Excellent B2B Relationships

Stable partners → sustainable, successful business

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This story explains how to create excellent business relationships. It is based on both textbook theory and proven experience.

Technology is systematized knowledge embodied in artifacts, processes, and capabilities that can be used for commercial purposes. In B2B markets, technologies and relationships have little or no value without each other. Image generated by Gemini 3 Nano Banana Pro.

Introduction

The purpose of your business is to create and retain customers. As a Business-to-Business (B2B) company serving your customers, you are part of a multi-actor interdependent network. Your goal is to build and maintain excellent relationships with each of your selected partners (customers, suppliers, and cooperation partners) to sustain a successful business. Needless to say, the same goes for the company's stakeholders.

In my experience working with B2B relationships over four decades, I've seen that the best partnerships don't happen by accident. They evolve through recognizable stages, each requiring genuine investment. Not just money, but attention, empathy, and mutual respect.

Excellent B2B relationships evolve through four states, connected by three deliberate development steps. Let me walk you through how this works in practice.

Create an excellent B2B relationship. Step 1. Explore

Initial state

Step 1 begins with no established business relationship with your B2B partner. A B2B partner can here be either a customer, a supplier, or a partner company with whom you have an agreement, but not a direct exchange of business (for instance, a marketing cooperation without money exchange). By "no established business relationship," I mean the state in which your company only has casual contact, asks questions, or receives questions about value, investment, adaptations, learning, and trust with your partner. You communicate, but there is no actual relationship.

This is the getting-to-know-you phase. It feels a bit like those early conversations at a professional conference — polite, cautious, both parties wondering if there's something real here worth pursuing.

Explore business relationship

In step 1, you make an investment of time for

- Strengthening actor bonds
- Distance reduction
- Learning and reducing uncertainties

I will get into some more detail here.

To **strengthen the bonds between the actors**, begin by establishing mutual learning, trust, and a commitment to developing the relationship. You do this by getting to know each other well and leading an intensive shared learning and adaptation process. This means real conversations — not just exchanging brochures and specifications, but understanding each other's challenges, constraints, and aspirations.

In **distance reduction**, you actively reduce the social, cultural, technological, and time distances. I've worked with partners across continents and cultures, and I've learned that distance isn't just about geography. It's about understanding how your counterpart thinks, works, and makes decisions.

In **learning and reducing uncertainty**, you explore and establish the need for, and availability of, an offer, the concepts and terms, and the attitudes.

Here, as there are always uncertainties in the relationship, especially in this phase, we need to dig a bit deeper to understand them and the behaviors. This section is important to build a strong business and establish a good relationship. Understanding these uncertainties is what separates lasting partnerships from transactional interactions.

For the **customer** (buyer), there are uncertainties regarding

- Need and demand. *What do we need?* The customer may experience difficulty defining the problem or finding the best solution. It's a vulnerable position — admitting you don't quite know what you need. The customer's behavioral response is to engage more intensively with potential suppliers, and the purchase process may take a long time. The customer seeks advice from a supplier on what to buy and prefers an existing supplier or a strong local brand. This often leads the customer to become very close to a single supplier.
- Network (ecosystem and suppliers). *What is the best solution?* There may be different potential solutions (e.g., technical) to a particular problem across the network. The customer's behavioral response is to scan the market and avoid lock-in; it wants multiple suppliers, new or existing.
- Fulfillment. *How well can the supplier deliver?* Quality and consistent delivery precision are important. The customer's behavioral response is to carefully

investigate and seek either to develop a single supplier or "play the market". The strength of the relationship depends on product complexity.

For the **supplier** (seller), there are uncertainties regarding

- Capacity. *Do we get over-capacity?* This may be an issue when the supplier has a small number of major customers or high fixed costs of the product or its development. The supplier's behavioral response is to secure sales volume and maintain close relationships with multiple customers. It values customers with strong demand ability.
- Application. *Can our solution be applied?* This can be an issue when there is a complex technical integration in the customer's operation. The supplier's behavioral response is to interact with existing customers and analyze application usage for future development. It values customers willing to engage deeply in learning and adaptation.
- Fulfillment. *Can we deliver?* Undertaking substantial development or adaptation work, especially when demand is concentrated among a few customers, can be problematic. The supplier's behavioral response is either to investigate individual customer requirements or to broaden the portfolio to serve many customers. It values customers with a strong fulfillment ability.

Here's where it gets interesting — and a bit uncomfortable to acknowledge: both parties naturally try to shape the other's perceptions. It's not manipulation; it's simply part of how business relationships develop. Let me show you what I mean.

The supplier and the customer can both influence or deliberately shape the uncertainties perceived by the other party.

The customer can influence and guide the supplier to make the relationship more valuable for the customer by

- Increasing the supplier capacity uncertainty by emphasizing the unpredictability of demand from other customers.
- Reducing the supplier application uncertainty by simplifying the specification of requirements.

- Increasing supplier fulfillment uncertainty by highlighting the extent of company failures.

