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Tales from the Crypt – Organizing IT-Business in the Dotcom era

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Abstract. In this paper we report on a narrative study aimed at capturing consultants' experiences of mergers – from an organizational and cultural perspective – during the so-called dotcom era. In the paper we focus on the problems that resulted from mergers between firms with totally different views on what it means to organize IT-business. The mergers studied led to cultural clashes in how to organize IT-projects, like different ways of managing, organizing, working, collaborating and experiencing the organization, but also implicit practices like dress-code, attitudes, lifestyle, norms and values. The empirical data is collected with the help of storytelling session where consultants tell stories about own experiences or stories that they have heard from colleagues. Stories are presented and discussed related to different themes, such as values, practices, culture/identity, and business models. We propose that these experiences of failed acquisitions and mergers embed important knowledge of the practices and problems of the organizing of IT-businesses.

Introduction

In the late nineties a great expansion was experienced in the IT sector. Fast growing IT-firms and web bureaus gained extremely high quotations in comparison to their “real” business value. The most important driving force for these “fast” companies was Internet. A new mind-set was proposed for the new economy, replacing bureaucracy with entrepreneurship, tangibles with intangibles, stability with change, productivity with entertainment, and rationality with emotions. To compete on this emerging arena and to take large shares of a foreseen future market, firms had to

grow large. Web bureaus had a genuine marketing competence, but lacked competence needed for complex technical projects. Traditional IT-consultants lacked competence on marketing and web design or were at least considered by the market to do, they just didn't get the jobs. This led to acquisitions and mergers where web companies bought IT-consultants, and sometimes the other way around. Mergers were also used as a general strategy to increase market shares in a "winner takes all" logic.

Around year 2000 the dotcom companies ran into trouble. Internet as a basic building block in the new business models wasn't enough and the foreseen new market didn't take off. Many of the companies went bankrupt and people were fired. There are many proposed explanations of the dotcom death: bad business models, inexperienced young leaders, venture capitalists seduced by the hype and desperately trying to get a dotcom company to their portfolio, a belief that cash flow doesn't matter in the new economy etc. Most writings on the dot-com era are either in the form of white papers and guru books produced during the dotcom peak, preaching the new economic order (e.g. Kelly, 1999), or more journalistic and/or bibliographic accounts (e.g. Malmsten et al., 2002). It is only recently more scientific accounts have been published (e.g. Willim, 1999; Holmberg et al., 2002).

In this paper we focus on the problems that resulted from mergers between firms with totally different views on what it means to organize IT-business. Acquisitions and mergers was an important strategy for many of the dotcom firms. For many of the firms this led to an uncontrolled growth, but it also led to unsuccessful integration due to important cultural differences in how to organize IT-projects: different ways of managing, organizing, working, collaborating and experiencing the organization, but also implicit practices like dress-code, attitudes, lifestyle, norms and values.

The experiences of these failed acquisitions and mergers embed important knowledge of the practices and problems of what organizing IT-businesses under different circumstances means. However it is often difficult to acquire knowledge on these kinds of "soft" value and knowledge systems (Snowden, 2000). In this study we set out to capture such experiences in two IT-consultant companies, both acquired by large dot-com companies, and later able to withdraw with the original key people to restructure the business around their core IT-consultant values. We used a narrative approach, based on story telling sessions with small groups of consultants, in order to capture stories embedding core values and past experiences of integration with other companies.

The paper proceeds as follows: First the setting of the study – the context and histories of the companies involved – is presented. Then the research approach in the form of theories on narratives and story telling is presented and discussed. We then discuss the method "story telling sessions" that were used to collect the stories as well as the way the analysis is built up. In the result section the stories are presented as examples of different themes recognized for the way business was

organized as well as the storytellers' reactions to these experiences. The Discussion reframes the stories as chunks of organizational knowledge discusses the failure to merge the organizations based on the experiences as they come out in the stories.

