Macedonia to successfully seize entrepreneurial growth opportunities in markets abroad despite their resource and capability deficits. We shed light on the overall process and specific process mechanisms through which the service intermediaries orchestrated complementary external resources and capabilities on behalf of the wineries, thereby enabling the two firms to successfully develop two new product lines and enter two new geographic markets each. We further postulate propositions explaining process differences based on process stages, target market distances, and types of external resource and capability providers.

3. RESEARCH CONTEXT AND METHODS

We adopted an inductive theory-building approach and employed a nested multiple case study research design (Eisenhardt, 1989; Langley, 1999; Strauss, 1987) to examine two wineries that leveraged service intermediaries to successfully enter two new markets with customized product lines each (i.e., four entrepreneurial growth initiatives in total). The wine industry is an ordinary low-tech industry (cf. Swaminathan & Delacroix, 1991); thus, wineries typically have well-developed resources and capabilities in their core area of business—wine production and distribution—but lack sufficiently well-developed resources and capabilities in most other areas, such as inbound and outbound logistics, technology development, and others. Moreover, change in the wine industry is usually slow and infrequent (e.g., wineries rarely introduce new production methods or notably different product lines). That is, they not only lack the resources and capabilities that would be required to develop tailored offerings for new target

markets, but they also have little incentive to develop the required resources and capabilities internally. Hence, wineries provide insightful research setting to examine how service intermediaries influence entrepreneurial growth initiatives of constrained firms as their growth-related resource and capability needs are rather of a short-term nature.

3.1. Case Selection

We used theoretical sampling (Eisenhardt & Graebner, 2007) to select two comparable North Macedonian (Southeast Europe) wineries—Terra and Sigma (see Table 1)—that had identified growth opportunities in markets abroad but lacked the resources and capabilities to seize these opportunities. The two wineries provide a particularly suitable setting for studying how service intermediaries influence entrepreneurial growth initiatives of firms for five reasons: *First*, North Macedonia is a relatively small and stable wine market that provides limited opportunities for organic growth (Tasevska, 2006). Firms that are active in saturated and stable markets usually need to enter new markets if they want to grow (Erhardt, 2021).

Compared to the stable North Macedonian wine market, other markets in Western Europe (e.g., Germany, United Kingdom, and Poland) and Asia (e.g., China, Japan, and South Korea) experienced an increase in

Table 1. Overview of the focal wineries

	Terra	Sigma
Year founded	1946	1979
Location (wine region)	North Macedonia (Tikvesh)	North Macedonia (Skopje)
Market served	North Macedonia	North Macedonia
Geographic market location	Southeast Europe	Southeast Europe
Annual production capacity (utilization prior / after growth initiatives)	100,000 bottles/year (70% / 95%)	114,000 bottles/year (60% / 83%)
Number of products across prices ranges (after growth initiatives)	<ul style="list-style-type: none"> • Value (\$4–\$10) = 16 • Popular premium (\$10–\$15) = 7 • Premium (\$15–\$20) = 2 • Super premium (\$20–\$30) = 8 	<ul style="list-style-type: none"> • Extreme value (< \$4) = 5 • Value (\$4–\$10) = 6 • Popular premium (\$10–\$15) = 8 • Premium (\$15–\$20) = 5
Number of staff (including full-time, part-time, and seasonal workers)	90–100	80–90
Core business activities	<ul style="list-style-type: none"> • Grape growing and harvesting • Wine production • Domestic marketing and sales 	<ul style="list-style-type: none"> • Grape growing and harvesting • Wine production • Domestic marketing and sales
Market focus (distribution network)	North Macedonia	North Macedonia

wine consumption in recent years. For example, bottled wine imports, account for approximately 40 percent of the Chinese wine market, experienced a stable annual growth rate of 7 percent on average between 2016 and 2019 (Arthur, 2019). Hence, to be able to grow, the North Macedonian wineries needed to pursue entrepreneurial growth opportunities in markets abroad (Naldi & Davidsson, 2014).

Second, although the wineries had identified the increasing demand in markets abroad as a growth opportunity, both wineries lacked the knowledge and expertise to develop and produce exportable products for these markets. Namely, both wineries had only been operating in the North Macedonian wine market and their past attempts to enter markets abroad with their existing products had failed. Initial contacts were established with potential importers, distributors, and wholesalers in new markets, but they never substantiated into actual exports as the existing wines of Terra and Sigma were not suitable for the drinking preferences of these markets. Customer preferences often differ significantly across geographical wine markets, for example, in terms of preferred closure types (e.g., screw caps, natural corks or polyvinyl chloride corks, and respective capsules), label styles (e.g., classic or modern), bottle builds (e.g., heavy or lightweight), bottle shapes (e.g., high, distinct shoulders or low, gently sloping shoulders), grape varieties (e.g., international or domestic indigenous), and tastes (e.g., acidity, sweetness, tannins) (Köhr et al., 2017). Both wineries lacked the resources and capabilities to seize the identified growth opportunities themselves because they neither understood customer preferences in their target markets nor did they know how to translate these preferences into exportable products.

Third, to overcome their deficits and be able to seize the identified growth opportunities, Terra and Sigma each engaged comparable intermediaries for two growth initiatives (see Table 2). In both cases, the intermediaries orchestrated a wide range of complementary, external resources, and capabilities on behalf of the wineries to enable them to develop customized products for two comparable target markets. However, the wineries' initiatives differed (see Table 4) in terms of which sources of market insights they tapped into, with Terra leveraging subject matter experts and Sigma leveraging consumers. Hence, the two wineries represent a matched pair (cf. Kellogg, 2012), which reduces extraneous variation in factors

that are not of theoretical interest (Shepherd & Suddaby, 2017), while the nested nature of having two distinct growth initiatives within each of the two wineries and having theoretically meaningful differences across the wineries' initiatives further strengthens theorizing as it makes it possible to conduct within and cross-case comparisons on multiple levels (Eisenhardt & Graebner, 2007).

Table 2. Overview of the service intermediaries

	Terra's intermediary	Sigma's intermediary
Type	For-profit	For-profit
Annual turnover	~\$450k	~\$400k
Total cost of engagement during growth initiatives	~\$41k	~\$37k
Core offering	Business development services	Business development services
Specific expertise and related services	<ul style="list-style-type: none"> • Market research • Product design • Product commercialization • Innovation facilitation • Knowledge exchange • Networking 	<ul style="list-style-type: none"> • Market research • Strategic planning • Product development • Product commercialization • Public relation and communication • Event management • Networking
Number of staff (fulltime)	14	16
Staff roles	<ul style="list-style-type: none"> • Owner-manager (1) • Account managers (4) • Marketing/advertising specialists (6) • Graphics designers (3) 	<ul style="list-style-type: none"> • Owner-manager (1) • Account managers (5) • Media director (1) • Art director (1) • Creative director (1) • Graphic producers/designers (4) • Copywriters/editors (3)

Fourth, due to the lead researcher's network within the North Macedonian wine industry, we were able to identify and engage with the two wineries in the early stages of their growth initiatives. Consequently, we were able to adopt a *racing design* (e.g., Hannah & Eisenhardt, 2018; Heinze & Weber, 2016; McDonald & Eisenhardt, 2020) and follow the two wineries throughout their growth initiatives in near real-time without knowing upfront which winery, if any, would be successful. Racing designs help to avoid retrospective selection bias (Snow & Thomas, 1994) and reduce recall bias (Golden, 1992), thereby substantially enhancing accuracy and strengthening rigor.

Fifth, the four growth initiatives turned out to be successful and resulted in increased exports to the four target markets (see Table 3). For instance, Terra's rebranded product line for the UK market obtained a permanent place in the premium range of a leading retail chain and is sold in over 150 retail stores

across the country, resulting in additional sales of 42,000 bottles between 2015 and 2019. Hence, the two cases are revelatory (Yin, 2011) as they provide salient representations of the phenomenon of interest.

Table 3. Overview of the four growth initiatives

	Terra’s growth initiatives		Sigma’s growth initiatives	
Target market	United Kingdom	China	Poland	China
Duration period	January 2013 – January 2015		January 2013 – November 2015	
Geographic market location	Western Europe	East Asia	Central Europe	East Asia
Cumulative export quantities (2015–2019)	42k bottles	83k bottles	59k bottles	71k bottles
Initiative focus	Adapting existing product lines to target market	Developing entirely new product lines for target market	Adapting existing product lines to target market	Adapting existing product lines to target market
Initiative extent	<ul style="list-style-type: none"> • Assessing market needs as well as supplier and winery resources and capabilities • Identifying potential providers of additional required resources and capabilities • Developing tailored market offerings by leveraging required resources and capabilities from external providers 			
Market offering customization	<ul style="list-style-type: none"> • Wine tastes • Glass bottles • Wine labels • Bottle corks • Bottle Capsules 	<ul style="list-style-type: none"> • Wine tastes • Glass bottles • Wine labels • Bottle corks • Bottle capsules 	<ul style="list-style-type: none"> • Wine tastes • Glass bottles • Wine labels • Bottle corks • Bottle capsules 	<ul style="list-style-type: none"> • Wine tastes • Glass bottles • Wine labels • Bottle corks • Bottle capsules
Primary source of market insights	Third-party professional service firms	Third-party professional service firms	Consumer crowds	Consumer crowds

3.2. Data Sources and Collection

We collected qualitative data from multiple sources over the courses of Terra and Sigma’s growth initiatives. Data sources include focus groups, interviews, informal conversations, participant observations, company documents, and secondary data sources such as (1) project team, supplier, and designer meetings minutes; (2) graphic designs for new wines and wine label rebranding; (3) Terra and Sigma’s social media sites, official websites, and official company documents; and (4) news reports. The use of primary and secondary data from various sources, combined with our engagement in the field, enhances the reliability and trustworthiness of our study’s dataset (Lincoln & Guba, 1985). Refer to Table A1 in the Online Appendix A for further data collection details.

Terra and Sigma started to engage the intermediaries in January 2013, and we began data collection

for this study in May 2013. We began data gathering by conducting semi-structured focus groups with all key individuals involved in the growth initiatives to understand their roles and identify the initiatives' approaches and objectives. In the case of Terra, we conducted a face-to-face focus group for 1.5 hours with Terra's marketing assistant, Terra's marketing manager, and the intermediary's owner. Terra's marketing department was responsible for overseeing the two Growth initiatives, whereas the intermediary's owner was leading the initiatives. In the case of Sigma, we conducted a face-to-face focus group for 1.5 hours with Sigma's marketing assistant and the intermediary's owner. Sigma's marketing department had the ownership of the growth initiatives and the responsibility to co-lead them together with the intermediary. Subsequently, we conducted further semi-structured 1.5-hour interviews with each of the key individuals individually to deepen our understanding of the growth initiatives including the wineries' current and past challenges in pursuing entrepreneurial growth and the intermediaries' expertise and contributions to the growth initiatives.

Subsequently, we attended six consecutive project team meetings and project events to track the progress of the growth initiatives and to gather rich observational insights about the interactions between the wineries, the intermediaries, and other stakeholders. During this time, we also had various informal discussions with Terra and Sigma's marketing executives, assistants, suppliers, and the intermediaries' owners. As recommended by Yin (2011), we always documented observations and informal conversations within 24 hours.

Over the course of the growth initiatives, we also gathered secondary data from a wide range of sources to triangulate the primary data on an ongoing basis. The secondary data includes project team meeting minutes, supplier meeting minutes, designer meeting minutes, label design propositions, final label designs, company social media sites, official company documents, internal company documents, and news reports. Finally, during January and February 2015, shortly after the intermediaries' involvement had ended and the wineries had started selling their products to the new target markets, we conducted an additional round of follow-up interviews via video conferencing with all key individuals from the first

round of interviews to obtain insights about the outcomes of Terra and Sigma’s growth initiatives. Table 4 provides a summary of our data sources.

