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# From market sensing to new concept development in consultancies: The role of information processing and organizational capabilities

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## ABSTRACT

To keep in tune with market demand, consultancies are constantly involved in 'new concept development'. Therefore, these knowledge entrepreneurs seek to 'sense incipient preferences' among their clients. However, little is known about how the results of such 'sensing processes' are translated into new concepts. Drawing on market orientation literature and longitudinal case study data, this paper seeks to open up this black box. We argue that new concept development is not just an internal process, but requires a continuous contact with the market. Translating client information into new concepts is related to the ability to 'orchestrate' the constant interaction of elements both external and internal to the consultancy.

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## 1. Introduction

During the last two decades, a large number of 'new' organization concepts succeeded in gaining a resounding effect on the managerial masses and have a potential significant impact on organizational systems and culture (Vracking and Mulders, 1992). This occurred for a large part through the efforts of 'knowledge entrepreneurs' (Clark, 2004) such as management gurus, management consultants, business schools and publishers. It is argued that these knowledge entrepreneurs have a special talent that allows them to recognize and cater to the needs of managers (Jackson, 1996, p. 572). The way they convert management knowledge into a marketable concept is theorized as a sequence of different predefined steps that start with 'sensing incipient preferences' (Abrahamson, 1996, p. 264) of the knowledge consumers and results in a new concept that can be readily sold on the market for management solution (Huczynski, 1993; Suddaby and Greenwood, 2001). Although theorists emphasize the importance of the interaction between 'innovator' and consumer (Clark and Salaman, 1998a; ten Bos and Heusinkveld, 2007), the issue of market sensing received scant attention in current discussions on new concept development within management consultancies.

To address this issue, we explore the process by which management consultants acquire, interpret and utilize client

information in the context of the development of new concepts and practices. Consultants are considered as important actors in the supply of management knowledge (Clark and Salaman, 1998b; Clark and Fincham, 2002; Kipping and Engwall, 2002; Whittle, 2006). Staying in touch with clients' needs is crucial for consultants' business, and organization concepts provide substantial market opportunities for these knowledge entrepreneurs (Clark, 1995; Kieser, 1997; O'Shea and Madigan, 1997; Benders et al., 1998; Kipping, 1999; Kieser, 2002; Wright, 2002). Therefore, consultants are particularly involved in 'productivizing' (Huczynski, 1993, p. 217) management knowledge into a saleable form that is expected to meet the needs for managerial solutions (Fincham, 1995; Suddaby and Greenwood, 2001; Collins, 2003). Given the short-lived character of a concept's popularity (Gill and Whittle, 1993; Carson et al., 1999), constantly being involved in 'new product development' efforts is crucial for consultancies to keep their services in tune with market demand (Heusinkveld and Benders, 2005).

This paper seeks to advance insight into how knowledge entrepreneurs seek to develop new concepts. We draw on the market orientation literature because it provides an understanding of how customer needs play a role in innovation processes (Deshpande and Zaltman, 1982; Kohli and Jaworski, 1990; Brown and Ennew, 1995; Adams et al., 1998; Kok et al., 2003) and how this is considered crucial to the success of a new product (Garrone and Colombo, 1999; Orihata and Watanabe, 2000). These elements are still underdeveloped in the current literature on new concept and practice development. Using longitudinal case study data, we argue in this paper that the market sensing process is not considered as a single inquiry into contemporary

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managerial needs. Rather, translating client information into new concepts within consultancies involves: (1) continuously performing market information processing activities throughout the entire concept development process, and requires (2) internal organizational capabilities that enable learning about clients. Revealing various key elements that may enhance or inhibit consultants' concept development process, allows us to develop a better understanding of the way knowledge entrepreneurs seek to remain in tune with market demand and are able to appeal to the managerial masses (Abrahamson, 1996; Kieser, 1997; Benders and van Veen, 2001; ten Bos and Heusinkveld, 2007).