The Setting of the Study

The study takes place in a IT-consultant company, but another IT-consultant company and two web bureaus also play an important role (see Figure 1.). The setting is as follows. The IT-consultant company was founded in the beginning of the nineties and has a strong and very specific consultant culture. They are used to carry out their work at the customer's site. To always be appointed on a billable mission is a key value in the company. "A lost hour is always a lost hour" is a saying. Their reputation was to be very competent IT-consultants. After expansion by different acquisitions they ran into problems in the end of the nineties. Now a large web bureau with a very high stock quotation acquired them. The web bureau had a young visionary leader with high media visibility. Key values were creativity and speed. All projects were carried out in-house, and the nomenclature came from the advertising business. The web bureau continued to expand by acquiring companies all over the world, merging the new companies into their way of working. In 2000 the market dipped and they got serious problems leading to layoffs. At this point some of the core people from the original IT-consultant company made an exit by buying back the company to restructure it according to their original core business.

In the same time period another consultant company, experienced a similar development, but in smaller scale. They started as a consultant company owned by the employees in the early nineties. Their key values concerned concepts and methods. They made some acquisitions and grow until they ran into problems in the end of the nineties. Now a larger web bureau (a former advertising agency) bought them. The consultants hoped this would provide them with more customers. This hope was not satisfied, and after a while the web bureau ran into serious economic problems. Now we have two companies with a similar history. In 2002 the core personnel from the second consultant company are bought by the consultant company under study, which is now back in business. Here our story begins.

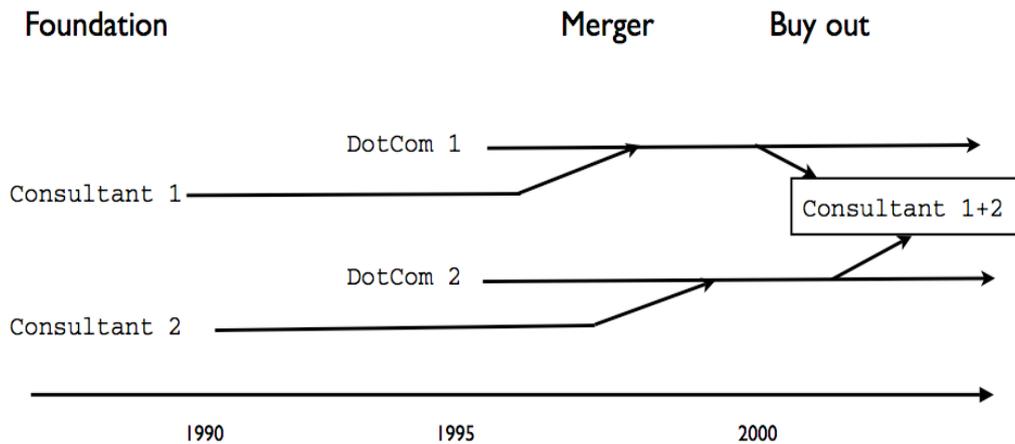


Figure 1. Timeline for the mergers and buy outs of the companies.

Research approach: Narratives and Storytelling

Narrative

The word narrative derives from the Latin *narre*, which means “to make known” (Lacey, 2000). A simple definition is “verbal acts consisting of someone telling someone else that something happened” (Connor, 1998). The Russian formalist Vladimir Propp (1968) pointed out that narrative has a double function: reporting on events, and putting these events into a meaningful whole. To bring the events into a whole, a plot is needed, e.g. ordering the events chronological (or in some other sequence). Thus, a simple narrative requires an original state, an event, a consequent state and a plot that tie them together (Czarniawska, 1998). Narratives may be seen as a way of making sense of new events by integrating them into the plot, making them understandable in relation to the context of what has happened.

Narratives could take different forms like myths, fables, and stories and be performed using different media like speech, text or film. For our purposes stories told verbally (and sometimes textually) are the most important. In their everyday organizational life, actors listen to, and tell stories to make sense of events. Sometimes they do it gain political advantage or introduce change. Organizations can be seen as storytelling systems that are a part of the organization-wide information-processing network (Boje 1991). Good stories are told and retold over and over again, sometimes with new contributions added to the original story. As such stories are an important way to understand the organization and. for sharing knowledge (see e.g. Orr, 1996).