Table 4. Overview of the data sources used to study the two growth initiatives

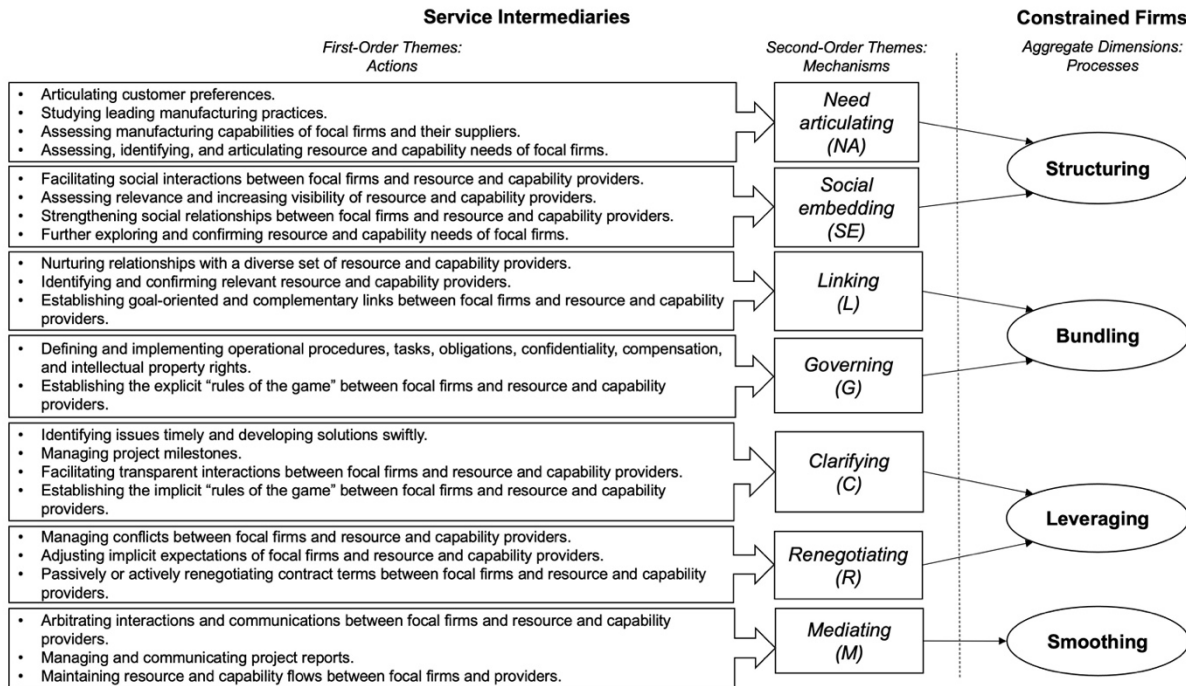
Data sources	Terra (instances and duration)	Sigma (instances and duration)
Focus groups	One (1.5 hours)	One (1.5 hours)
Formal interviews	Six (9 hours)	Four (6 hours)
Informal discussions	Six (19 hours)	Four (14 hours)
Meeting observations	Three (2 hours)	Three (2 hours)
Meeting minutes	Seven documents	Six documents
Additional data	Initial proposals for redesign and final designs, official social media presence of the wineries, official websites of the wineries, official company documents, news reports about the wineries and their new product lines	

3.3. Data Coding and Analysis

When aiming to develop process theory from qualitative data, it is crucial for researchers to undergo a “codifiable creative leap, however small” (Langley, 1999, p. 691). This section details the three stages of analysis we undertook. *First*, we integrated all our data across sources to write rich case narratives for each of Terra and Sigma’s growth initiatives, paying close attention to the chronological sequence of activities and their interdependencies. This first step was not only important to prepare the data for our subsequent analysis, but by triangulating data from various sources it also served as a validation thereof and helped us to form an initial understanding of the cases (Eisenhardt, 1989).

Second, we began to inductively code the case narratives with a focus on the intermediaries’ actions and their outcomes (Strauss & Corbin, 1998). Our first step of the coding process was open coding, during which we allowed first-order codes to naturally emerge from the data and continuously modified, refined, and integrated them based on their usefulness and suitability. This step led to the identification of 23 relatively descriptive first-order codes, such as: determining knowledge needs, assessing manufacturing capabilities, exploring consumer preferences, establishing complementary links, setting rules and policies, promoting transparency, handling conflicts, and others (see Figure 1). To derive a conceptually more abstract understanding, we then started integrating qualitatively similar codes into higher-level categories via data reduction. To ensure the internal consistency and distinctness of the

Figure 1. Data structure and relationships for resource orchestration processes, mechanisms, and actions of service intermediaries



emerging categories, we evaluated each of the codes not only in terms of whether it was qualitatively similar to other codes within a category but also whether it was qualitatively different from codes within other categories. This approach led to the identification of seven distinct categories of intermediary actions. In the final coding step, we then considered how the seven categories related to each other in order. It was at this step that we realized the relevance of resource orchestration theory (Sirmon et al., 2011) because the grouping of the categories based on their relationships resulted in theoretically meaningful aggregate dimensions that were conceptually similar to the three high-level resource orchestration processes of structuring, bundling, and leveraging. The only exception was the mediating category which did not fit the existing resource orchestration processes and made us propose the fourth dimension—*smoothing*. Refer to the Online Appendix A: Figure A1 for illustration of the firm’s internal resource orchestration processes identified by Sirmon et al. (2011) and the complementary external resource orchestration mechanisms identified by us; Table A2 for details on the final coding scheme; and Table A3 for details on the case study validity and reliability.

Third, because the second step had been time agnostic in the sense of being focused on identifying the recurring actions of intermediaries independent of when they took place throughout the initiatives, we visually mapped the codes onto chronological timelines of each of the initiatives to elicit processual patterns of complementary external resource orchestration (Langley, 1999; Miles & Huberman, 1994). As Langley (1999) notes, visual mapping can be combined with coding and is “most fruitful as a theory development tool for the analysis of multiple holistic or embedded cases” (p. 702) such as in our study. Specifically, we used the opportunity evaluation process stages identified by Bakker and Shepherd (2017)—*prospecting*, *developing*, and *exploiting*—and the venture creation process patterns identified by Davidsson and Gruenhagen (2020)—duration, intensity, sequence, timing, speed, and frequency—as temporal lenses to investigate whether, and if yes how, the first-order codes and second-order categories manifested differently across the chronologies of the two growth initiatives. This led to the identification of process stage commonalities across the two cases and process pattern differences that can be attributed to differences in terms of target market proximity (Europe vs Asia) and external stakeholder involvement (third-party professional service providers vs consumer crowds). We report the findings of the temporal analysis in Section 2 of the results where we also present the visual mapping of the seven categories of intermediary actions onto the chronological timelines.

4. RESULTS, SECTION 1: SEVEN MECHANISMS FOR ORCHESTRATING COMPLEMENTARY EXTERNAL RESOURCES

This section presents the seven process mechanisms that we identified through within-case analysis of the two cases: need articulating, social embedding, governing, linking, clarifying, renegotiating, and mediating. Table 5 outlines the overarching resource orchestration processes and their support mechanisms, which enable orchestrating of complementary external resources for entrepreneurial growth. Refer to Tables B1-B4 in the Online Appendix B for representative quotes from each of the cases and their process mechanisms.

Table 5. Conceptual definitions of resource orchestration processes and their support mechanisms

Firm Internal Resource Orchestration (Existing research and theory building)	Complementary External Resource and Capability Orchestration (Theory building)	
Processes	Support Mechanisms	Illustrative Activities
<i>Structuring</i> : managing the portfolio of available resources (Sirmon et al., 2011).	<i>Need articulating</i> : identifying and articulating resource and capability needs of firms.	Articulating consumer preferences; identifying market trends; investigating leading manufacturing practices; assessing manufacturing capabilities.
	<i>Social embedding</i> : strengthening social relations with firms and potential providers of complementary resources and capabilities.	Organizing events that bring firms and potential resource and capability providers together; bringing firms to high-profile events; after-hours socialization; informal dinners; promotional events; making personal introductions.
<i>Bundling</i> : combining resources from the portfolio to construct or alter capabilities (Sirmon et al., 2011).	<i>Linking</i> : establishing resource and capability flows between firms and specific providers of complementary resources and capabilities.	Evaluating the complementarity of complementary resource and capability providers in relation to a firm’s needs; organizing formal and informal workshops with firms and selected resource and capability providers.
	<i>Governing</i> : defining and implementing operational procedures, guidelines, obligations and rights for firms and providers of complementary resources and capabilities.	Establishing explicit “rules of the game” (e.g., procedures, tasks, and intellectual property rights); managing project milestones; defining rules for when rewards are awarded; formally defining expected outputs; collecting, storing, and organizing important information; setting up contracts.
<i>Leveraging</i> : applying capabilities to create value for customers and wealth for owners (Sirmon et al., 2011).	<i>Clarifying</i> : facilitating transparency between firms and providers of complementary resources and capabilities.	Identifying and communicating issues; organizing formal meetings and informal gatherings to discuss issues; breaking projects down into milestones with predefined points of communication; involving neutral parties in decision making.
	<i>Renegotiating</i> : handling conflicts between firms and providers of complementary resources and capabilities.	Explicating implicit expectations; openly discussing potential expectation adjustments; proposing solutions to move forward; renegotiating financial rewards.
<i>Soothing</i> : supporting structuring, bundling, and leveraging of external resources (theory building).	<i>Mediating</i> : facilitating resource and capability flows between firms and providers of complementary resources and capabilities.	Building and sustaining momentum; promoting flexible means of communication to ensure involvement; motivating participants to contribute; sending emails with meeting minutes to participants; moderating meetings; providing reports on project progress.

4.1. Resource Structuring Process

A critical precondition for entrepreneurial growth to take place is the availability of resources and capabilities that firms can use to pursue growth (Penrose, 1959). Terra and Sigma had identified growth opportunities in markets abroad but neither understood how they could exploit them nor which new or revised resources and capabilities they would need to do so. For example, even though the wineries had

identified markets in which wine demand was growing, they did not know (1) the customer preferences in these markets (e.g., wine acidity and sweetness), (2) the latest wine production practices of competing wineries from leading wine regions (e.g., Bordeaux and Tuscany), and (3) their own suppliers' manufacturing capabilities (e.g., wine label designs and glass bottle shapes). The intermediaries thus played a critical role in enabling the wineries to understand both the required resources and capabilities they already had and additional resources and capabilities they would need to exploit the identified growth opportunities. To enable Terra and Sigma to structure resources and capabilities for entrepreneurial growth, the intermediaries engaged in *need articulating* and *social embedding* mechanisms.

4.1.1. *Need articulating mechanism*

Our data analysis revealed a distinct approach of the intermediaries for identifying gaps between the wineries' existing resources and capabilities and the ones required for the exploitation of identified growth opportunities. We refer to this approach through which intermediaries identify and articulate the resource and capability needs of firms as the *need articulation* mechanism. The starting point of this mechanism was an assessment of the wineries' ideas for growth as well as their existing knowledge and capabilities, which took place via multiple rounds of discussions, with the intermediaries, often using illustrative artifacts to facilitate and guide discussions. As Sigma's intermediary explained: "*We [intermediary's owner and graphic designers/producers] had three meetings with long discussions [during] which we tried to understand what [Sigma] want[ed] for their new wine labels [and held] open discussions [during] which we listened to their preferences and then made some suggestions for the new direction . . . We brought one Muscat from Wolfberger [a famous French wine] and one Montepulciano from Masciarelli [a famous Italian wine][as a foundation for our discussions].*"

Subsequently, intermediaries deployed their professional networks of experts to assess consumer preferences and market trends in the wineries' target markets and engaged with the wineries' suppliers to identify their manufacturing capabilities. This process mechanism was imperative for the intermediaries

to understand the wineries' status quo concerning their identified opportunities and thus help them refine and convert their ideas into specific knowledge and capability needs that could be complemented externally. As Terra's intermediary owner illustrated: *"In the initial stages, we coordinated with our regional and international consultants and experts and [Terra's] manufacturers to set the direction. We wanted to find more information about consumer preferences and trends in wine label design in Europe. . . I also met and visited [Terra's] manufacturers to see what they were able to do for label and bottle design."*

4.1.2. Social embedding mechanism

Our data analysis surfaced another distinct mechanism of the intermediaries for identifying and assessing both the wineries' needs and potential external sources of required resources and capabilities. We refer to this mechanism as *social embedding* to describe the intermediaries' approach to establish and embed themselves in social relations between firms and potential providers of complementary resources and capabilities. Compared to the need articulation mechanism where intermediaries actively assessed the resource and capability needs themselves, the social embedding mechanism relied on the wineries improving their understanding of what was possible and required through carefully curated and moderated direct interactions with potential providers of complementary external resources and capabilities. Moreover, by bringing relevant partners from their network together instead of shielding them from each other, social embedding not only fostered relationships between the individual parties and helped the wineries to hone their ideas for opportunity exploitation, but it also strengthened the intermediaries' social standing as it signaled their competency and trustworthiness to all parties. As Terra's intermediary owner mentioned: *"We had a social event on the first day of Skopje Design Week. During this event, [Terra's marketing team] could look at what these young designers had to offer for their projects, looking at their [designers'] skillset and past project was very useful for them [Terra's marketing team]."*

The primary function of the social embedding mechanism was purposefully curated social

interactions and events such as after-hours socialization, informal dinners, and promotional events that brought the wineries together with selected experts. This approach provided the wineries with opportunities to refine their ideas for developing new and rebranding existing product lines via informal discussions with subject matter experts. At the same time, being present at and guiding these interactions enabled the intermediaries to better understand the wineries' needs and assess the potential suitability of subject matter experts to complement the wineries' resource and capability needs. The owner of Sigma's intermediary owner provided an illustrative example of one of these after-hour socializations: "*We also invited some international design experts, who were in town for other business, to dinners with the winery [Sigma]. I considered this to be valuable because many options for the rebranding of the design were discussed.*"

4.2. Resource Bundling Process

Once the intermediaries had determined the difference between available and required resources and capabilities, they started to actively foster the combination of complementary external resources and capabilities with the wineries' own to develop the resources and capabilities that were required for the exploitation of identified growth opportunities. Specifically, the intermediaries engaged the *linking mechanism* to establish goal-oriented relationships and facilitate exchanges between the wineries and providers of complementary external resources and capabilities, and the *governing mechanism* to create and implement the explicit "rules of the game" such as procedures, tasks, and intellectual property rights between wineries and their providers. The two mechanisms enabled the integration of existing internal with complementary external resources and capabilities that was necessary to pursue growth via the introduction of new market offerings and expansion into new markets.