## 2. New concept development

Organization concepts may be loosely defined as: 'prescriptive, more or less coherent views on management, which are known by a particular label' (Benders and Verlaar, 2003, p. 758). Examples are Business Process Re-engineering, Lean Production, Total Quality Management and Modern Sociotechnolgy. Some organization concepts may succeed in gaining substantial popularity, generally within a particular region and for a limited period, whereas others, presumably the majority, fail to draw more than marginal attention. For consultants, organization concepts provide ample market opportunities. Like other market suppliers, they must be involved in developing new products, in their case concepts.

Three streams of literature are informative for our research on how consultancies go about developing new concepts. A first group of theorists focuses on the ways knowledge entrepreneurs present their concepts to the market. This strand of research particularly concentrates on the rhetorical strategies that are used by these entrepreneurs to convince clients of the value of their 'solutions' (Kieser, 1997; Furusten, 1999; Giroux, 2006). It is argued that the ongoing supply of new concepts (Huczynski, 1993; Fincham, 1995; Kieser, 1997) permanently feeds clients' fear of losing control and increases their uncertainties. In this view, consultants shape the perception of problems by reinforcing and playing upon managers' anxiety in various ways. At the same time they seek to show empathy for the managers and stress their ability for change, as well as the substantial rewards of putting efforts in adopting and implementing a new concept. In addition, Kieser (2002) argues that consultants emphasize their expertise in contextualizing concepts' abstract ideas. In this way consultants position themselves as 'obligatory passage points' in the implementation of the concepts they propagate (Berglund and Werr, 2000, p. 650). In this view, managers are merely depicted as followers who have hardly any influence on the supply of new organization concepts. In other words, this strand of literature takes the shape of the new concepts as given and shows how managers are seduced to adopt these predefined concepts that are developed by knowledge entrepreneurs.

Secondly, other theorists discuss specific elements in the new concept development process (Huczynski, 1993; Abrahamson, 1996; Suddaby and Greenwood, 2001; Heusinkveld and Benders, 2002). This approach describes the generation and construction of new concepts and practices by knowledge entrepreneurs as a series of distinct phases. Specifically it is argued that in an initial phase, knowledge suppliers seek to sense 'incipient preferences' (Abrahamson, 1996, p. 264) in a community of management knowledge consumers thereby seeking to generate an inventory of new ideas. This is followed by a stage of selecting those ideas that are believed to be marketable in the near future. Although it is assumed that ideas that may have their origin in a large variety of different sources 'virtually nothing is known about the selection stage' (Abrahamson, 1996, p. 266). In the processing

stage, the ideas not only become codified into consulting methods (Werr et al., 1997; Werr and Stjernberg, 2003), but also formulated in such a way that they can be presented as a rational and progressive solution to contemporary organizational problems. Here knowledge producers seek to make sure that the new concept appears as 'useful' in a large variety of different organizational contexts. During a final stage, the concept is disseminated on the market via a range of different media in order to attract the attention of knowledge consumers. In addition, recent research revealed that, even within knowledge suppliers there are several important factors that may enhance or impede the new concept and practice development process (Morris, 2001; Clark and Greatbatch, 2004; Heusinkveld and Benders, 2005; Anand et al., 2007; Gardner et al., 2008). These studies emphasize that developing new concepts does not necessarily fit with established organizational practices and does not automatically enjoy the support and collaboration of people within the knowledge entrepreneurs.

A third group of theorists see the development of new concepts as part of the interactive process between the different actors involved in a consulting project, in our case the client and the consultant system. It is assumed that mutual uncertainties among knowledge entrepreneurs and their potential clients feed the interaction process (Sturdy, 1997; Fincham, 1999; Kitay and Wright, 2004). More specifically, difficulties in evaluating the quality of the 'knowledge products' constitute an important base for uncertainty to clients (Clark, 1995; Glückler and Armbrüster, 2003). Likewise, consultants experience important uncertainties as they are often confronted with significant resistance when propagating their solutions within the client system (Bloomfield and Danieli, 1995; Wright, 2002). It is argued that a central element in the consumer–producer interaction is the pragmatic use of talk by which knowledge entrepreneurs can link up with the clients' perceptions and encourage responses from these clients (Bloomfield and Vurdubakis, 1994; Benders et al., 1998; Clark and Salaman, 1998b). The organizational implementation of an organization concept constitutes a source of new ideas and provides immediate feedback on a producer's new 'knowledge products' (Clark and Salaman, 1998a).