In organizational studies narratives could take at least four forms (Czarniawska, 1998):

- i) Research that is written in a story like fashion. Ethnographic tales from the field (e.g. Bruner, 1986), case studies, teaching cases, best practice (i.e. stories about the ideal organization or ideal process) are the most important examples.
- ii) Research that collects organizational stories. For example in Orr's ethnography of copy machine maintenance work (1996), stories served as an important tool both in the problem solving process and in distribution of the maintenance workers experience. Here, the technicians shared knowledge that was not covered in manuals but achieved through practical experience, in the form of war stories, i.e. stories illustrating how a technician solved a difficult problem.
- iii) Research that conceptualizes organizational life as story making and organization theory as story reading;
- iv) Disciplinary reflection in the form of literary critique.

Furthermore, narrative can refer to either the process of making the story, the cognitive scheme of the story or the result, i.e. the story itself (Polkinghorne, 1988).

This paper deals mainly with stories about organizations and stories told in organizations. The scope is the stories themselves and the values they codify, not the storytelling process, who tells the story or the plot.

In the literature on analyzing organizations through narratives several categorizations occur based on forms, styles and themes. Campell (1988) argues that there is only one fundamental story, the heroic. Salaman (1997) argues that there are three core cultural narratives, concerned with the collective aspect of the corporation (imagined communities), the enterprising nature of the corporation and the organization seen as individual (e.g., the learning organization). Jeffcutt, (1993; 1994) and Beech (2000) identified four basic representational styles of stories told in organizations: epic narrative, romantic style, tragic style, and ironic style. The epic considers a difficult journey during which the hero has to undergo some ordeal, which he manages with success. The romantic style is a story where obstacles are posed by opponents or organizational restrictions and finally overcome, leading to a new state of harmony. In the tragic style the obstacles are not overcome, and conflict destroys harmony. In the ironic style, the quest is unsuccessful, harmony is not reached, and the hero learns that this is the norm.

Collecting stories

In order to capture experiences from the dotcom era we used a narrative approach based on storytelling seminars. Several researchers have promoted collecting of stories as a method for capturing "hidden" dimensions of organizational life (see e.g. Snowden, 2000).

Storytelling sessions are similar to focus groups but with a slightly different aim and focus. Focus groups are normally arranged as a session based on a given topic and led by a moderator who does not interfere more than necessary to keep the group focused on the topic. Our story telling session were organized in a similar fashion, but where focus groups normally aim at gaining understanding of qualitative dimensions on a certain topic, our session were more directly focused on gathering experiences of the organization of IT work during a certain phase in the organization's history. The aim was to get people to tell stories about their experiences and to inspire each other to tell more stories. In the beginning we introduced the theme – mergers and acquisitions – and the participants were free to reflect on the topic. They were encouraged to tell stories about occasions they had been involved in or had been told about by colleagues. Each session lasted for about three hours and consisted of two researchers and four employees with a rather homogenous background. We ran six such sessions.

The story telling sessions were recorded on tape and later transcribed to text. We did not primarily focus on “who said what”, but more on “what was said and how”. The sessions alerted stories about the employees' organizational culture, consultant identity, previous experiences of mergers, their stereotypes of the other organization and expectations of the future. A general remark is that consultants seem to be good storytellers. After we had started the sessions by telling about the reason for the session, the members in the group told stories for three hours without any further coaching from our side. Obviously this was not the first time they told or listened to many of the stories. For this kind of consultancy firms, where the employees spend most of their time at the customers, telling stories become an important way to circulate knowledge in the organization. The multi-locale character of work creates a loosely coupled organization that call for certain ways of exchanging information and knowledge. Stories can here be an effective way of codifying organizational knowledge that is needed and used in everyday activities and is remembered through its narrative features and amusing wrapping: everybody remembers a fun and interesting anecdote.

The stories told during the story telling sessions focused on a certain aspect in the company history; mergers, and especially the most recent merger where both companies had been merged with two of the more successful companies at the Swedish dotcom scene. The interviewees where asked to start by telling a story about the founding of their company and then proceed through history with special emphasis on topics and occasions where the company was merged in one way or another. This included internal mergers between different parts of the organization as well as mergers with other companies. In some cases the company had bought other companies, but the focus was on the recent mergers where these consultant firms were acquired by high profiled web-companies that, at the time were regarded as leading actors in their respective markets. Both mergers were in retrospect seen as failures even though some, at the time of the merger, experienced them as

interesting and innovative strategic alliances between a more traditional IT segment and the new web/media sector.