4.2.1. Linking mechanism

Our data analysis showed a considerable ability of the intermediaries to swiftly tap into and combine resources and capabilities from their network to advance the development and implementation of ideas for the exploitation of growth opportunities. This ability was reflected in the diversity of experts that the

intermediaries involved ad-hoc into individual sub-task of the opportunity exploitation process when needed. We refer to this ability as the *linking mechanism* to describe intermediaries' role in combining required external resources and capabilities with existing internal ones. The significance of the linking mechanism needs to be understood in the context of growth initiatives where many resource and capability gaps exist but where these gaps only need to be filled in the short-term to initiate the growth, but not necessarily to maintain it. For instance, Sigma's intermediary organized two sessions with Sigma and carefully selected designers and application developers to progress the development of Sigma's ideas. The first session had an exploratory nature in which graphic designers and application developers worked together with Sigma's marketing assistant to hone and refine the winery's vision of the growth initiative and to develop early prototypes of the rebranded product lines and accompanying social media app. The second session had a confirmatory nature where selected graphic designers and application developers presented refined prototypes of the rebranded product lines and social media app to Sigma and the intermediary for evaluation. As Sigma's marketing assistant explained the value of these workshops: *"They [intermediary team] put together a brainstorming event for us to work directly with few good graphic designers on rebranding ideas . . . The brainstorming meetings with the designers and developers were more formal [compared to the earlier socializing events]. They [intermediary's team] selected the best [graphic designers and application developers] for the meeting."*

4.2.2. *Governing mechanism*

Our data analysis also revealed a distinct approach of the intermediaries to facilitate collaboration and prevent owners of complementary external resources and capabilities from withholding potentially valuable knowledge by establishing governance structures, which we refer to as the *governing mechanism*. This approach was reflected in the creation and implementation of operational procedures, guidelines, obligations, and rights for firms and providers of complementary resources and capabilities. Governing was imperative for the intermediaries to establish the explicit 'rules of the game' between the wineries and the providers of complementary resources and capabilities to ensure the quality of outcomes.

Terra's intermediary leaned more toward formal governance structure whereas Sigma's intermediary leaned more toward informal ones. For example, to write an open call for label designs, Terra's intermediary (1) formalized all the rules of the public call for label design; (2) collected, stored, and organized all submitted proposals; (3) facilitated the selection of the best proposals; and (4) created contracts for the purchase of copyrights of selected designs. Refer to the Online Appendix C for Terra's public call for product design. As Terra intermediary's owner explained: *"I also remember that when we selected the finalists, they were still nervous about the purchase of the copyrights. But we invited them all to meetings and confirmed how much money they would get, and we also signed legal contracts with all the finalists that stated that the winery would purchase the copyrights for certain label designs and would then have the right to use them for commercial purposes."* Despite the preference for formal governing subprocesses, the owner further pointed out that none of the procedures, tasks, and contracts were overly detailed to avoid the risk of constraining collaboration and limiting designers' freedom and creativity.

Meanwhile, Sigma intermediary's owner and account manager implemented more informal governance structures to facilitate Sigma's resource bundling. For instance, the intermediary relied on more flexible contracts that only defined the basic procedures, which were drafted and finalized by the intermediary's owner and account manager. A general set of rules in the contracts for graphic designers and application developers were composed, which focused on their outputs and rewards and were signed before the delivery of the final designs and application, which positively contributed to the confidence of external resource and capability providers to work on Sigma's rebranding initiative. As Sigma intermediary's owner explained: *"The coordination of the initiative was not formal [with the graphic designers and application developers]. We only signed a brief contract about the obligations of each side and did not go into too much detail. The initiative had a more spontaneous and informal flow than an overly controlled one." . . . We were not very scared of having such loose rules for this collaboration, we simply trusted [these] young creative people that they will deliver good work. We hand-picked them [graphic designers and application developers] and they were very professional."*

4.3. Resource Leveraging Process

As the growth initiatives advanced, Terra and Sigma progressively started to leverage the complementary external resources and capabilities of specific partners to create exportable products for their new target markets. The intermediaries in turn supported these efforts by engaging the *clarifying mechanism* to facilitate transparency between the wineries and providers of complementary external resources and capabilities providers and the *renegotiating mechanism* to resolve potential conflicts and prevent them from becoming major issues. These support mechanisms would then facilitate the joint deployment of internal and external resources and capabilities to pursue entrepreneurial growth.

4.3.1. Clarifying mechanism

Our data analysis showed a considerable ability of the intermediaries to maintain the stability of resource and capability linkages during opportunity exploitation via transparent and open communication, which we refer to as the *clarifying mechanism*. Clarifying was reflected by the intermediaries' approach to breaking the initiatives down into several milestones with predefined points of open communication and information exchange between stakeholders including regular updates, feedback, and discussions. Disputes and other issues in the collaborations arose primarily due to misunderstandings of the implicit "rules of the game" between wineries and their external resource and capabilities providers. Hence, clarifying was imperative to improve collaboration among all stakeholders as it reduced misunderstandings, surfaced implicit expectations, increased trust, and highlighted potential issues early on; thereby, enabling stakeholders to intervene and adjust their engagement if necessary. For example, Terra's intermediary organized a formal meeting with the winery, the graphic designers, the industrial designers, and the winery's suppliers to discuss the production feasibility of the selected designs from a cost perspective. In this meeting, the total costs for all components of each of the different proposed designs were calculated and compared. This surfaced emerging issues and led to the timely identification of more cost-effective alternatives (e.g., using bottle capsules and glass bottles from existing wine lines instead of new ones) that better fit Terra's budget, thereby accelerating the development of the final

solutions. As Terra intermediary's owner explained this meeting: *"We [the intermediary team] brought together the winery, finalist designers, and suppliers to discuss the initiative. We realistically looked at the available label designs and discussed whether it would be possible to produce them as given or if some details would have to be changed . . . It is a bit illogical to select a label design that costs 0.6 euros when a [glass] bottle costs one Euro. In that case, you are selling labels rather than wines. You have to allocate your costs accordingly to all of the components of the product."*

4.3.2. Renegotiating mechanism

Our data analysis revealed that intermediaries had the ability to manage some conflicts and issues swiftly and effectively—especially the ones arising from varying, implicit expectations of the involved parties—by actively renegotiating the expectations of wineries, designers, and suppliers, which we refer to as the *renegotiation mechanism*. Renegotiation was reflected in informal and formal negotiations during which the intermediary owners usually personally discussed conflicts and issues with the wineries and their external resource and capability providers to realign their expectations and reach a consensus quickly. Specifically, because of the relatively weak legal institutions in North Macedonia, renegotiating expectations was more viable than resolving conflicts and issues through courtrooms. As a result, there was a common agreement amongst all parties involved in the initiatives to solve issues internally via the help of the intermediaries' teams rather than externally via legal institutions. For example, at some stage during Terra's initiative, designers had doubts about being fairly rewarded and some demanded higher compensation for their contributions. To resolve this issue, the intermediary's owner established formal copyright purchase agreements and renegotiated the financial awards with the winery: *"It was best to put all details on paper. I'd say this made the designers less anxious about sharing their work with [Terra's marketing team] . . . In some cases, I remember that there were designers who wanted more money than others and tried to negotiate with the winery. And in those cases, we had to personally sit down and renegotiate the financial award. In the end, everything was fine, and both sides were happy."*

4.4. Resource Smoothing Process

During Terra and Sigma's growth initiatives, the intermediaries also took an active role in arbitrating communications and interactions between the wineries and their external resource and capability providers to maintain positive exchanges and ensure the successful integration of complementary external resources with the wineries' internal resources and capabilities. They engaged the *mediating mechanism* to support the wineries' structuring, bundling, and leveraging of complementary external resources and capabilities for the introduction of new market offerings to enter new markets.

4.4.1. *Mediating mechanism*

Our data analysis showed that intermediaries used a specific approach to mediate the interactions and collaborations of wineries and their external resource providers, which we referred to as the *mediating mechanism*. Mediating was reflected by the intermediaries' approach to (1) keeping the wineries and their external resource and capability providers aligned and up to date with the initiatives' progress, (2) encouraging all involved parties to take active roles in the initiatives by being excited and willing to contribute throughout all stages of the project, and (3) promoting more flexible means of communication through emails, web-based file-sharing services, and videoconferencing. Thus, mediating was crucial for actively building and sustaining momentum to maintain the resource and capability flows from external providers to the wineries and mitigating the challenges of different schedules and geographic locations associated with all the involved parties; thus, ensuring the timely completion of the initiatives. For example, Sigma's marketing assistant elaborated on the involvement of the intermediary and their efforts to smoothen collaboration: "*He [intermediary's owner] was present [during] most of the meetings we had with the designers and developers. He would provide a brief report on the project progress and then explain to all what [was] the purpose of [the current] meeting, . . . [The intermediary's creative director and account managers] moderated these meetings and they had the responsibility to send emails to all participants with the meeting minutes.*" Terra's marketing manager further explained the value of more flexible means of communication for him: "*Some of us had to be outside of [North] Macedonia, say 15*

days in a month, but we tried to work with others when [was] the best [time] to meet. Sometimes, I did not attend [a] meeting and had to ask [my marketing assistant] to attend the meeting. Most of the time, I kept myself informed on the progress of the project by emails sent from the [intermediary].”

5. RESULTS, SECTION 2: A PROCESSUAL VIEW OF THE COMPLEMENTARY EXTERNAL RESOURCE ORCHESTRATION

This section reports the findings of our analysis of the temporal patterns (cf. Davidsson & Gruenhagen, 2020) of the seven process mechanisms across the two cases and their embedded initiatives. We map them onto the opportunity evaluation process stages of prospecting, developing, and exploiting (cf. Bakker & Shepherd, 2017) to show that the seven mechanisms neither materialize in a strictly sequential manner nor in an unequivocal way across the two cases. We further develop propositions about the prevalence of the individual mechanisms based on process stages, target markets, and stakeholder involvement (see Figure 2). Further, Table 6 and Figures 3 and 4 illustrate the application of process mechanisms for each of the two cases.¹

Figure 2. Overview of propositions mapping across the process mechanisms and stages

	P1a	P1b	P1c		
Need Articulating	NA	NA	NA	P2	P3a
Social Embedding	SE				
Governing	G	G	G	P3b	
Linking	L	L	L		
Mediating	M	M	M	P2	
Clarifying	C	C	C		
Renegotiating		R	R		
Mechanisms	Prospecting	Developing	Exploiting		
	Process stages				

¹After the initial prospecting, Terra’s marketing manager decided to pause the growth initiative to focus on addressing a pressing issue related to the domestic market in North Macedonia, which resulted in Terra having a more longer prospecting phase and a shorter (compressed) developing phase.

5.1. Comparison of Mechanisms Across Process Stages

In the prospecting stage, firms identify potential growth opportunities, probe whether these potential opportunities represent actual opportunities, and increasingly refine their ideas based on the insights they gain (Bakker & Shepherd, 2017; von Briel et al., 2018). In the context of the wineries that had identified growth opportunities in markets abroad, this process required (1) identification and articulation of wine-drinking preferences in the new target markets, (2) understanding of wine manufacturing practices of key competitors in these markets, and (3) assessment of the manufacturing capabilities of the wineries and their key suppliers to understand whether and how the wineries could potentially exploit the identified growth opportunities. However, Terra and Sigma could not do many of the prospecting activities that are required after initial growth opportunities have been identified because they lacked the required resources and capabilities. Hence, to enable the wineries to successfully progress the development of identified growth opportunities during prospecting, it was critical that the intermediaries engaged in *need articulating* to perform some of the prospecting activities on behalf of the wineries, in *social embedding* to enable the wineries to perform other prospecting activities by themselves, in *linking* to purposefully leverage their broad network of resource and capability providers to perform activities that neither the intermediaries nor wineries could accomplish, and in *governing* to ensure that collaborations with providers from their network were successful. For example, the intermediaries did market research on the wine consumption preferences in the new target markets to help the wineries understand not only whether and how they could position their product in these markets but also which resources and capabilities they would need to do so (i.e., need articulating mechanism). They also organized numerous social events where the wineries could start a discussion about their initial ideas with subject matter experts themselves and further explore the potential of these ideas with the experts (i.e., social embedding mechanism). Lastly, they ran workshops as a continuation of the social events on which the wineries could further validate, advance, and refine their ideas through hands-on discussions with subject matter experts themselves (i.e., linking mechanism) and helped the experts understand the wineries' expectations for the

initiatives in terms of tasks, procedures, outputs, and compensation (i.e., governing mechanism). In summary, we propose:

Proposition 1a: *To advance the growth opportunity development of constrained firms through complementary external resources during the prospecting stage, service intermediaries must prioritize the articulation of needs, social embedding, governing, and linking mechanisms.*

After having gained initial confidence that potential growth opportunities likely represent actual growth opportunities, firms increase their resource commitments in the developing stage to further validate and refine them (Bakker & Shepherd, 2017; von Briel et al., 2018). In the context of the wineries, this process necessitated (1) developing initial product ideas into tangible concepts, (2) investigating related production and distribution costs and capabilities, (3) validating respective market demand, and (4) refining product ideas and concepts further based on the insights gained to derive increasingly advanced product prototypes. Similar to the prospecting stage, Terra and Sigma were not able to do most of the developing activities by themselves as they did not have the right set of resources and capabilities. For example, the wineries did not know how to put together all the new ideas about rebranding their wines and translate them into a working prototype because they were too conceptual in nature or were coming from subject matter domains that wineries were not overly familiar with, which made it more difficult for the wineries to communicate what they need from their suppliers. The wineries were also unsure whether the new ideas for rebranding their products would work in the UK, Polish, and Chinese wine markets as they did not know how to solicit feedback from consumers. Therefore, to enable the wineries to successfully progress the development of identified growth opportunities, the intermediaries continued to engage in *linking* to further connect the wineries with specific external providers of required resources and capabilities, and in *governing* to establish the rules of the increasingly commercial collaboration between the wineries and the external providers. However, while in the prospecting stage the intermediaries broadly drew on contacts within their network to probe their suitability for the wineries' growth initiatives, in the developing stage they established increasingly focused collaborations with the

most suitable complementary external resources and capabilities providers. For instance, out of their larger network, the intermediaries selected an increasingly narrow set of graphic designers and industrial designers based on the wineries' needs to advance the development of their ideas into tangible concepts (i.e., linking mechanism), (2) established formal contracts for the transfer of copyrights to solidify and operationalize the collaborations (i.e., governing mechanism), and (3) involved third party subject-matter experts for the selection of the best designs (i.e., linking mechanism).