## 3. Market orientation

The current literature on new concept development discussed above shows how knowledge entrepreneurs present their new concepts on the market, internally develop a repertoire and use these concepts in their interactions with client organizations. In this section we further explore how the process of market sensing takes shape in relation to the process of new concept and practice development and particularly in management consultancies by drawing on the literature on market sensing. In other words, how exactly do knowledge entrepreneurs seek to sense the managerial needs and translate this information into new concepts and practices? We discuss the importance of (1) the constant gathering and processing of market data, and (2) the internal organizational capabilities to perform these processes.

### 3.1. Market information processing

Marketing theorists stress the importance of continuous learning about customers. This learning process involves a series of information processing activities (Day, 1994), that is, generating, distributing and interpreting clients' needs, responses, and environmental trends. Thus, market sensing is considered not an isolated activity at the start of a development project, but relevant in every phase of the new product development process

(Kok et al., 2003). A first constellation of activities related to market sensing involves the continuous generation of data about customers' needs and about wider environmental developments from various sources. The nature of this information may vary in every stage of the development process. However, it is indicated that information on clients and their reaction to new products is inherently ambiguous (Adams et al., 1998). Clients' needs may not be articulated clearly and may be subject to change. Such ambiguities and changes are likely to feed different opinions and controversies about what clients actually need.

A second central activity entails the dissemination of the generated market information across different organizational functions through both formal and informal networks. Market information is not necessarily shared quickly across different boundaries. The generation and application of market knowledge is typically allocated to different people or units, spatially separated and characterized by different orientations and structures. The dissemination of market information may be hampered because different groups lack the ability to recognize the value of this new information (Cohen and Levinthal, 1990) or are unwilling to appreciate and use knowledge from outside (Szulanski, 1996).

Finally, during all phases, the information requires interpretation through 'sorting, classification and simplification' (Day, 1994, p. 43), which are shaped by organizational members' mental models and political interests (Brown and Ennew, 1995; Jones and Stevens, 1999). This interpretation constitutes the basis for decision making about the way ideas can be transformed into a successful product. However, in line with theorists of organizational knowing, it is likely that new information is not automatically recognized as useful or utilized in organizations (Tsoukas, 1996; Orlikowski, 2002).

### 3.2. Organizational capabilities

Market sensing activities are made possible by an organization's internal capabilities to understand, process and use this information (Kok et al., 2003). As discussed, some barriers hamper the process of generation, dissemination, and utilization of market information within organizations, thereby impeding the process of market learning. Consequently, organizational capabilities define how information processing activities are shaped, thus determining the organizational ability to deal with tensions and overcome potential barriers (Cohen and Levinthal, 1990; Dougherty, 1996; Vermeulen, 2005; Del Carmen Haro Dominguez et al., 2007). This means that the ways market intelligence is translated into action and gains 'good currency' (van de Ven, 1986) may differ significantly across firms.

The first crucial aspect concerns the commitment of senior management. Such a commitment requires a willingness to take risk and 'accept occasional failures as being natural' (Kohli and Jaworski, 1990, p. 8). The new product development literature shows that established organizational routines are often unable to accommodate innovative activities and cause difficulties in dealing with the uncertainties and changes associated with developing new ideas (Dougherty and Heller, 1994). As Burns and Stalker (1961, p. 126) noted, the strength of the political system and existing 'status structure' tend to confirm the status quo within an organization. A committed management attitude fosters a climate in which organizational members are likely to develop and implement new ideas.

