Can you put too much on your plate? Uncertainty exposure in servitized triads

Purpose: Servitization increases the uncertainty exposure of provider firms due to the operational differences between services and production which is further increased when operations are set in triads. This paper analyses the uncertainty exposure in servitized triads and explores suitable organisational responses.

Design/methodology/approach: A conceptual frame is defined detailing three uncertainty types (environmental, organisational and relational uncertainty) and suitable organisational responses to these. This frame guided the analysis of indepth case evidence from a cross-national servitized triad in a European-North African set-up which was collected through 29 semi-structured interviews and secondary data.

Findings: The empirical study identified the existence of the three uncertainty types and directional knock-on effects between them. Specifically, environmental uncertainty created organisational uncertainty which in turn created relational uncertainty. The uncertainty types were reduced through targeted organisational responses where formal relational governance reduced environmental uncertainty, service capabilities reduced organisational uncertainty, and informal relational governance reduced relational uncertainty. The knock-on effects were reduced through organisational and relational responses.

Originality: This paper makes two contributions. First, a structured analysis of the uncertainty exposure in servitized triads is presented which shows the existence of three individual uncertainty types and the knock-on effects between them. Second, organisational responses to reduce the three uncertainty types individually and the knock-on effects between them are presented.

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