Moreover, as the opportunity development progressed from the refinement and validation of initially broad ideas to the development and validation of specific concepts and prototypes, the intermediaries started to increasingly engage in *mediating* to build and sustain momentum within the collaborations, in *clarifying* to maintain the stability of the collaborations throughout the process, and in *renegotiating* to swiftly resolve conflicts and issues once they arose. For example, the intermediaries (1) continually motivated the graphic designers and industrial designers to refine their ideas and concepts (i.e., mediating mechanism), (2) openly discussed the changes in what needs to be delivered by collaborators and how will these affect their compensation (i.e., renegotiating mechanism), and (3) organized formal meetings and informal gatherings with collaborators to identify, discuss, and resolve emerging issues (i.e., clarifying mechanism). As such, the intermediaries' use of linking, governing, and clarifying mechanisms played a critical role in enabling the wineries to leverage complementary external resources and capabilities to advance their initial ideas toward concrete concepts for how the identified growth opportunities could be seized. In summary, we propose:

Proposition 1b: *To advance the growth opportunity development of constrained firms through complementary external resources during the developing stage, service intermediaries must prioritize linking, governing, mediating, clarifying, and renegotiating mechanisms.*

After having developed sufficiently validated and refined ideas for how to seize the identified growth opportunities, firms further increase resource commitments in the exploiting stage to establish full-scale operations that are required to seize the growth opportunities (Bakker & Shepherd, 2017; von Briel et al.,

2018). In the context of the wineries, this process required to transition of the most promising concepts into actual products that could be mass-manufactured and exported to the new target markets. Because the wineries were not able to do most of the exploiting activities themselves, same as in the prospecting and developing stages, continued collaboration with selected providers of complementary external resources and capabilities from the development stage was key. For example, the wineries did not know which parts of the working prototypes, including wine taste, glass bottles, wine labels, bottle corks, and bottle capsules, and to what extent can be amended to fit the manufacturing requirements without compromising the consumption preferences of the new target markets. Therefore, to enable the wineries to successfully progress the development of identified growth opportunities, the intermediaries engaged in *mediating* to actively facilitate communications and interactions between the wineries and the external providers of resources and capabilities, in *clarifying* to manage the initiatives transparently, and in *renegotiating* to renegotiate the contract terms between the wineries and resources and capabilities providers. For example, just before the newly rebranded wines were mass-produced, some of the graphic designers and industrial designers started to be concerned that their remuneration for the copyrights of their label designs was insufficient; hence, the intermediaries personally met and discussed with all stakeholders multiple times to resolve this issue (i.e., renegotiating mechanism). The intermediaries also kept all collaborators informed about the progress of the initiatives by emailing meeting minutes and tracking the key project milestones (i.e., mediating and clarifying mechanisms). Altogether, the intermediaries' use of mediating, clarifying, and renegotiating played a key role in the exploiting stage as it enabled the wineries to transition concepts and prototypes into actual products that could be mass-manufactured and exported to seize the identified growth opportunities. In sum, we propose:

Proposition 1c: *To advance the growth opportunity development of constrained firms via complementary external resources during the exploiting stage, service intermediaries must prioritize mediating, clarifying, and renegotiation mechanisms.*

Table 6. Number of actions coded for individual resource orchestration mechanisms per case, market, and process stage

Case & Market/ Process & Mechanism		Prospecting				Developing					Exploiting		
		NA	SE	G	L	L	G	C	R	M	C	R	M
Terra	UK	11	9	4	12	4	5	4	4	5	4	3	5
	China	16	17	5	16	-	9	11	2	7	3	2	3
Total Terra		<u>27</u>	<u>26</u>	<u>9</u>	<u>28</u>	<u>4</u>	<u>14</u>	<u>15</u>	<u>6</u>	<u>12</u>	<u>7</u>	<u>5</u>	<u>8</u>
Sigma	Poland	13	7	3	-	7	6	8	3	4	2	5	4
	China	19	15	3	-	9	8	12	5	8	5	6	6
Total Sigma		<u>32</u>	<u>22</u>	<u>6</u>	<u>-</u>	<u>16</u>	<u>14</u>	<u>20</u>	<u>8</u>	<u>12</u>	<u>7</u>	<u>11</u>	<u>10</u>
Overall Total		59	48	15	28	20	28	35	14	24	14	16	18

*Abbreviations: Need Articulation (NA), Social Embedding (SE), Linking (L), Governing (G), Clarifying (C), Renegotiating (R), Mediating (M)

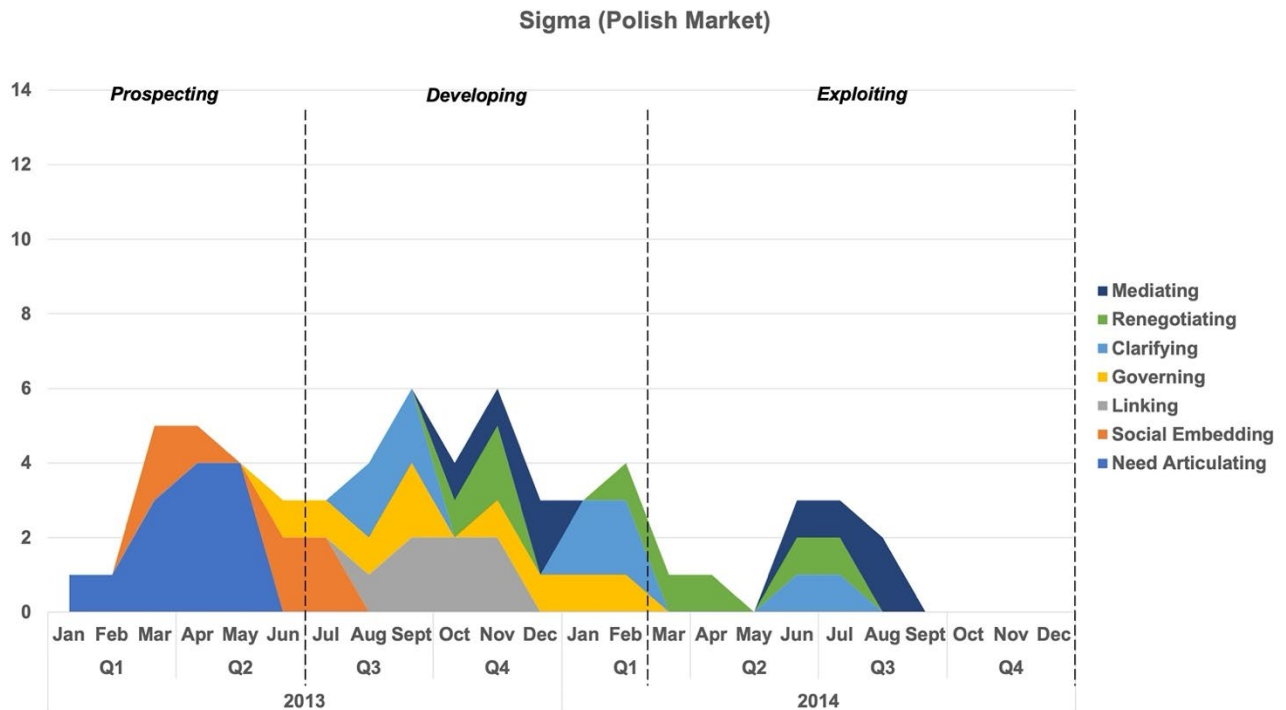
5.2. Comparison of Process Mechanism Frequency Based on Target Market Distance

Terra and Sigma's identified growth opportunities led to the development of wines for new markets that were characterized by varying spatial and cultural proximity to its domestic market. That is, the UK (Northwest Europe) and Polish (Central Europe) markets were both spatially and culturally closer to the wineries' North Macedonian home market (Southeast Europe) than the Chinese market (East Asia). Due to the market proximity vis à vis distance, Terra and Sigma could more easily gather insights and better understand consumer preferences and their implications (e.g., for related manufacturing practices) for the UK and Polish wine markets compared to the Chinese wine market (cf. Giuliani & Bell, 2005; Jespersen et al., 2018; Nooteboom et al., 2007). That is, from the beginning on the wineries had a better understanding of how they could potentially seize growth opportunities in the UK and Polish markets, and there was less of a gap between the market-related knowledge brought by external providers of complementary resources and capabilities and the existing knowledge of the wineries that needed to be integrated. For example, Terra's marketing manager obtained samples of several successful UK exports of Croatian wineries through personal contacts himself, in addition to samples of leading wineries from Bordeaux, Tuscany, and Napa, to better understand the wine-drinking preferences in the UK market. In contrast, Terra's marketing manager had very little knowledge about wine consumption in China, such as a preference for red over white wines and semi-dry over dry taste, which was significantly different from wine consumption in the UK. As a result, the intermediaries needed to engage less in (1) articulating consumer preferences, identifying market trends, and assessing leading manufacturing practices (i.e., need

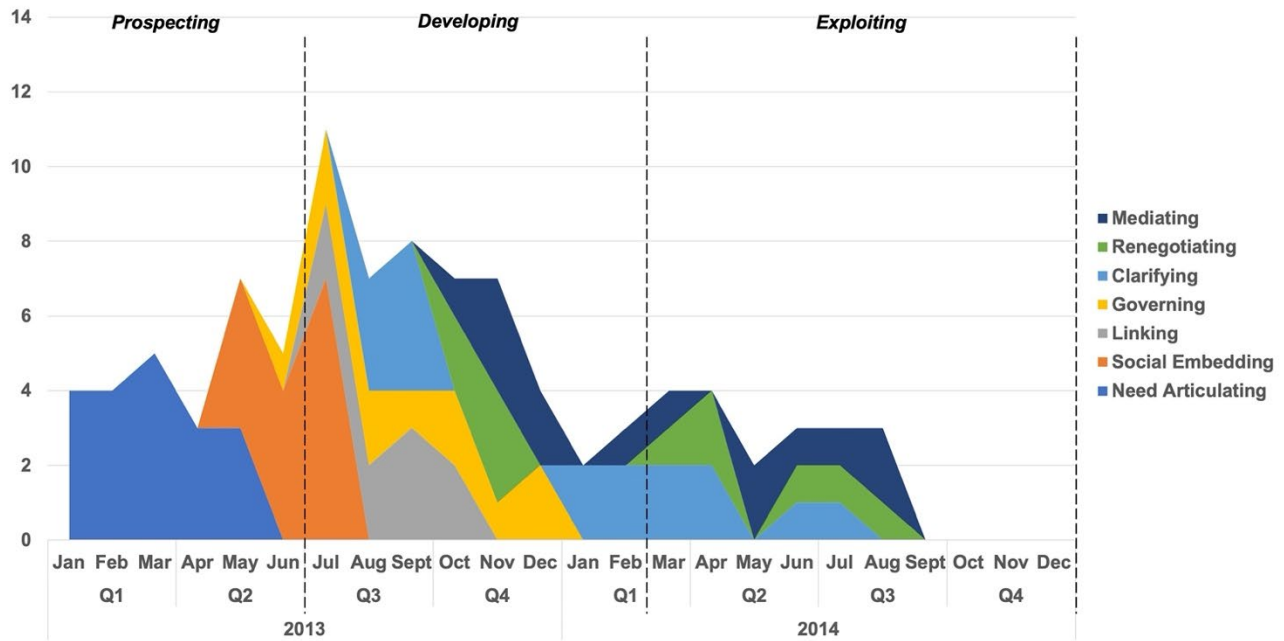
articulating mechanism); (2) intervening in collaborations to avoid and resolve misunderstandings via formal and informal meetings between stakeholders (i.e., clarifying mechanism); and (3) actively facilitating communications and interactions within the collaborations to maintain resources and capabilities flows (i.e., mediating mechanism) for the more proximate markets compared to the more distant market. To conclude, we posit:

Proposition 2: *To advance the growth opportunity development of constrained firms via complementary external resources in more (less) distant markets throughout the prospecting, developing, and exploiting stages, service intermediaries may need to prioritize need articulating, clarifying, and mediating mechanisms more (less) depending on the level of market proximity.*

Figure. 3 Comparison by country of Sigma’s resource orchestration support mechanisms across target markets



Sigma (Chinese Market)