The second key element that may enhance an organizational capability for market sensing is related to the interdepartmental dynamics. It is argued that a strong connectedness and a lack of conflict between different departments within an organization enhance the dissemination of relevant market information (Kohli

and Jaworski, 1990; Kok et al., 2003). In addition, the utilization of this market information is related to the receptivity of departments to this information. New ideas may violate existing departmental practices or may be 'unthinkable' in the light of their current institutionalized thought structure (Dougherty and Heller, 1994). However, as Kohli and Jaworski (1990) argue, the 'concern for others' ideas' may increase the behavioural impact of market intelligence on other departments thereby enhancing an organization's market orientation. Thus, the literature on market sensing also points to the importance of internal organizational conditions for the utilization of client information in new product development (Deshpande and Zaltman, 1982).

## 4. Methodology

Given the need to gain in-depth insight into an as of yet unexplored field, the academic researchers and the practitioner involved joined forces to study a new consultancy product. Given the explorative nature of our study and the desire to acquire detailed insights, the obvious research method was a case study (Yin, 1994; Flyvbjerg, 2006). An ultimately successful yet somewhat 'bumpy' project was selected and studied in detail. This means that quite some barriers had to be overcome before the new concept was launched, which is most probably much more typical for a development project than the average success story which makes it to publication.

The description is primarily based on an insider account of the third author. As a senior consultant, he was involved in the project from its conception to the launching and application in client organizations. This position in the organization allowed privileged access to data of various natures, such as project documentation, e-mails, presentations, flyers, client offers, internal correspondence, and insider views over a longer period of time. In addition, the project could be documented over its whole lifetime, that is, more than two years.

The longitudinal approach and elaborate access to data are important advantages over case studies solely conducted by external researcher(s). However, our approach obviously entails the risk of an overly positive and merely personal account (Wester, 1995). To compensate for that, various documentary sources were made available to the other authors, and more importantly, the first author had been in contact with the firm at an earlier stage as an external researcher. The starting point was an internal lecture, held for the consultants. This was followed up by several interviews with the main 'concept champion' and the third author. The position as an external researcher enabled the first author to gather data and opinions from other informants to validate our description.

The data were discussed and analyzed in iterative rounds of sense making during the product development, including regular talks with people involved, and analyses of e-mails, presentations, flyers and various documents such as client proposals, reports of projects and internal correspondence (cf. Benders and Verlaar, 2003). We used simple data displays (Miles and Huberman, 1994, p. 131), which allowed clustering different development activities into common themes and elements that further focused the data analysis process (Wester, 1995).

## 5. Results

### 5.1. Background of the firm and concept development

Founded in 1980, DCE consulting is an international consultancy firm employing about 250 consultants located in offices

in Belgium, The Netherlands, United Kingdom, France, and Luxembourg at the time of study. Since 1997, DCE is part of an international, stock exchange listed group of high-tech consultancies. The consultancy is structured into a matrix. Most consultants work in the market groups Trade and Industry, Energy and Utilities, Telecom and Media, Financial Services, Public Sector, and Health care. Furthermore, the development and management of the 'knowledge products' is coordinated by expertise groups, also dubbed as Centers of Excellence (CoE). At the moment of the study the firm had four CoEs with three or four employees each. These cover their range of services: IT Management, Change Management, Process Management, and as a new area, Marketing Management. DCE's strategy is that it seeks to generate added value particularly by combining specialist expertise with market knowledge. This market knowledge is built up through assign-

ments at clients and actively following specific market developments through seminars, brochures and articles in professional magazines.

5.2. Development policy

According to the firm's strategy, consultants can contribute to the development and introduction of new concepts in two different ways. First, consultants can actively participate in so-called Service Groups concentrating on the development of new organization concepts under the supervision of a CoE manager. Each service group has a champion who is often the initiator of the new concept and holds important expertise on the subject. Consultants from different market sectors supplement this group.