Results: The Tales

We organized the stories into themes that seemed to have a logical structure in terms of genre, knowledge domain, moral etc. In this paper we present the stories thematically but also according to a timeline that resembles the way the stories were actually told. The stories that are presented are concentrated versions of the original storyline where some details have been reduced in order to promote the essence of a narrative rather than being faithful to the original text. The stories are also organized according to different phases in the organizations' histories. We asked the interviewees to tell stories based on the history of the company. So, the history creates a framework, or plot for the stories. However, there were digressions from this theme as stories emerged. We did not try to stop these stories, rather to encourage new themes and plots. The interviewees were quite free to set the agenda. Still it is possible to see a correlation between phases in the history of the organization and the emergence of different plots. Stories were often told in the sequence summarized below:

- Stories about the founders and the entrepreneurial phase (core values, culture, identity).
- Stories about expansion and growth.
- Stories about problems.
- Stories about expansion / integration.
- Stories about mergers and acquisitions.
- Stories about withdrawal / exit.

Another way to categorize the stories was by a set of themes they naturally grouped in. The most important of these were: Founder stories and core values, culture & identity; identity crisis in the dotcom hype; erasing identity in mergers; roles and titles; speed and time; project organization and business models.

Founder stories and identity

Founder stories tend to become stories that express the particular organizational culture in the company. Employees with a long personal history in the company preferably told these stories. They thereby showed competence as people who were "allowed" to interpret the history of the company and thereby shaping the official as well as the unofficial company history. In one of the companies, persons with low employee numbers were asked by the other session participants to tell the story

while they leaned back listening to the story that they probably had heard many times before and possibly told themselves to newly employed colleagues.

Founder stories are key narratives as they capture something of what is promoted as the key values in the company and thereby also shapes the organizational culture. Here the culture of the company is wrapped into an intriguing event when the founders first got together and decided to start what later would become a corporate success. In one of the consultant companies we were told the story about the first desk, which was told by an employee who had been a member of the company almost from the start:

The first desk

When I came to the company there was a small office where the founder and a secretary worked. I didn't know where to sit so I asked if I was supposed to be given a desk or if I had to arrange for one myself. The founder asked me if I had a desk. As it happened I had one at home in the attic that I did not use. "Bring it here", the founder said. The next day I came with the desk. "Good!" the founder said. "Give that desk to the secretary. You do not need one because you will be out at the customer's site all the time." Not long after that we were more than twenty employees and we managed to get a lot of projects even though the times were not so good. I finally got myself a desk.

The story captures some essential elements of the corporate culture that are still valid and actively present in the company. One is the idea of setting out goals and reaching them even though there might be obstacles in the form of recession in the financial market. Hard work always pays off. The founder believed in the company and acted upon this. An office was not really necessary because he imagined that all employees would be occupied with work and therefore did not need office space. This ideal resembles a saying that we heard by many of the other members of the company, which goes "An empty parking lot at the office is a good sign." If the parking lot is full of cars a lot of consultants are out of projects. If business is well, there is really no need for an office. It also says something about where the consultant does his or her job: at the customer's company. It is here jobs are done and new projects are created. In-house projects are not an option because they do not create the networks and relations to customers that are so important for the development of new opportunities. It also says something about cost effectiveness, which is mirrored in the following maxims: "A lost (billable) hour is always a lost hour" and "Our world is counting heads per hour". Cost and income is defined as irreducible and connected. The company is organized to maximize income per hour and per person, and this is maximized if the consultant is always selling even when being in the midst of an existing project.

The other company has a different set of stories to convey another kind of professional mindset. They make an honor of not being in the game primarily for financial benefits. Instead the corporate culture is built around the idea of being creative and innovative. New expectations and demanding projects are said to be the

driving force. The stories support this world-view by offering examples of how chances and risk-taking to get interesting and challenging projects became a major strategy to found the company, as in the story about the first contract:

The big contract

It was agreed that I was to meet the founder and go with him to Stockholm, hopefully to persuade some people at the public authorities to get a contract. My boss was into object-oriented modeling. He asked what I knew about that. Not much I had to confess. He said that I could come by his place the same evening and he would show me what it was all about. I came to his house and he showed me how to do object-oriented modeling. The next day we went to Stockholm and started a modeling session for two days. At lunchtime my boss said that he had to do some things downtown, he would be back in an hour. He never came back! I had to continue for the rest of the session. But I knew that I could do it because I felt that I represented this company, and all that it stands for. I could never have done it on my own, but it was as if I had some kind of force behind my back that helped me through. We got the contract, which was one of the biggest contracts with the public sector at that time and we were busy, full-time, for several years.