5.3. Comparison of Process Mechanism Frequency Based on Stakeholder Involvement

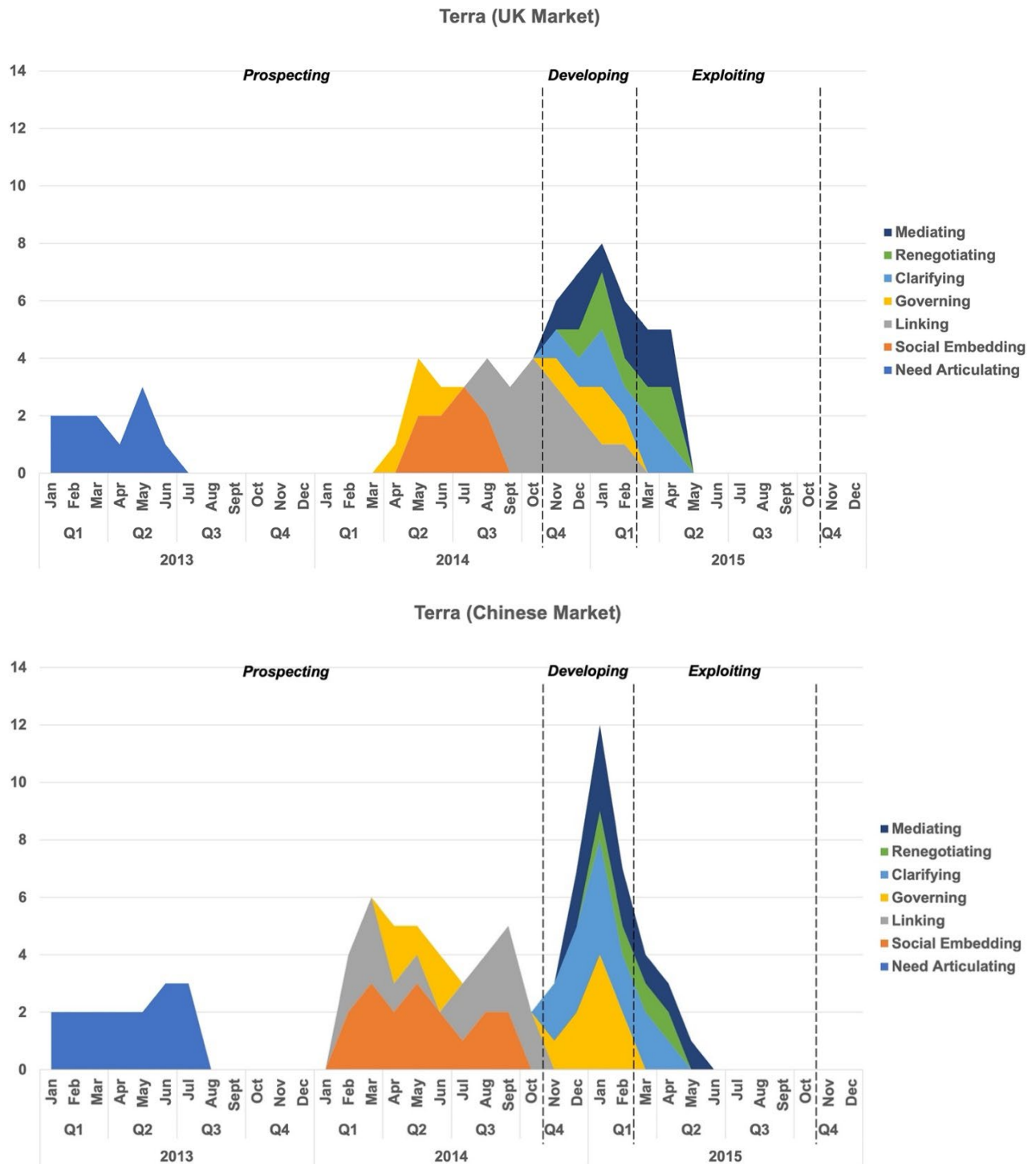
Terra and Sigma decided to leverage different types of complementary external knowledge and capability providers to pursue their identified growth opportunities. That is, Terra opted to collaborate predominantly with third-party professional service firms from the beginning on, whereas Sigma opted to collaborate predominantly with wine consumers to validate, refine, and develop the identified growth opportunities and only involved third-party professional service firms at later stages of the initiative when necessary. While professional service providers depend on their ability to articulate and share their domain expertise, consumers are not necessarily equipped to do so because their related knowledge is often latent (cf. Boon et al., 2011; Coviello & Joseph, 2012; Von Hippel, 1994). As a result, less effort was required to elicit, explicate, and integrate the market- and product-related knowledge and expertise of third-party professional service firms compared to the ones of wine consumers. For instance, Terra largely relied on freelance graphic designers to develop and refine designs for its product rebranding. Because these domain experts were professionally trained and knew what they were doing, their involvement required less interpretation and synthesis of ideas and coordination of collaborative efforts by Terra's

intermediary. However, as these experts were highly specialized and worked towards predefined specifications, careful vetting before engagement and crafting of contracts were highly important. By contrast, Sigma primarily gathered concepts and ideas to develop and refine its product designs from a broad range of wine consumers through wine master classes early on and through a social media-based design competition later on. As consumers neither necessarily knew how to precisely articulate their preferences and needs nor were familiar with developing new product designs, Sigma's intermediary needed to engage more in interpreting and synthesizing ideas and coordinating collaborative efforts. However, as large numbers of consumers were involved in the initiatives and their motivation for participation was predominantly non-pecuniary, pre-vetting and setting up contracts early on was less important. As a result, Terra's intermediary needed to engage less frequently in identifying and explicating consumption preferences, market trends, and leading manufacturing practices for the new target markets (i.e., *need articulating mechanism*) and identifying, discussing, and resolving potential collaboration issues (i.e., *clarifying mechanism*) compared to Sigma's intermediary. However, on the other hand, Terra's intermediary needed to engage more frequently in connecting (i.e., *linking mechanism*) and defining and managing collaborations of (i.e., *governing mechanisms*) the wineries and specific providers of complementary external resources and capabilities compared to Sigma's intermediary. We thus postulate:

Proposition 3a: *To advance the growth opportunity development of constrained firms throughout the prospecting, developing, and exploiting stages, service intermediaries may need to prioritize engaging need articulating and clarifying mechanisms less (more) when professional service firms (consumers) are involved as providers of complementary external resources and capabilities.*

Proposition 3b: *To advance the growth opportunity development of constrained firms throughout the prospecting, developing, and exploiting stages, service intermediaries may need to prioritize engaging linking and governing mechanisms more (less) when professional service firms (consumers) are involved as providers of complementary external resources and capabilities.*

Figure. 4 Comparison by country of Terra’s resource orchestration support mechanisms across stakeholder involvement (stacked line graph)



6. DISCUSSION

Drawing on the resource orchestration research, we investigate how service intermediaries enabled two

North Macedonian wineries to successfully grow in markets abroad by facilitating the development of two tailored product lines each. To successfully seize the entrepreneurial growth opportunities, Terra and Sigma only needed specific resources and capabilities for a short period of time and thus they decided to work with the two intermediaries rather than employ full-time employees with diverse expertise areas to cover all the necessary domains of expertise for their initiatives. The intermediaries enabled Terra and Sigma to undertake their successful growth initiatives at a cost of approximately \$41k and \$37k, respectively. Our findings have potentially important implications for the research streams on entrepreneurial growth and resource orchestration, which we elaborate on as follows.

6.1. Implications for Research on Entrepreneurial Growth

Focusing on service intermediaries as an alternative pathway to access required external resources, our study shows that firms can leverage external resources and capabilities required for growth on demand when needed and without having to engage in strategic long-term partnerships. With the temporary help of service intermediaries who orchestrated complementary external resources on their behalf, the two North Macedonian wineries that were the focus of this study overcame their resource and capability constraints and successfully entered two new target markets with tailored products each. This is a crucial insight because research has shown that the limited knowledge and capabilities of managers often prevent small and medium-sized firms from pursuing growth in new markets (Haddoud et al., 2021).

Moreover, in our study, prior growth attempts of these firms without the use of external resources and capabilities had failed, which made the setting particularly revelatory to study the role of external resources and capabilities for firm growth. As Nason and Wiklund (2018, p. 54) put it, “[r]elaxing the assumption that resources available for growth reside exclusively within the ownership boundaries of the firm is an important avenue to arrive at a more complete understanding of the drivers of contemporary firm growth.” This study thus directly responds to calls for and contributes to the understanding of the role of external resources in firm growth (McKelvie & Wiklund, 2010; Nason & Wiklund, 2018; Nason et al., 2019) and adds to the emerging literature that suggests that not even the managers themselves have to

reside within the boundaries of the firm (Barthélemy, 2017).

Further, our study found that service intermediaries can provide a particularly suitable external pathway to access required resources and capabilities for growth if firms not only face resource but also managerial capability constraints. Research has long acknowledged that managerial capabilities play a critical role in firm growth because managers not only have to identify growth opportunities but also need to assemble and leverage the resources required to exploit these opportunities (Eshima & Anderson, 2017; Joseph & Wilson, 2018; Kor & Mesko, 2013). However, as Penrose noted herself, “the capacities of the existing managerial personnel of the firm necessarily set a limit to the expansion of that firm in any given period of time, for it is self-evident that such management cannot be hired in the market-place” (2009, p. 41). Our study uncovered seven specific processes of how service intermediaries enabled firms that had identified entrepreneurial growth opportunities but lacked the resources and capabilities to exploit them to understand their resource and capability deficits and to overcome them externally. By uncovering the critical role that service intermediaries played during the wineries’ growth initiatives, we extend prior work on the theory of growth, which has largely assumed that managers need to reside within the firm. Furthermore, the seven processes that we unveiled provide a fine-grained understanding of the externally enabled growth process and thus respond to calls for more research on the micro-foundations of growth (Joseph & Wilson, 2018; Naldi & Davidsson, 2014).

Finally, this study provides insights as to why having more resources is not always better for firm growth (Josefy et al., 2015; Mishina et al., 2004). Although existing research on firm growth has looked at alternatives to resource ownership—such as alliances (e.g., Rindova et al., 2012), joint ventures (e.g., Lu & Xu, 2006), and franchising agreements (e.g., Carney & Gedajlovic, 1991)—the nature of engagement with professional service firms differs substantially from these alternatives. Specifically, service intermediaries, and professional service firms in general, do not require long-term investments and have a vested incentive to apply their resources and capabilities in the best interest of their clients (Von Nordenflycht, 2010). This difference is pivotal because not all resources and capabilities that are

required to initiate growth initiatives are necessarily required to execute these initiatives in the long-term (Weemaes et al., 2020).

As this study shows, depending on the specific resources and capabilities that are needed, it is often sufficient to access them for a relatively short period. We thus assert that service intermediaries and professional service firms, in general, should be considered more broadly in research as key enablers of firm growth because they can provide access to required resources and capabilities externally. Considering that researchers have not been able to pinpoint factors that consistently affect growth across studies (McKelvie & Wiklund, 2010) and that the power of firm size as a predictor of performance is continuously decreasing (Josefy et al., 2015), service intermediaries may be a key factor that can help explain differences in growth rates across firms with similar resources; likewise, their service intermediaries might also help to explain similarities of growth rates among firms with differing resources and capabilities.

6.2. Implications for Research the Literature on Resource Orchestration

Existing research on resource orchestration has predominantly focused on resources that reside within the boundaries of the firm (e.g., Carnes & Ireland, 2013; Symeonidou & Nicolaou, 2018; Wales et al., 2013) but scholars have been calling for more research on resource orchestration across firm boundaries (Baert et al., 2016; Nason et al., 2019). In this study, we identify seven processes—*need articulating*, *social embedding*, *linking*, *governing*, *clarifying*, *renegotiating*, and *mediating*—through which the service intermediaries orchestrated complementary external resources and capabilities across firm boundaries on behalf of the wineries, thereby enabling the two firms to successfully develop two new product lines for and enter two new geographic markets each. In addition, this study identified a new resource orchestration process—*smoothing*—and its underlying mechanism—*mediating*—that are context-specific and critical to helping the three resource orchestration processes of structuring, bundling, and leveraging work across firm boundaries.

In alignment with entrepreneurial growth research, resource orchestration research has also assumed

that resource-orchestrating managers reside within the boundaries of the firm (Sirmon et al., 2007; Sirmon et al., 2011). Another contribution of this study is thus to show not only how resources can be orchestrated across the boundaries of independent firms but also that they can be orchestrated by external managers in the form of service intermediaries who reside outside of firms' boundaries. With the identification of the seven support mechanisms, we demonstrate that the managers who orchestrate external resources for constrained firms do not need to reside within the firm (Barthélemy, 2017). Specifically, the two service intermediaries in this study were hired on a short-term contract basis by Terra and Sigma to orchestrate the resources necessary for rebranding products to enter new markets.

Our study also heeds calls to investigate the *temporal aspect* of resource orchestration (Hitt et al., 2011; Stoyanov et al., 2016). Prior research has characterized resource orchestration as a set of sequential activities that require synchronization (Sirmon et al., 2007; Sirmon et al., 2011; Stoyanov et al., 2016), but these aspects have received limited attention from researchers. The relatively few empirical studies that focus on resource orchestration processes have analyzed high-level process components, but not the sequences of underlying mechanisms (Baert et al., 2016; Stoyanov et al., 2016). By contrast, our study shows the seven mechanisms neither take place in a strictly sequential manner nor in an unequivocal way across the two cases. We identify process differences depending on the stage of the opportunity evaluation process, target market characteristics, and types of external resource and capability providers for which we postulate propositions.

Finally, by analyzing how service intermediaries engaged in cross-boundary resource orchestration to enable mature firms to successfully reinvigorated growth, we respond to calls for capturing firms at different *life cycle stages* and the *dynamics* between these stages (Carnes & Ireland, 2013; Sirmon et al., 2011). Our findings suggest that firms can prevent stagnation and potential decline despite constraints by engaging with service intermediaries and leveraging complementary external resources and capabilities to reinitiate new growth cycles. Namely, our findings explain how the intermediaries can enable firms to successfully transition from the maturity stage back to the growth stage without major reconfigurations of

their internal resource portfolios. Considering that most firms face resource constraints (Bottazzi et al., 2014; Noda & Bower, 1996; Souder & Shaver, 2010) and that it might be counterintuitive to acquire or develop rarely used resources internally as these resources may lose value over time (Mauri & Michaels, 1998), our findings provide insights into an important yet little researched life-cycle transition of firms.

6.3. Practical Implications

The findings of this study also provide practical implications for various stakeholders. First, the identified complementary external resource orchestration processes can provide policymakers focused on regional competitiveness and economic growth with a framework to foster the creation of intermediaries that can enable regional firms to exploit growth opportunities in markets abroad. Government policies targeted at the creation and development of service intermediaries are in line with OECD's recommendations for the delivery of public schemes for high-growth firms by intermediary organizations (OECD, 2013). For example, governments could invest in training individuals and organizations in the seven complementary external resource orchestration processes, and our processual insights depending on characteristics of growth initiatives can assist these individuals and organizations to provide tailored support to firms that want to exploit growth opportunities in markets abroad.