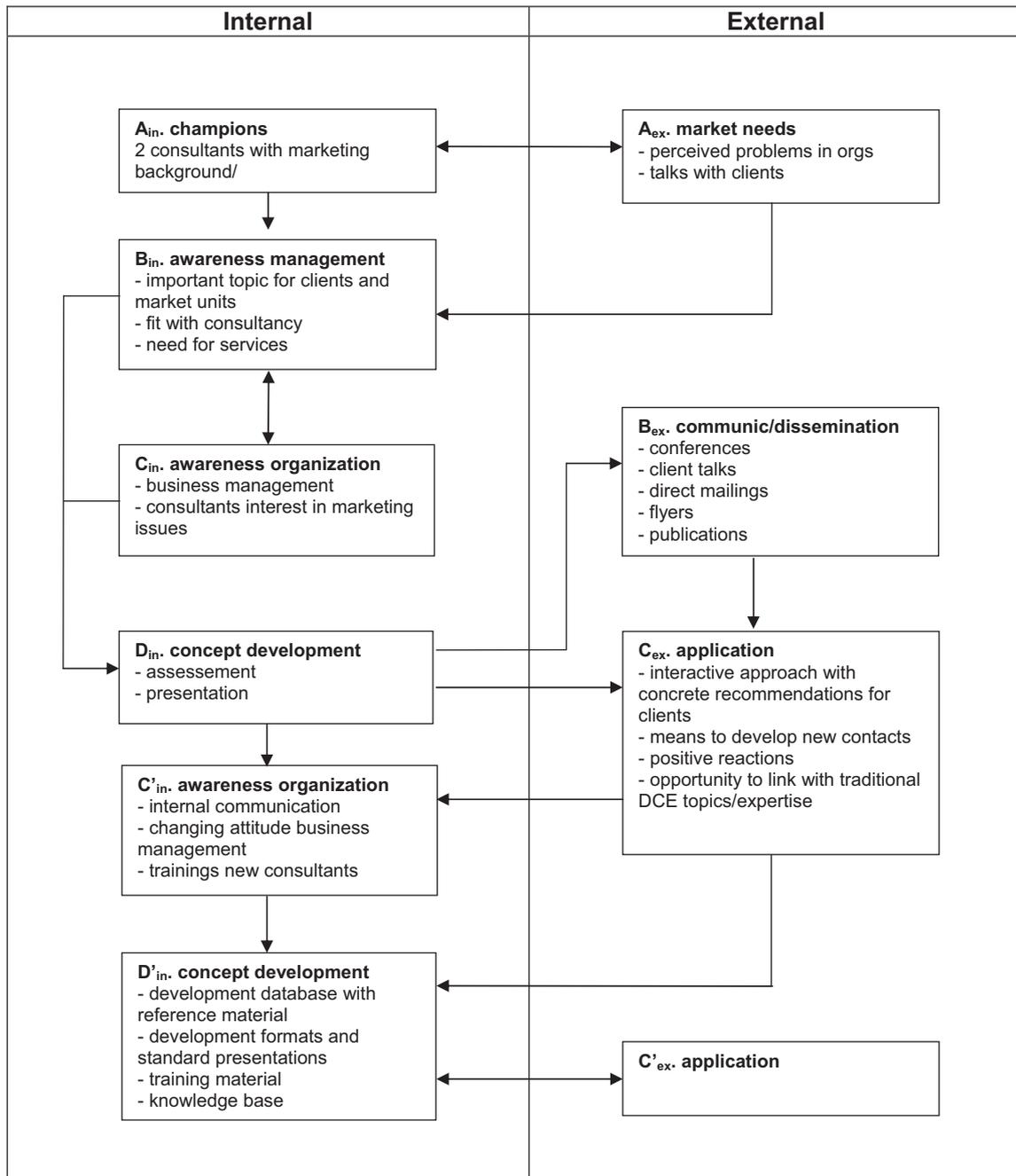


Fig. 1. Key elements of market sensing in DCE Consulting.