This is the core in the company strategy: go for what you believe in and you will succeed. It will not be easy, but the experiences that are gained along the way are valuable assets that provide knowledge and self-esteem that can create opportunities for new and even more exciting projects in the future.

Being a consultant with a certain approach to the job is seen as something one grows into through experiences but also through listening to stories. As one of the interviewees expressed it: “You always have to train on your consultantness.” Stories about the founders and incidents in the early phase of the company have a special meaning in this respect.

Identity crisis

Stories about the early days are success-stories. The companies survived and grew into a prosperous business. But the arrival of the dotcom era in the mid 90s, with its hipness and high media visibility made the consultants less self-confident. Suddenly there were these young people that popped up from nowhere and attracted a whole new market with their competence and different market strategy. The IT companies had sold their services to the IT departments, but the new companies managed to attract completely new customer segments. They did flashy web-design and nobody wanted to buy this kind of jobs from the IT companies. A discourse about “old” and “new” companies emerged. The old companies began to feel just old and boring. It was as if the knowledge, experience and competence they had achieved over time had no value anymore. It was a whole new ballgame:

“It didn’t matter, we just didn’t get the web jobs. We felt stupid.”

In late 1990s self-confidence was near ground zero. The new web companies entered the stock market and their shares rose to unbelievable levels. Everything that had worked before seemed to be wrong. At this time representatives from the new companies approached both of the companies in our study with offers that seemed attractive. The new companies realized that they needed IT competence if they were going to enter new markets where integration of enterprise systems and web solutions was the future. The two companies were merged with two representatives for the so-called dotcom companies.

At first this seemed thrilling, but when the actual process of integrating the companies became a fact, things did not turn out as expected.

Erasing identity

The new companies did not just take over shares and employees. They also took over organizational cultures that were quite different from their own. Even though most consultants expressed an appreciation of having been through this merger experience, the stories cover how expectations changed from being on the winner teams to a feeling of being manipulated by a new organizational culture. The stories describe it as if the new company wanted to erase existing identities, organizational cultures and corporate histories:

The wipe out

They came here and took down everything with the old company's name on it. They wanted to totally destroy our history. We couldn't even have old pens. It was like they were having a ritual burning of all old promotion material.

There is a clear ambivalence when the people from the consultant company relate this story. On the one hand they tell stories about how important it is to make a clear distinction between professional and private life. A problem with the new company was that it did not make this distinction. The new employees seemed to live in the office and only socialize with their workmates. On the other hand they tell stories like "The wipe out" above; how personally offended they felt when the new managers wanted to redesign them according to the corporate culture in the new company. This resulted in discussions about surface and depth in the organizational culture. It is interesting to note that what made them most upset was the ignoring of the importance of "little everyday things" like pens, t-shirts and business cards with the old company logo. When discussing e.g. business strategy and financial solutions the tone is more understanding and accepting. Comments like "There was no mental merger, only on the surface" seemed to indicate the idea that business is surface and business cards are depth.

When narrating integration into the new company several stories are told about how different the new company was organized. There were new roles and titles (see below) but also a different mindset behind the roles. The web bureau had a "cultural

manager” who is described as a manipulator (who tries to erase one history and exchange it with a new). There was also an expansion manager with the sole purpose to set up new offices:

The expansion manager

They had an expansion manager who just traveled around to set up new offices. They had exact rules for how an office should look like, what kind of furniture it should have and where it was located, often downtown in old apartments or industrial buildings and the like. The idea was that you should be able to walk between offices and be near bars and restaurants. Most of us never moved there. We kept our old office in the suburb all the time.

The story expresses identity as also having a spatial dimension. It was something strange about wanting to work in the city center. For these consultants it was obvious that one must have a car (to visit the customers) and that parking space is easier to accommodate in the suburb than the crowded downtown area.