Second, constrained firms may find the complementary external resource orchestration processes useful as a guiding framework when leveraging complementary external resources— independent of whether they orchestrate these resources themselves or engage external resource orchestration managers. For example, firms can use the identified complementary external resource orchestration processes to assess, select, or hire service intermediaries that specialize in some or all the processes or support mechanisms, which in turn can help them with the orchestration of complementary external resources and capabilities for growth.

6.4. Limitations and Opportunities for Future Research

Although we went to great lengths to ensure the rigor and generalizability of this study, the findings have some limitations that provide opportunities for future research. First, although the findings are potentially

revelatory, the focal context of this study might limit the generalizability of the findings to other settings. Factors such as industry composition, infrastructure, culture, or supply chain structures might play a role; thus, we encourage researchers to test the generalizability of our findings not only in other low-tech but also in high-tech industries, differently sized firms, and other geographical regions and cultures.

Second, as is the case with any qualitative study, the sample size is small compared to quantitative studies. Thus, it would be useful to quantitatively test our findings with larger samples to establish their generalizability and further refine them if necessary. Large-scale field studies with surveys or analysis of secondary data are two potential ways to do so.

Third, as a result of the highly specialized and customized nature of their services, service intermediaries need to signal the quality of their services to their customers (Von Nordenflycht, 2010). It is usually challenging for both prospective and actual customers, who are typically nonexperts in service intermediaries' focal areas, to evaluate the quality of services before, during, and even after services have been delivered. Because of this 'hazard of unknown product quality' (Guzak & Rasheed, 2014, p. 297), the service intermediaries in this study might have engaged in practices that other firms' internal managers might not need to engage in to orchestrate resources across boundaries. Hence, future research could investigate whether the findings of this study need to be refined to apply beyond the service intermediary context.

Fourth, while service intermediaries provide firms with the advantage of being able to tap into required resources and capabilities ad-hoc and for a short duration, it is unclear whether and how much money their engagement saved the focal wineries compared to developing required resources internally, acquiring them externally, or engaging into strategic partnerships. As the wineries only needed access to the specific resources and capabilities for a short period of time, and as the wineries own attempts at seizing the identified opportunities without any help had failed in the past, engagement of the service intermediaries was their preferred choice. However, future comparative studies based on larger samples could investigate under which conditions the engagement of service intermediaries or professional service

firms at large is more cost-effective and thus desirable for constraint firms compared to alternative modes of accessing required resources and capabilities.

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ⁱ As part of this study, we also reviewed the research literature on innovation intermediaries, export intermediaries, and institutional intermediaries. However, the literature on innovation intermediaries focuses on intermediaries that facilitate the joint creation of systemic innovations in networks of firms from which all participating firms benefit; the literature on export intermediaries focuses on intermediaries that help firms to develop internal export capacities and to establish relationships with importers in target markets; and the literature on institutional intermediaries focuses on intermediaries that help firms to access public resources for internal business development purposes. Thus, although these research streams make important contributions to the understanding of intermediaries in general, they do not provide a nuanced view of how service intermediaries influence the entrepreneurial growth of resource and capability constrained firms.

ONLINE APPENDIX A. DETAILS ON CASE STUDY VALIDITY AND RELIABILITY, DATA COLLECTION, AND RESEARCH CONTEXT

Table A1: Data collection details

Data Source		Terra						Sigma				TOTAL
		1 st Round (May 2013)			2 nd Round (Jan–Feb 2015)			1 st Round (May 2013)		2 nd Round (Jan–Feb 2015)		
		Marketing assistant	Marketing manager	Intermediary’s owner	Marketing assistant	Marketing manager	Intermediary’s creative director	Marketing assistant	Intermediary’s owner	Marketing assistant	Intermediary’s owner	
Interviews	Individual interviews	1.5 hours	1.5 hours	1.5 hours	1.5 hours	1.5 hours	1.5 hours	1.5 hours	1.5 hours	1.5 hours	1.5 hours	15 hours
	Focus groups	1.5 hours			N/A			1.5 hours		N/A		3 hours
<i>Subtotal</i>		6 hours			4.5 hours			4.5 hours		3 hours		18 hours (144,000 words)
Observations	Team meetings	~ 2 hours (40 min x 3)			N/A			~ 2 hours (40 min x 3)		N/A		4 hours
	Informal discussions	~ 4 hours	~ 2 hours	~ 1 hour	~ 6 hours	~ 4 hours	~ 2 hours	~ 3 hours	~ 2 hours	~ 5 hours	~ 4 hours	33 hours
<i>Subtotal</i>		9 hours			12 hours			7 hours		9 hours		37 hours (4,500 words)
Secondary data	6 x project team meeting minutes, 3 x supplier meetings minutes, 4 x designer meetings minutes											13 meeting minutes
	30 x initial design submissions and 4 x final designs for new products and label rebranding											34 label designs
	4 x company social media sites where wineries reported on the initiatives and gathered customer feedback, 4 x official company websites											8 websites
	2 x internal company documents											2 products specs
	5 x news reports about the wineries and their new product lines											5 news reports

Fig. A1 Internal and complementary external resource and capability orchestration

Resource and Capability Orchestration				
	<i>Structuring</i>	<i>Bundling</i>	<i>Leveraging</i>	
Firm Internal (Sirmon et al. 2011)	<ul style="list-style-type: none"> • Acquiring • Accumulating • Divesting 	<ul style="list-style-type: none"> • Stabilizing • Enriching • Pioneering 	<ul style="list-style-type: none"> • Mobilizing • Coordinating • Deploying 	<i>Smoothing</i>
Complementary External (Current study)	<ul style="list-style-type: none"> • Need articulating • Social embedding 	<ul style="list-style-type: none"> • Governing • Linking 	<ul style="list-style-type: none"> • Clarifying • Renegotiating 	<ul style="list-style-type: none"> • Mediating

Table A2: Final coding scheme

Theme (Sirmon et al., 2011)	Root Codes (Prior code) (Dhanaraj & Parkhe, 2006)	Child Codes (Grounded code) (No References)	
Structuring resources	<i>Direction of search</i>	Knowledge needs (winery)	
		Innovation capability (winery and suppliers)	
		Manufacturing capabilities (winery and suppliers)	
	<i>Scope of search</i>	Innovation opportunities	
		Consumer preferences (drinking and product appearance)	
	<i>Innovation initiation</i>	Idea development	
	<i>New connections</i>	Idea refinement	
		Networks of consultants and experts	
		Social interactions	
		Social embeddedness	
	Bundling resources	<i>Interpretation/comprehension of current resources and capabilities</i>	Complementary links
			Heterogeneous networks
<i>Innovation learning</i>		Networking events	
		Workshops	
		Brainstorming sessions	
<i>Network composition</i>		Knowledge transfer	
		Governance	
	Rules and policies		
Leveraging resources	<i>Harvesting new resources and capabilities</i>	Trust	
		Transparency	
		Network stability	
	<i>Deployment of new resources and capabilities</i>	Handling conflicts	
		Expectations	
		Goals matching	
		Initiative adjustment	
Smoothing resources	<i>Integration/combination of new resource and capabilities</i>	Prototype production	
		Mediation	

Table A3: Rigorous Criteria of a Case Study

Criterion	Procedures from the literature (Gibbert et al., 2008)	Why/how proposed procedures were addressed in our study
<i>Internal validity</i>	Explanation-building	In-depth analysis for Terra winery and Sigma winery were conducted, which were used to develop correlated themes.
	Literature-based research framework	The proposed framework was derived from the collected data and existing literature on resource orchestration (Sirmon et al., 2011).
	Theory triangulation	The emerging framework was triangulated with and probed against existing frameworks including but not limited to Sirmon et al.'s (2011) framework for resource orchestration.
<i>Construct validity</i>	Multiple sources of evidence	Two rounds of interviews (face-to-face and online) and one round of focus groups were conducted with key informants from Terra winery and Sigma winery, access to company documentation was given, and observation notes were taken.
	Review of case study by key informants	The marketing assistants from Terra winery and Sigma reviewed a drafted copy of case studies and provided approval.
	Establishment of the chain of evidence	A chain of evidence was maintained with a detailed process narrative and cross-referencing with transcripts.
<i>Reliability</i>	Establishment and maintenance of case study database	Notes: interview transcripts, narrative, coding scheme, and documents (questionnaire, brochures, and summary tables).
	Development of case study protocol	Adaptive set of questionnaires, literature review, research invitation, study proposal, data analysis criteria, and presentation of case studies.
	Inter-coder reliability	Cohen's Kappa equals to 0.72 for 15% of the total data, suggesting a high level of agreement between two independent coders.
<i>External validity</i>	Application of replication logic	Same framework is applicable to Terra and Sigma cases. Each case can be considered a separate study in which different instances are tested for the same framework.
	Cross-case analysis	Analyzing two cases allowed comparison of cases across and within organizations.
	Case study selection	Cases were selected because of their revelatory nature. Both wineries had very limited internal resources and capabilities to conduct market research and develop new product lines. However, both ended up being highly successful in doing so.

To ensure the validity and reliability of our coding, we adopted coding protocols (Patton, 2014). The lead researcher developed the initial coding scheme of first-order codes. He then discussed the definitions and meanings of each first order-code with a second researcher from our team, which led to further refinements and clarifications. Next, we selected random samples of the data, which the two researchers coded independently, to compare and discuss any coding discrepancies until a mutual understanding was reached. Next, the two researchers independently coded all data and compared and discussed their coding over several rounds until a stable data structure was achieved. Finally, we engaged an external researcher who was neither familiar with the research data nor context to code 20 percent of the data. We gave the external researcher the final coding scheme including all first-order codes and second-order categories and asked him to code the data with the coding scheme. The Cohen's Kappa coefficient of this last step was on average 0.72 across first-order codes, which suggests a good level of agreement between coders (Cohen, 1968).

ONLINE APPENDIX B. REPRESENTATIVE QUOTES FOR THE UNDERLYING SUBPROCESSES

Table B1: Representative quotes underlying subprocesses of the resource structuring process

Case	Quotes	Underlying mechanism
Terra	<ul style="list-style-type: none"> • ‘We do global market research and consult with foreign experts to make these decisions,’ Marketing Assistant. • ‘We work[ed] [together with the intermediary’s team] on the development of ideas that are channeled from the consumer market. We follow[ed] all trends for the drinking preferences of end consumers and other trends related to the products from wineries in Bordeaux, Tuscany, and Napa,’ Marketing Assistant. • ‘You [Terra’s marketing team] try to see whether your available suppliers will be able to execute your ideas. You have to be selective and choose the right supplier, based not only on costs,’ Marketing Assistant. 	Need articulating
Terra’s intermediary	<ul style="list-style-type: none"> • ‘In the initial stages, we coordinated with our regional and international consultants and experts and [Terra’s] manufacturers to set the direction. We wanted to find more information about consumer preferences and trends in wine label design in Europe,’ Owner. • ‘I also met and visited [Terra’s] manufacturers to see what they were able to do for label and bottle design,’ Owner. • ‘We [owner, marketing specialists, and graphic designers] got in contact with our network of designers in some of the Balkan countries,’ Owner. • ‘I also reached some of my friends who did market research in Zagreb [Croatia], Belgrade [Serbia], and Eindhoven [the Netherlands] to help us with market research and design,’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘The [intermediary’s team] organized a couple of promotions for our wines in the malls around Poland and other Balkan countries, where we had the chance to directly interact with our end consumers and ask them questions about their preferences for the rebranding of our lines,’ Marketing Assistant. • ‘We [Sigma’s marketing team] had a couple of meetings with the [intermediary’s owner, graphic producers, and graphic designers] in which we discussed the new direction we want to pursue with the new labels. We used some samples from other globally popular wines to explain the new direction,’ Marketing Assistant. • ‘We definitely had to be careful with this requirement due to the limited availability of types of label printing paper in Macedonia. There are only two printing houses in Macedonia, and they are the ones that dictate [which] paper we will select for our labels,’ Marketing Assistant. • ‘We gave the label instructions and requirements to the [intermediary’s graphic producers and graphic designers] and they created five drafted labels,’ Marketing Assistant. 	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘We [intermediary’s owner, graphic producers, and graphic designers] had three meeting with long discussions on which we tried to understand what [Sigma] want[ed] for their new wine label . . . [and held] open discussions [during] which we listened to their preferences and then made some suggestions for the new direction,’ Owner. • ‘We brought one Muscat from Wolfberger and one Montepulciano from Masciarelli,’ Owner. • ‘After meeting with them [Sigma’s marketing team], we called and got opinions from our international consultants who understand design. They suggested some new trendy designs for wines,’ Owner. 	