These consultants further develop the innovation and constitute a 'linking pin' to their own market group. In some cases, the concepts developed by the CoE are adapted and are tailored to the characteristics of the specific market sector. The intensive collaboration with clients during the development process is meant to ensure that only potentially successful concepts are developed. At the same time, the CoE manager remains in charge of the adapted concepts, and assesses whether the services are applied correctly by the different market sectors. This means that the manager reviews offers and presentations of a market group before they are offered to clients.

The second way is by being involved in Business Development, that is, the introduction of new products at the consultancy's current and potential clients. Business Development is more focused on the commercial aspects of the concept development process, i.e. the introduction of new organization concepts in the market and within client organizations. The activities that can be undertaken are for instance talking with potential clients, organizing round table discussions with clients, presenting during seminars, publishing in professional magazines, sending commercial mailings, etc. By these activities new concepts are disseminated on the market and likely generate new ideas for further development. The feedback that is induced by these business development activities provides important input for enhancing current 'knowledge products'.

The new concept development process is led by the annual CoE plan. The main issues for concept development are determined in dialogue with the different market groups within DCE and the market itself. The development process starts with the construction of an overview of the requested 'products' and a plan for their development. In an initial stage the ideas for development merely concern 'rumours'. After approval by the general management, a project team is formed to construct the new concept. Below we provide an elaborate account of the evolution of a new concept within DCE consulting: Marketing Excellence (see Fig. 1).

### 5.3. *Champions and market needs*

The idea for a new service in the field of marketing originated from two consultants. Both had a background in marketing and were interested in commodifying and applying these marketing issues in their client work. They felt that the organization and development of the marketing function in client organizations received little attention on the market for management solutions. Conversations with different clients confirmed these ideas and reinforced the notion that a new approach that concentrates on improving the performance of an organization's internal marketing activities could be valuable for clients. These initial ideas were written down in a presentation to the management of the consultancy. Subsequently, the initiators or 'concept champions' worked out an initial description of the concept and a development plan in an internal document that included an elaboration of issues such as: What is Marketing Excellence? What are the current problems and solutions on the market? What is the business relevance? What is the business opportunity for DCE? What knowledge elements already exist within DCE and what services should be developed?

### 5.4. *Awareness management and internal organization*

Both documents were discussed with the management of the consultancy. Initially, there were serious doubts about the fit of the new concept with the existing DCE competencies and products. Until then, DCE concentrated particularly on IT, organizational and process-related themes and had never been

involved in marketing assignments at clients. However, these champions persuaded management to take the concept onto the list of service propositions. At the same time, the champions sought to create 'awareness' for the concept within DCE by circulating the presentation among the various market-sector managers and discussing the concept's relevance for their own sectors. The champions thus propagated the new idea in the organization and tried to find sponsors throughout the firm. Initially, these talks were cumbersome as the sector managers had little affinity and experience with marketing. The results of these efforts were therefore mixed. Some sector managers considered Marketing Excellence as a potential issue for their market sector but most of them followed a 'wait-and-see' policy. Arrangements were made with the few interested sector managers about the introduction of Marketing Excellence within their sectors.

Some aspects were deemed crucial for the concept's further development at that time. First, the champions made clear to top management that Marketing Excellence was considered as a relevant, timely and durable issue both by clients as well as some of the market units. Secondly, the top management became convinced that the concept would fit in the firm's portfolio of high-level services. Thirdly, the champions were able to persuade top management that DCE would have a unique selling proposition in its market segments.