Roles and titles

A basic difference between the IT-consultants and the web bureaus with roots in advertisement agencies was the nomenclatures of titles and roles:

Titles

When we should choose title, there were 42 ones to choose between. We had the idea that you are a consultant and that your tasks as well as you would change over time. We searched long for the title consultant. It didn't exist. Most of us didn't take any title at all. We didn't want to be categorized according to their world.

An IT-consultant would do anything the customer wants him/her to do (if possible) while the web person would do only what is supposed to be in the role. The consultant role was something that had to be trained all the time. Being at the customers' site, do the job, and sell more projects at the same time. The consultant's role is broad and take its departure in the customer and his/her need. The specific nomenclature and precisely defined roles in the web bureau took its departure in project set ups in the advertisements agencies, where everyone had their very specific tasks. Many of these roles didn't make sense for the consultants. What did count as project leader for the web people did not for the consultants. While a consultant should be able to deal with almost any kind of tasks coming up, some of the web bureau roles seemed absurd small:

“They had something called interface developer. They didn't almost do anything. Just coding HTML. Its absurd to have a role that is so small.”

Both nomenclatures were strong, containing identities that people were proud of. They were not really compatible.

“An AD is an AD and a Copy is a Copy. Everyone has their status in their role and is proud of it. We don’t look that way, but we are proud anyway. The strategists came in and they are educated to be proud. There were too many kings on a small area.”

Speed

Many of the stories is about the perceived differences in project organization, speed, complexity and technical quality. In the consultant companies mastering technical quality and complexity of projects are at the hart of the consultant identity, while at the dotcom companies speed and creativity were core values.

“We would do a pre study on half a year. They wanted the system finished in two months.”

The IT-consultant world, with pre-studies and complex technical projects often concerned with more basic technical infrastructure than isolated applications, was apparently clashing with the advertisement world with well delimited, short projects with dedicated roles:

The short project

My shortest pre study started on Friday at 18, when the customer meeting was finished. We should deliver a cost estimation and architecture until Monday 11.30. It was a system for selling electricity through prepaid cash cards all over Sweden. It shouldn’t require any administration. Nothing should have to be signed. On Saturday I realized that the project was illegal. Anyway, I had the Sunday off.

The short and speedy projects did not necessarily mean bad quality, some of the web company’s developer teams were like combat task groups, just waiting for a mission and then striking fast and successful as in story about the standby team:

The standby team

A customer called and asked if we could do some games in Java. How many do you want? Four. When do you want them? Next Friday. I sent them to X. They delivered one day to early. They developed four games in one week. It worked! It was like a standby team. A task rolled in. Finished! It took more time for us to put together a team, than for them to be finished. They thought we were very slow.

When it came to complex technical projects the consultants from the old consultant company had the best competence and performed well. However, they didn’t really manage to impress the web people.

The technical project

My little team got a project that was very technical. We manned it with the very best people and made the most economically successful project in the web company's history. Rumor then said that we were damn efficient but boring. Not especially creative.

In-house projects

The dotcom companies were urban and modern. They wanted fancy addresses in the hip parts of town. As has been discussed this led to some stories and reflections about different mindsets in the companies. But it was also a difference about how projects were actually organized. The consultant companies had always made a point about the importance of being close to the customer, both socially and geographically. This was not the case with the web bureaus. They only did in-house projects. The sales department visited customers and signed the contracts. After that the projects were taken into the office and organized by the team and team leaders based on existing roles. Among the former IT-consultants there were concerns, not only what would happen in the long run if the consultants lost contact with the customers, but also how the in-house strategy led to eccentric behaviors:

The cavemen

We made a visit to the office in the old underwear factory. It was spectacular. The office was really nicely designed. We were a little worried of the people there though. Loud music, legs on the desks, dreadlocks and coca cola. I mean, it was no consulting about it. It was unprofessional.

Becoming a professional is seen as deeply intersected with ongoing interaction with parties outside the company. In-house work created a culture that was seen as unprofessional, not real consultant work. In fact, even the project leaders at the web bureaus realized that this was or could become a problem:

“It would have been a disaster if a customer would come to visit. They admitted that they couldn't show the people who produce.”

Doing business

For the consultants, their mergers with web bureaus were partly motivated by getting access to marketing accounts, and to get more web projects. They had both high expectations in the beginning, but were more or less disappointed after a while.