	<ul style="list-style-type: none"> • ‘Then, together with the team [of graphic producers and graphic designers], we narrowed down to several options that [Sigma] could realistically go for,’ Owner. • ‘We also met with [Sigma’s] label manufacturers to see [which] machines they used for printing,’ Owner. 	
Terra	<ul style="list-style-type: none"> • ‘Most of the designers at the social event had some of their work on either their mobile phones or iPads. Some of them even carried a printed catalog with all of their designs. They [designers] really wanted to work with us on this project,’ Marketing Assistant. • ‘The atmosphere [at the social event on Skopje Design Week] was pretty relaxed and we could talk to any of the invited designers,’ Marketing Assistant. • ‘During Skopje Design Week, we socialized with design experts who gave us some ideas about how they would rebrand our wines,’ Marketing Manager. • ‘We [Terra’s marketing team] talked with the design experts about ideas for the new labels . . . and discussed their creative portfolio, such as what projects they have worked in the past and their designs for these projects,’ Marketing Manager. • ‘It was not like there were any rules in the sense [that] you can only chat with this group of designers. We talked to several designers from Macedonia, Croatia, Slovenia, [I think] a few had very impressive portfolios and designs,’ Marketing Assistant. 	Social embedding
Terra’s intermediary	<ul style="list-style-type: none"> • ‘We had a social event on the first day of Skopje Design Week. During this event, [Terra’s marketing team] had a chance to personally talk to many design experts and ask for their opinions on the label design,’ Owner. • ‘They [Terra’s marketing team] could look at what these young designers had to offer for their projects, looking at their [designers’] skillset and past project was very useful for them [Terra’s marketing team],’ Owner. • ‘Skopje Design Week is a global networking event that facilitates collaboration with various worldwide design experts, associations, event organizers, and so on,’ Owner. • ‘I think the social event was successful because [Terra’s marketing team] had discussion[s] with some young and promising designers from Macedonia and the region,’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘Having a discussion about wine preferences on the masterclass in Warsaw [Poland] was great. It was easier for us [Sigma’s marketing team] to understand in which way we should go with rebranding,’ Marketing Assistant. • ‘We [Sigma’s marketing team] were able to see how much wine consumers like to purchase wines with Old World or New World taste. It was good to know that Polish wine consumers prefer dry wines rather than semi-sweet or sweet,’ Marketing Assistant. • ‘We had some formal meetings with [the intermediary’s owner] in our company, but most of the brainstorming sessions happened over coffee. We all gathered and started throwing out ideas and most of the people tried to be open to collaboration opportunities. We frankly discussed what could be done with this initiative,’ Marketing Assistant. • ‘I believe it was useful, despite [the fact] that they [intermediary’s owner and his team] only informally collected data from some Polish wine consumers . . . Working with some feedback is better than walking in the dark,’ Marketing Assistant. • ‘I was there at the expo and masterclass in Warsaw [Poland]. [Sigma] presented its wines to potential clients in Poland . . . [It] was great to socialize with importers, distributors and enthusiasts and discuss about their preferences,’ Marketing Assistant. 	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘We also invited some international design experts, who were in town for other business, to dinners with the [Sigma] winery. I considered this to be valuable because many options for rebranding of the design were discussed,’ Owner. 	

	<ul style="list-style-type: none"> • ‘We did collect some options from some Polish wine consumers and enthusiasts on the masterclass organized by the Wines of Macedonia Association in Warsaw [Poland],’ Owner. • ‘There was an official trade event for promotion of Macedonian Wines in Warsaw and a [wine tasting] masterclass for Vranec [indigenous Macedonian grape varietal],’ Owner. • ‘For these events, we were working with the Wines of Macedonia Association to do the promotional material. [Our creative manager] travelled together with [a member from the Wines of Macedonia Association] in [the] Czech Republic and Poland to help with organizing and assembling the booths and banners,’ Owner. • ‘[The creative manager] did a survey with people attending in the masterclass about their wine preferences . . . [, and] got to discuss with many wine importers, distributors, traders and also wine consumers and enthusiasts,’ Owner. • ‘No. No. We got this [information] thorough informal chat with participants in this events’ Owner. 	
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Table B2: Representative quotes underlying subprocesses of the resource bundling process

Case	Quotes	Underlying mechanism
Terra	<ul style="list-style-type: none"> • ‘We were asking designers all sorts of questions, like the inspiration or story behind the design, what is the main message . . . There were two other communication experts on our commission and they also asked several questions, they were solid experts in the field based on the questions they asked,’ Marketing Assistant. • ‘We [Terra’s marketing team] went to both events organized by [intermediary’s owner] and I found only one of them to be good . . . I really liked the workshop because couple of talented, young designers presented their ideas to us the rebranding and new concept,’ Marketing Manager. • ‘Some of them [designers] only worked on the rebranding and others only on the new concept . . . I cannot remember if some of them did both,’ Marketing Manager. • ‘I think both of the events were useful, they were different in nature. The first one was at the beginning of the show [Skopje Design Week] and other one was on the fourth day . . . The networking was more open but formal and the workshop was with selected participants,’ Marketing Assistant. • ‘I had fun at the workshop. It was good opportunity to intimately meet with talented designers . . . They [the owner and his team] selected [a] few designers and asked them to create a prototype for us’ Marketing Assistant. 	Linking
Terra’s intermediary	<ul style="list-style-type: none"> • ‘We [intermediary’s team] also organized a networking event, followed by a workshop, for all the participants in the initiative. During the workshop we had the selected designers design something preliminary for [Terra]. We also brought in some media gurus to evaluate their ideas for [Terra’s] rebranding’ Owner. • ‘During the workshop, we [intermediary team] also tried to include industrial designers to look at the graphic designers’ ideas. [Terra’s marketing executive] wanted to explore the idea of making labels from recycled paper,’ Owner. • ‘Both Terra and our company [intermediary] have existed for more than 20 years now, and we have extensive networks of media experts, design experts, and other partners [...] To reach the target group, we used [these] private relationships to publish the open call on the Web portals of [our] carefully selected partners,’ Owner. • ‘It was in very intimate environment on our premises . . . [There was] great interaction between everyone there; they all wanted something unique and special for [Terra],’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘They [intermediary team] put together a brainstorming event for us [Sigma’s marketing team] to work directly with few good graphic designers on rebranding ideas,’ Marketing Assistant. 	

	<ul style="list-style-type: none"> • ‘The brainstorming meetings with the designers and developers were more formal [compared to the earlier socializing events]. They [intermediary’s team] selected the best [graphic designers and application developers] for the meeting . . . , because they had more clear ideas and some initial sketches of new wines’ Marketing Assistant. • ‘Yes, both graphic designers and developers came to the two [brainstorming] meetings . . . Most of them were outside the [intermediary], I think they were young freelancers,’ Marketing Assistant. 	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘Each designer had to present more refined ideas for Sigma’s rebranding project. They [designers] had one hour to do presentation and answer questions [...] Yes, they were all in the same room, listening to each other’s presentations,’ Owner. • ‘Same for developers, they introduced their concepts of the app and what will this do to get more comments about Sigma’s rebranding on Facebook,’ Owner. • ‘Their primary function is to assist wineries to develop their overall brand, from scratch or to improve upon what they have. The [intermediary] company has a wide network of experts from different countries and different fields, who are used as knowledge sources . . . It was my initiative to bring together all of these different parties, designers and application developers over several brainstorming sessions to assess their capabilities and, of course, to see whether they could do what [Sigma’s marketing team] wanted,’ Owner. • ‘On the first [brainstorming] meeting, we invited [a] lot more designers and developers . . . Some of them were good match for this project, others not . . . They [Sigma’s marketing team] had a direct input in selecting the best ones,’ Owner. • ‘The second [brainstorming] meeting was more formal, more like a workshop . . . , because we only invited few designers and developers that they [Sigma’s marketing team] liked,’ Owner. 	
Terra	<ul style="list-style-type: none"> • ‘We [Terra] are a responsible corporation and do not want to misuse any of their authorship rights. For the labels that we have chosen, we signed an agreement with the participants, and we have the right to apply the design to our own labels,’ Marketing Manager. • ‘We [Terra’s marketing] worked with [the intermediary’s owner and account managers] to write the open call . . . They [intermediary’s owner. and account manager] drafted the call and we checked it again before release’ Marketing Manager. • ‘Yes, they [intermediary’s team] received all the proposals from the call. They worked on this. We got involved later when it was all done . . . We looked at the best proposal, I believe,’ Marketing Manager. • ‘No, we [Terra’s marketing team] only reviewed the contracts for the designers’ transfer of rights. He [intermediary’s creative director] took care of this . . . I assume, he did not do it alone and asked for a help with the legal details,’ Marketing Manager. • ‘I remember, he [intermediary’s owner] was very careful with the designers because they are very sensitive [about] their work . . . He was in the middle between us and designers and others [experts from the network],’ Marketing Assistant. 	Governing
Terra’s intermediary	<ul style="list-style-type: none"> • ‘I still think that sharing designs with others might be a little bit sensitive. These designers will not be very happy to share all their hard work. They see the label designs as their babies and to a certain extent you might say that there are some emotions [involved],’ Owner. • ‘I also remember that when we selected the finalists, they were still nervous about the purchase of the copyrights. But we invited them all to meetings and confirmed how much money they would get, and we also signed legal contracts with all the finalists that stated that the winery would purchase the copyrights for certain label designs and would then have the right to use them for commercial purposes,’ Owner. 	

	<ul style="list-style-type: none"> • ‘We even clearly mentioned in the open call that after the final selection of the best designs; the rest will be deleted. And we will not use these other designs in any way,’ Owner. • ‘We didn’t want to tell the designers what they needed to do. We didn’t want to limit their creativity by making them jump too many ropes, if you know what I mean. So, we made the contracts [for the purchase of their design rights and additional refinement] not too restrictive,’ Owner. • ‘At the beginning, there weren’t many designs submitted because designers didn’t know about the winery’s intentions. They were sort of afraid that their work would get stolen and they didn’t want to take that risk. But later, when we did lots of promotion for the public call, they were persuaded that the winery was legitimate,’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘I do not think that we needed very formal rules to handle the designers and developer. Same for the people giving comments on Facebook about our rebranded wines. But of course, you need to be careful with this because you are working with creative individuals who are very protective over personal designs and concepts. You cannot simply treat them as machines,’ Marketing Assistant. • ‘The idea was that we will try to gather some feedback about our rebranded wines on Facebook from wine consumers. They [the intermediary’s owner, graphical designers, graphical producers, and editors] will help us find the designers who will rebrand our labels. Also, they will find app developers to create a Facebook app to collect comments from wine consumers,’ Marketing Assistant. • ‘We gave [the intermediary’s owner] [free reign to manage] . . . all these parties . . . We followed his advice about how to manage the designers, developers, consumers and others,’ Marketing Assistant. 	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘The coordination of the initiative was not formal [with the graphic designers and application developers]. We only signed a brief contract about the obligations of each side and did not go into too much detail. The initiative had a more spontaneous and informal flow than an overly controlled one,’ Owner. • We were not very scared of having such loose rules for this collaboration, we simply trusted [these] young creative people that they will deliver good work . We hand-picked them [graphic designers and application developers] and they were very professional,’ Owner. • ‘It was a limited period of two weeks. And we encouraged contributors by offering monetary prizes for the most valuable suggestions. We actually rewarded five contributors with valuable coupons that can be redeemed for [Sigma’s] wine . . . Most of them were happy with the rewards and collected their coupons,’ Owner. • ‘It was me together with the account manager to work on [the drafting the contracts]. He [the account manager] had previous experience with contracts, so it was OK,’ Owner. • ‘Actually, we signed these contracts even before designers and developers had finished products . . . I think this is important to do this earlier in the process so that they [graphic designers and application developers] feel comfortable to collaborate with us on this project . . . This gave them peace that we will not rip them off for their hard work,’ Owner. • ‘In the contracts, it was mentioned that when they [the graphic designers and application developers] finish their job, they will be paid a fixed amount, which [is] too much [for] a freelancer, to be honest . . . I believe that they were well motivated to work on this project, say it like that,’ Owner. • ‘They [graphic designers and application developers] were not fussy at all [about] the transfer [of copy rights to Sigma]. All, I can say . . . they were well paid to do their jobs,’ Owner. 	

Table B3: Representative quotes underlying subprocesses of the resource leveraging process

Case	Quotes	Underlying mechanism
Terra	<ul style="list-style-type: none"> • ‘Open communication is to be transparent to all involved in this project, meaning all the project details have to be communicated to everyone on time and with good quality. Not being honest and hiding information from project members just damages relationships and mutual understanding,’ Marketing Manager. • ‘Through the project, [intermediary’s owner and account managers] did good job of organizing the team and informing all people in it. They organized many meetings, workshops and events where we debated on the real chances [that] we have [to work] on the project,’ Marketing Manager. • ‘I am persuaded that being honest and open with others is a positive characteristic in a team . . . You get more trust and commitment when you are honest. . .,’ Marketing Manager. • ‘I did not get some aspects of how to handle the designers and I needed some clarification from [the intermediary’s owner]. It was just [a] misunderstanding of what designers should do for us,’ Marketing Manager. 	Clarifying
Terra’s intermediary	<ul style="list-style-type: none"> • ‘At some stage of this project, we had some differences in terms of expectations for the graphical designers. She [Terra’s Marketing Manager] wanted too much for this project. So, we had to correct her by explaining all the responsibilities of the finalists, I believe it was a miscommunication issue with her,’ Owner. • ‘Being open with everyone in this team is important. It is not professional for any side to over promise and then underdeliver. We have to be transparent to the employed designers working on this project, [Terra’s marketing team], [Terra’s] suppliers, and all others,’ Owner. • ‘We [intermediary team] brought together the winery, finalist designers, and suppliers to discuss the initiative. We realistically looked at the available label designs and discussed whether it would be possible to produce them as given or if some details would have to be changed,’ Owner. • ‘It is a bit illogical to select a label design that costs 0.6 Euros when a bottle costs 1 Euro. In that case, you are selling labels rather than wines. You have to allocate your costs accordingly to all of the components of the product. You cannot have a 0.6 Euro label on a one Euro bottle,’ Owner. • ‘The selection committee was made up of five members: two professional designers from Switzerland, one representative from Design Today (Italy), one professional designer from Croatia, and one representative from our company. We gathered all the submitted designs and we initially pooled the best 20 label designs,’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘The [intermediary’s owner and account manager] broke down the initiative into several key points. The first was at the end of the Facebook comment collection, the second was after the personal interviews with the winners, and the third was after the meeting with the printing house. At all of these points, we had to make key decisions whether we wanted to take the initiative to the next stage or discontinue it,’ Marketing Assistant. • ‘As I mentioned previously, the [intermediary’s account managers] prepared a summary of the pooling results and provided valuable comments, which served as the major input to our label refinement process. We had several joint meetings with the [the intermediary’s owner and his team] and in four months’ time, we came to the final label design,’ Marketing Assistant. • ‘Afterwards, we sent the final label design to the printing company to give us feedback about whether our idea was feasible in terms of their available production resources,’ Marketing Assistant. 	