### 5.5. *New concept development and application*

Parallel to the talks with the business managers, a team of several consultants with interest and sympathy for marketing issues was formed and started developing further the new concept. The initial 'products' of this development process constituted an assessment model and an awareness presentation. This assessment model was considered the so-called growth model in which a client organization is ranked according to a number of criteria in one of the five 'levels of excellence'. The key of the Marketing Excellence concept entails an elaborate questionnaire to assess the developmental level of the marketing organization. Furthermore, these are related to the organization's strategy. Thereby, three generic strategies are used as frame of reference. Finally, the client's marks on different aspects are judged in light of the performance of other firms from the same sector in the Marketing Excellence benchmark database.

Because the assessment model had been worked out in detail, and much attention was given to the internal guidance of consultants and business managers, a number of consultants could be trained in applying the assessments in a relatively short period of time. Moreover, one of the champions was always present in talks with potential clients. This allowed him to bring in his knowledge and experience, while at the same time less experienced colleagues received 'on the job' training. The consultants involved considered the marketing assessment model an adequate instrument to generate new clients in the field of marketing. Its application entailed an interactive approach that generated a number of concrete recommendations for the client. After the assessment, a feedback session was organized to discuss the performance of the client organization. In this session, the clients' marketing activities were regarded in the light of the business strategy and the performance related to competitors. On the basis of this, recommendations that were aimed at improving the clients' marketing organization, marketing strategy, marketing focus and projects were given.

Projects were generally executed under the banner of Marketing Excellence. This label was used in all 'pre-assignment communication' with clients, such as documentation, initial talks with the client and the initial assessment. However, the term Marketing

Excellence was considered to be of less importance than the terminology used within the client organization. Sometimes, 'local' terms were adopted while retaining Marketing Excellence's way of working. In addition, the terms-in-use were tailored to fit the sector-specific languages. For instance, the use of English terms is more common in the Banking sector than in Public sector organizations and therefore, specific marketing terms were adapted in the questionnaires that were used in health care agencies. At the same time there were no changes in the central principles of the new concept. In this way it became possible to build up a database that can be used for cross-comparative research.

The data generated in the talks with clients and particularly in the assessments were fed back to the development team. This was used to further develop formats and standardize client presentations. Also the Marketing Excellence projects generated reference material that was stored into a database. On this basis, the consultancy was able to enhance the concept as well as inform and instruct new consultants who were still unfamiliar with it. In a later phase, new elements were added to the initial concept, resulting in a set of interrelated concept components including Marketing Balanced Scorecard, Marketing Process Atlas (in which the marketing activities from the assessment are described), the Marketing Excellence Improvement Program and a Management Game. In relation to these 'components' an elaborate internal training module has been developed to educate consultants to work with the new concepts and improve their knowledge about marketing issues.

### 5.6. *Internal and external communication*

The concept development team continuously paid significant attention to the internal communication about the concept-in-development. More specifically, because the coordinator of the team kept an account of all client organizations and assessments, the DCE business managers continuously received information about the results of the concept. Next to these reports, e-mails and personal talks about the concept, the development process has been discussed in the formal management meetings. The increasing number of assessments and the positive responses of the clients to this approach resulted in a gradual change in opinion of the sector managers. Those who were initially hesitant about the new concept became enthusiastic as soon as its market success became visible. It quickly became apparent that the assignments that followed the Marketing Excellence implementation at clients went beyond marketing issues. As a result, in the consultancy Marketing Excellence was more and more considered as a lever for other businesses. These follow-up assignments at the clients entailed themes in which DCE was traditionally very strong such as change management, process streamlining, project management, interim management, application selections. From this moment, the attention for, and interest into this new concept increased quickly throughout the consultancy.

Not only internally, but also outside the consultancy firm information about the Marketing Excellence concept had been disseminated, for example via the DCE magazine that is published specifically for external relations. In addition, DCE organized two conferences about Marketing Excellence in collaboration with a university and several professional organizations in the field of marketing. These conferences constituted a platform to present the results of the assessments as well as to test ideas and developments about Marketing Excellence among the most important target group, the marketing managers in client organizations. Next to this conference, the topic was raised in the regular talks with clients. These were talks that not only

emerged from the current network of DCE clients but also related to direct mail efforts. The mailing efforts were followed from the different market sectors. Also the concept Marketing Excellence and the related services were described on a flyer that was distributed on the market. Eventually, the term M-Xcellence was established as a trademark and is used in all commercial activities of the DCE consultants. Marketing Excellence was the initial working title but the trademark has gradually replaced this.