The supplier with a strong problem-solving ability can strategically influence the customer to make it more valuable for the supplier by

- Increasing customer need uncertainty by emphasizing the problem's complexity.
- Increasing customer network uncertainty by highlighting differences between its own offerings and those of other suppliers.
- Reducing customer fulfillment uncertainty by stressing the importance of being able to trust a supplier when the offerings are similar.

The supplier with a strong fulfillment ability can strategically influence the customer to make it more valuable for the supplier by

- Reducing customer need uncertainty by simplifying the considerations that draw the customer’s attention.
- Reducing customer network uncertainty by talking about the similarity between the technical standards of the different offerings.
- Increasing customer fulfillment uncertainty by showing records of other suppliers not living up to their promises on delivery or price, or to be consistent in their performance over time.

This exploration can start with marketing and active sales activities from the supplier or by a request for information or a proposal from the customer. It means that both the customer and the supplier try to influence each other. The supplier tries to affect the customer’s procurement decision criteria, and the customer tries to affect the supplier’s sales decision criteria. By reducing uncertainty, actor bonds strengthen, distance decreases, and learning occurs.

When this exploration phase works well, something shifts. The conversations become easier. You start finishing each other’s sentences. Trust begins to form.

Post-step 1 state of business relationship: Explored

After step 1, you and your partner have gained understanding and mutual trust. However, there are no routines or commitment between the two companies. This

"Explored" state is input to step 2.

Create an excellent B2B relationship. Step 2. Develop

Develop a business relationship

Now comes the stage where you move from talking to doing. This is where real commitment shows itself.

Make an investment of time and money for

- Intensive mutual learning
- Building trust through investment and informal adaptation
- Demonstrating commitment by the willingness to adapt
- Growing *actor bonds*, *resource ties*, and *activity links*

This framing comes from long-established research on industrial networks.

"Resource ties" refer to shared resources, e.g., shared tools (in the broad sense) or assigned personnel, in the operational integration between the parties. Simple administrative coordination, such as time reporting systems, does not qualify as a resource tie.

By "activity links", we mean, for instance, regular, scheduled meetings to create solutions together. This is where the partnership becomes real: when you're sitting together, working through challenges, co-creating solutions that neither of you could have built alone.

Post-step 2 state of business relationship: Developed

After step 2, both parties have made adaptations. These investments show mutual commitment and drive the co-evolution of both parties.

We have:

- Solid actor bonds that support extensive interaction, mutual knowledge, and trust. You know who to call when things go wrong, and they pick up.
- Tight activity links that closely coordinate the two companies' activities.

- Changes in resource ties involving the use, integration, and development of information systems, processes, and the organization of the two companies in their relationship.

This state usually indicates that there is a current or forthcoming contract and a value transfer between the parties.

This “Developed” state is input to step 3.

Create an excellent B2B relationship. Step 3. Manage

Manage business relationship

Now that the business relationship has been developed, it needs to be continuously managed. Like any meaningful relationship, it requires ongoing attention and care.

To do that, you:

- Ensure that your company’s offerings, demand, and interactions remain effective over time by adjusting the allocation of limited, expensive physical and human resources across different aspects of a single relationship and across relationships as a whole.
- Assess which companies are the real competitors for particular relationships. Include companies that are able to address the problems of your company’s customers/partners, but with different types of offerings.

Partner relationship management requires effective relationship behavior and etiquette. These aren’t just nice-to-haves — they’re the daily practices that keep strong relationships strong.

Always:

- Plan and talk about the future together. Share your vision, listen to theirs.
- Use “we” in problem-solving. Language matters. “We” signals partnership; “you” and “I” signal separation.

- Demonstrate appreciation and candour in communication. Say thank you. Be honest when things aren't working.
- Deliver what you promised. Consistently. This is the foundation. Without it, nothing else matters.

Post-step 3 state of business relationship: Stable

We have an institutionalization with established routines. The relationship has become part of how both companies operate.

The relationship is a device to

- Increase efficiency
- Achieve innovation
- Influence others

The relationship is an asset. And like any asset, it requires maintenance and smart stewardship.

The Balancing Act

Here's something I've learned the hard way: a company's relationships are the foundation for both its daily operations and its future development. However, these same relationships also constrain that growth. Success depends on knowing when to confront the current network structure and when to conform to it.

It is equally true that a company shapes its relationships as much as the relationships shape the company. Because of this, you must constantly choose between two strategic paths: consolidation or creation.

- **Consolidation** is about stabilizing and strengthening your current position in the network to improve efficiency. In practice, this means doing more of what you are already doing with the partners you already have. It's comfortable. It's predictable. And sometimes, it's exactly what you need.
- **Creation** involves establishing a new position. You do this either by changing how you work with existing partners or by developing entirely new

relationships. This is riskier and more demanding, but it can be essential for growth and renewal.

While companies often seek to control their network to gain specific advantages, total control is counterproductive. If a company dictates every move, it stifles others' initiative, and it is precisely that initiative that drives innovation and improvement. The best partnerships I've witnessed are those where both parties feel they have room to contribute, experiment, and bring their best thinking to the table.

This leads to a final strategic choice: knowing when to coerce others to follow your lead and when to concede to their initiatives. There's wisdom in knowing when to lead and when to follow.

Excellent B2B relationships are not soft assets. They are strategic infrastructure.

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