	<ul style="list-style-type: none"> • ‘It is important to be transparent when communicating with all in this project . . . Not being open to any of these collaborators is just not healthy for the relationship . . . We [Sigma’s marketing team] would not be happy if we find that some of the graphical designers double sold our label designs or similar to other wineries here’ Marketing Assistant. 	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘We [intermediary’s team] kept everyone informed about key issues with this project. [The account manager] was very pedantic and kept records of all meetings and outcomes. He kept all up to date with the progress of the rebranding initiatives’ Owner. • ‘We had very open and clear communication from the very beginning of the project. We wanted to keep everyone’s expectations on same level. Also, we did not want to keep things very complex with contracts. There were not any big issues for the duration of this project, no one really complained. I think [that] we all got along well because we were honest and very upfront with each other,’ Owner. • ‘Getting everyone on one spot was sometimes difficult due some had travelling commitments. Like [Sigma’s Marketing Manager] had travel commitments for promoting the wines, so we had to all work with her schedule,’ Owner. • We [intermediary’s team] were responsible to make the communication as transparent as possible for all [in this project]. But also, others shared same opinion that we need to clearly communicate all the updates of the project . . . We did not force anyone to be part of this project, they [graphic designers and application developers] joined because they wanted to work together which tells us that they want to be fully immersed into the project details,’ Owner. 	
Terra	<ul style="list-style-type: none"> • ‘Going to courts in Macedonia to solve such issues is just not a good option. They are really slow and biased. So, we don’t expect the decision to be [fair],’ Marketing Manager. • ‘All of us like to solve issues about this project here as we are all well-emancipated and townfolk. I do not see the need to take those matters to court and involve lawyers and many other expenses. I consider that it is [the intermediary’s creative director and his team] job to try and solve these problems, they get paid for this,’ Marketing Assistant. • ‘Let’s make it clear what happened between me and the finalists. Well, they submitted their work on the open call and we selected the best designs for our rebranded wine and new concept. In the contract, it was clearly mentioned that they needed to further rework for certain amount of time. Two designers were bit lazy and did not properly do the corrections we [had] asked for . . . I made them rework their designs again, but they wanted more money for this,’ Marketing Manager. • ‘I consider were very fair with the designers, in general . . . They even had sessions on which they [could] freely express their concerns . . . He [the intermediary’s owner] did that with them and called me separately to talk [about] any issues,’ Marketing Manager. 	Renegotiating
Terra’s intermediary	<ul style="list-style-type: none"> • ‘It was best to put all details on paper. I’d say this made the designers less anxious about sharing their work with [Terra’s marketing team]’ Owner. • ‘In some cases, I remember that there were designers who wanted more money than the others and tried to negotiate with the winery. And in those cases, we had to personally sit down and renegotiate the financial award. In the end, everything was fine, and both sides were happy,’ Owner. • ‘Most of the so-called conflicts were related to copyright of the label designs. As I mentioned before, sharing such work is little bit sensitive. You know the designers are artists who did this initiative primarily for pleasure and secondarily for financial reasons,’ Owner. 	

	<ul style="list-style-type: none"> • ‘In few instances, there were designers who wanted to get paid more than what they have signed for. . . . This was because [Terra’s Marketing Manager] asked for some [rework] that were not included in the paper [contract], so they asked for more money, I understand them,’ Owner. • ‘Well, I first had to sit down with [Terra’s Marketing Manager] and explain to her that she is technically speaking asking for more than what was first agreed [to] with the designers. Once I got that solved with her, I got to the designers and we signed an [addendum] to the first contract and later paid them little bit more,’ Owner. • ‘In such project in which you have many people involved this issue happen sometimes. And you need to be there for them and solve this in the human way Of course, you want both sides to be happy after this so-called renegotiation,’ Owner. • ‘I personally called all the finalists for a meeting and individually talked with them whether they have some issues for this project It was after [this meeting that] they signed the contract,’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘There was only one issue we had with one of the app developers, she did not understand some of the requirements for the Facebook app, so we got something that we did not ask for. We [Sigma’s marketing team] handed this with little bit help from [the intermediary’s owner],’ Marketing Assistant. • ‘They directly contacted the winners and set up the meetings. Actually, we were in the same room when we did the additional interviews. We asked most of the questions, and they were just leading the conversations and encouraging the winners to talk more. But, in general, they had a neutral position in the whole situation,’ Marketing Assistant. • ‘We clearly explained . . . the app requirements over a coffee, again, and she was good after that,’ Marketing Assistant. • ‘I think this worked well To be frank, I would have liked for them [the intermediary’s owner] to be more hands on to handling this issue He [the intermediary’s owner] was there for most of the gatherings to solve to solve potential issues, but still we did most of conversation ourselves,’ Marketing Assistant. 	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘We didn’t want to get too involved in renegotiating the stakeholders’ expectations. I considered these details to be best handled by [Sigma’s marketing team],’ Owner. • ‘They [Sigma’s marketing team] know their expectations for the new designs and Facebook app. If there are some misunderstanding about this, then it is in best interest to be solved by them I do see how we can contribute here besides being only a facilitator,’ Owner. • ‘Yes, I was informed about all the happenings with this project [and] aware of issues there were. I could easily find out where there were any misunderstandings between [Sigma’s Marketing Manager] and others,’ Owner. • ‘I would say what is the issue clearly to both sides, but I [would] not do the renegotiating. I would also contact all and set up a meeting to discuss this matter and was even present there,’ Owner. • ‘I would provide suggestion to sides on how . . . they [can] solve issue[s], and they can than take my advice or not take it As I mentioned, I did not feel like I can add too much in these situations besides being a facilitator,’ Owner. 	

Table B4: Representative quotes underlying subprocesses of the resource smoothing process

Terra	<ul style="list-style-type: none"> • ‘Some of us had to be outside of Macedonia say 15 days in a month, but we tried to work with others when [was] the best [time] to meet. Sometimes, I did not attend [a] meeting and had to ask [my marketing assistant] to attend the meeting. Most of the time, I kept myself informed on the progress of the project by emails send from the [intermediary],’ Marketing Manager. • ‘They [intermediary’s owner. and account managers] were responsible to all of us on track with the project . . . I would say, it was a mix of formal and informal meeting,’ Marketing Manager. • ‘Most effective were in-person meetings because we could get done lot of details confirmed . . . Sometimes I felt that sending emails again and again was just exhausting, I prefer in-person meetings’ Marketing Assistant. 	Mediating
Terra’s intermediary	<ul style="list-style-type: none"> • ‘Depending on the availability of the winery and other collaborators, we had several face-to-face meetings to discuss production issues,’ Owner. • ‘Initially, each of the committee members chose several designs and listed them in an email. Afterwards, we had a conference call with most of the members to discuss our selections and finalize the 20 best label designs,’ Owner. • ‘All of the contestants had to zip their files and send them to our email address. At the beginning, we thought this would be sufficient, but when we received more than 200 submissions in the first two weeks, we decided to use Behance, which is an online platform for uploads. Basically, the contestants had to create a profile on Behance.com and share their label designs with us through that interface,’ Owner. 	
Sigma	<ul style="list-style-type: none"> • ‘He [the intermediary’s owner] was present on most of the meetings we had with the designers and developers. He would provide a brief report on the project progress and then explain to all what is the purpose of [the current] meeting,’ Marketing Assistant. • ‘[Intermediary’s media director and account managers] moderated these meetings and they had the responsibility to send emails to all participants with the meeting minutes,’ Marketing Assistant. <p>‘Most of the communication was done over email and we had only four-to-five meetings. In these meetings, we discussed the initiative’s progress and made key decisions related to the label’s design . . . We supervised most of the communications between the parties involved,’ Marketing Assistant.</p>	
Sigma’s intermediary	<ul style="list-style-type: none"> • ‘Keeping designers in the creative mind state is not easy. They need to stay motivated throughout the project because when we get the first designs then there are several changes and reworks so that [Sigma’s Marketing Executive] is happy at the end . . . We needed to help [Sigma] to get two new designs for their wines for two different markets. This is not easy,’ Owner. • ‘I [insisted] to be there on most of the face-to-face meetings. It was important to get everyone in the right mood to give their maximum, I had to push this project. Sometimes, I had to be a clown [and] say a funny joke when [collaboration] spirits would go down or I had to get some drinks to get all excited about the project,’ Owner. • ‘I believe that using email was the most effective to communicate with [Sigma’s marketing team], designers, and developers . . . Sometimes, it was necessary to use Skype to get all in one place and it worked,’ Owner. • ‘Also, sometimes I had to be only positive individual in the room. I had to keep positive thoughts in the air because it was a complicated one when you compare it to what we have done in the past for other wineries,’ Owner. 	

ONLINE APPENDIX C. TERRA'S PUBLIC CALL FOR PRODUCT DESIGN

International public call for Terra product branding

Award — 2.000 EUR; Deadline 5th September 2014

We are proudly announcing an international open call for Terra Winery product branding. We are encouraging graphic, product, industrial, and fashion designers, architects, fine arts artists, and all creative people from all around the globe to submit a proposal for the product brand. As an internationally represented company, Terra Winery would like to inspire young talented people and give them a chance to express their creativity by offering an award for the best design proposal.

AWARD

The award for the winning proposal is 2.000 EUR net amounts from Terra Winery. The winning proposal will be applied to a wine product and will be distributed from the year 2015, initially domestically and from late 2015 in the international markets according to Terra's sales strategy. Terra Winery currently produces 25.000 liters of wine per year and has the tendency and potential to increase this volume. All rights and obligations will be disclosed in the contract agreement between Terra Winery and the winner.

SELECTION COMMITTEE MEMBERS

Member 1

Member 2

Member 3

Member 4

Member 5

NOT AWARDED PROPOSAL

Skopje Design Week and Terra Winery are not going to use any of the submitted proposals for any other purposes besides the presentation of the same in front of the jury members. After the selection of the best proposal, all files will be deleted by both organizations as well as the committee members.

VERY USEFUL INFORMATION

Target groups and distribution

The visual communication of the product should clearly deliver the message to all generations that they are using 100% natural and healthy products. This unexhausted base of antioxidants, minerals, and natural sugar should be explicit in the message.

The following groups are seen as targets for this product:

1. Self-conscious people oriented to healthy food and drinks.
2. Professional and amateur sports persons who need energy.
3. People that recover from disease or surgery and are advised by doctors to consume healthy food
4. People that have heard of the merits of the product and are willing to try it.
5. People are attracted by the appearance of the product.

They will be distributed to health food stores, market stores, bars, and restaurants. The product transportation temperature is from 0 to 15 C° and the storing temperature is 5 to 15 C°. Due to this reason the product has to be stored during the retail sales in the refrigerators and transported with the vehicles with cooling system.

Retail price of the product

The retail price is estimated to be 5 EUR for 0,5 l.

HOW TO APPLY

Instructions

A designer or group of designers can submit more than one proposal. In this regard, each proposal will be treated separately. Regardless of the number of designs submitted a designer or group of designers submits only 1 file or folder with more files and 1 application form.

The company has a preference for proposals that will clearly present the product content and its 100% purity as well as the origin. The main message is that this is a high-end healthy product. Terra Winery is open to the designers putting forward their best interpretation according to the brief.

The company will value the most design solutions which will be communicating well with the target group, and will in the best possible way include info on product usefulness.

The front label is the main communication tool with all target groups, it is the face of the product and has to reveal its character. The backside label contains only technical information which is requested with the regulations for selling and storing.

1. FRONT LABEL

1.1. Size of the front label:

Minimum size: Width 30 mm and Height 25 mm

Maximum size: Width 200 mm and Height 190 mm

1.2. Mandatory text on the front label:

“NAME OF THE PRODUCT” (designer suggests a name of the product in English)

TERRA LOGO

Net quantity: 0,5l.

2. BACK SIDE LABEL

Back side label contains technical information and regulations which apply to the market.

2.1. Size of the back label

Minimum size: Width 30 mm x Height 25 mm

Maximum size: Width 200 mm x Height 190 mm

2.2. Mandatory text on the back label:

“NAME OF THE PRODUCT” (Suggested name by designer/s)

Bar code

LOGO TERRA WINERY

3. FORM OF THE LABELS

There are no restrictions in the label form, either the front or the back-side label. This means that the designers can suggest any standardized form (square, rectangular, triangle, etc.) or irregular form.

4. LOGO THAT HAS TO BE APPLIED ON THE FRONT AND BACK SIDE LABEL

On the front and back side labels the official logotype of Terra Winery has to be applied. The size of the Terra logo has to be decided by the designer.

Download logo Terra

5. PRINT

The back and front labels are printed on self-adhesive wine paper. There are no restrictions in terms of print techniques and colors.

6. BOTTLE SIZE AND SHAPES

Color: Transparent bottle

Size: 0,5l. bottle.

The shape of the bottle: The designer is free to suggest any shape of a bottle. However, the conventional forms produced by the region are preferred.

Download the technical drawing of the bottle

7. SCREW CAP (Stelvin – long screw cap)

White or black colors crew caps will be used.

Download the screw cap image and technical drawing.

WHAT DO I HAVE TO DELIVER?

All proposals have to be submitted as JPG files.

Save the file as Your name _ Your surname1. jpg and Your name _Your surname 2.jpg.

REFERENCES FOR APPENDICES

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