## 6. **Conclusion and discussion**

Previous work (f.i. Abrahamson, 1996) pointed to the importance of 'sensing incipient preferences' in the development of new concepts, an issue that implies a good nose for new marketable products at the start of a development project. We extend this argument by showing its importance throughout the whole project of new concept development. Using data from what we believe to be a typical concept development project, we argue that during the development of new services, consultancies must constantly stay in tune with the market. Initially, this involves checking the marketability of the idea. When this becomes more concrete over time, market checks remain necessary in various ways. These checks are not only needed to deliver a marketable product, but also to persuade internal stakeholders such as the management and a consultant's peers to go along with the novel concept. Thus, effective new concept development requires continuous interaction between internal and external dimensions.

Our findings contribute to the literature on knowledge-intensive firms (KIFS) and consultancies by showing the importance of market sensing in new concept and practice development, an element that has not been systematically explored previously. This position may be seen as a synthesis between those authors who solely focused on (1) the internal development of new concepts and practices (Morris, 2001; Werr, 2002; Heusinkveld and Benders, 2002, 2005; Gardner et al., 2008) and others who studied (2) the external client–consultant interactions during assignments within clients (Fincham, 1999; Clark, 1995; Sturdy, 1997). First, our findings indicate that the internal process of new concepts and practices will likely be enhanced when adequate market info is used in the development process. Secondly, we conclude that a consultancy may increase the possibilities of acquiring new assignments when client needs are systematically translated into a repertoire to support future client interactions.

This study has thus important implications for knowledge-intensive firms wishing to develop new concepts or practices. The successful diffusion and application of a new concept within a large group of clients requires more than simply constructing a method or applying a predefined method within a client organization. Rather, this study provides important evidence that knowledge development geared towards the market is crucial for consultants to get client interest and obtain assignments under a specific concepts label, an issue that has received scant attention in the current literature on KIFS and consulting. The paper discusses which important organizational capacities are involved in translating the knowledge towards the needs in praxis and what potential barriers may be involved (see also Heusinkveld and Reijers, 2009). Whereas most prescriptive literature suggests that knowledge flows from the supplier to the consumer unproblematically (see for instance Greiner and Metzger, 1983), this study provides indications that this notion is at the very least problematic. Knowledge-intensive firms should thus develop the capabilities to stay in touch with the market during the whole process of concept and practice development. An avenue for future research is to draw insights from software development, for

instance ‘rapid prototyping’. Here too, a product is developed and continuously refined by testing it with clients.

In the light of the so-called ‘relevance gap’ between academia and praxis (Starkey and Madan, 2001), our methodological approach deserves separate attention. As demonstrated by for instance Spear’s (2004) powerful description of his training and socialization in continuous improvement at Toyota Motors, insider accounts can be powerful bridges between both worlds. Yet arguably, the benefit of this approach is as clear as its main limitation. Data access is superior to the average case study and there are significant economies in data collection. At the same time, there are the dangers of biased accounts because of single informants and a limitation to success stories. We tried to account for that in our methodology, by using other data sources and multiple views. In addition, the description of the many barriers during the process testifies that the project was not an unqualified success. Whilst we thus tried to deal with the potential drawbacks, it would be worthwhile to develop a systematic methodological approach for academic–practitioner cooperation (see for example van de Ven, 2007, p. 235). In this light, our study can be considered a fruitful starting point for further research as it signifies the possibilities of using insider accounts. Drawing on insider accounts using complementary research designs such as interview studies and comparative case studies can not only provide an enhanced view into the way market sensing takes shape in different organizations, but can also be seen as a means to address the ‘relevance gap’.

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