“They saw it as a new deal when they met the customer for the first time, while we viewed it as a deal when the contract was signed [...] The question arose on how many deals they had. They registered the deal when the customer smiled”.

There was a story told as a joke about how overly optimistic the web company was in registering the deal long before it was formally made:

The strolling CEO

The CEO of the web bureau was strolling downtown. On the other side of the street, the CEO of a big car manufacturer was walking. Suddenly he dropped something in the gutter and bends down to pick it up. While he does this he smiles in the direction of the web bureau's CEO, who immediately takes his note book and makes a note: million dollar deal with under way.

Big deals were also made. While consultants used to "count heads per hour" the web people was discussing about how they could take this big account on Nike or BASF. In the long run there were not enough deals to cover the increasing costs for all the companies that were bought and all the people that continued to be employed, seemingly without relation to cash flow and the actual project stock. The rising costs without enough cash flow worried some of the senior consultants from the former IT-consultant company, but it took long time before they tried to act, since their self-confidence was low and they thought they had missed something in the logics of the new economy.

"We didn't understand how they could employ and employ, when there were no cash flow. I thought that I surely had missed something, that it was me that was stupid."

Discussion

An important part of the failure when integrating companies during the so-called dotcom era seems to be related to the different organizational cultures that were to be integrated. Or put in other words: the failures is related to the lack of conscience about the existence of different organizational cultures and the importance of these to the people in the organizations. The way IT-business was organized followed a "winner takes it all" strategy where the actors that dominated the market bought competence and strategic advantages on the market through mergers and acquisitions, without realizing that this competence was in the head of people that had other agendas than the ones put up by the buying companies. This resulted in a series of conflicts and cultural clashes. Desired synergy effects were never fulfilled because of the lack of integration between companies, competences and work practices. One important reason why these conflicts where not addressed were because they were tacit knowledge, embedded in everyday work and communicated implicitly. The knowledge was there, but not acknowledged by management or the organizational actors themselves.

In this paper we have tried to show how such knowledge is critical by showing how it was an embedded part of the organization of IT business during the so called dotcom era in the late 1990ths. In order to make the knowledge explicit and possible

to describe and analyze we used a narrative theoretical approach in combination with storytelling seminars where organizational members could share experiences in the form of stories about critical events during the process of merging IT-consultant firms and web bureaus. By analyzing the stories we capture the culture, identity and business values in the IT-consultant companies. The following table gives an overview of the experienced core values, practices, culture/identity and business models as described in the stories by the storytellers:

	“Us”	“Them”
Values	Getting to know the customer.	Sales department interact with customers.
	Consultants do what is needed of them.	Producing services using a ”factory model”
Practices	Working at the customers’ site	In-house projects
Culture/identity	A shared organizational identity between employees and management.	Employed by the company, interacting with other team members.
	Mature.	Immature.
Business Models	Billable hours.	Future prospects.

Table I.

In the stories conflicts or diverse meanings are organized into a scheme of dualities between “us” and “them” where values, practices, culture and business models that come from the own organization are described as serious profitable whilst the equivalents at the other organization is described as immature, risky or hazardous. Own values are described as heterogeneous and possible to influence while the other company is described as rigid and built on typecasting of employees into predefined roles that eventually became insufficient. Heterogeneity is also described as important for communicating with the customer and for understanding the customers’ problems, but also to come up with solutions and building new business opportunities. The end of the dotcom era is described as a result of web-companies inability to change mindsets and practices in order to adapt to customers’ changing needs: the factory-model of producing products and services is inflexible and bad at coping with changing demands.

Conclusions

The narrative approach gives us a tool for capturing dimensions in corporate organizing that is difficult to achieve with other methods. It does not explain why things went wrong in the dotcom era, but it can help understanding an important part of this failure: how people make sense of what is happening around them. Exploring stories in the form of storytelling seminars seem to be a fruitful way of undertaking this kind of research. Cultural differences are essential in mergers and acquisitions because they reflect the everyday experiences of people in the organization. Story telling sessions seem to be a fruitful way to capture such differences, giving us tools to cope with them.

One important part of the difficulties in the mergers between IT-consultant companies and dotcom companies were the big and incompatible differences in culture, identities, project organization and time scales. By using these stories as illustrations we have discussed how people make sense of how they organize IT-business.

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