Since January 2020 Elsevier has created a COVID-19 resource centre with free information in English and Mandarin on the novel coronavirus COVID-19. The COVID-19 resource centre is hosted on Elsevier Connect, the company's public news and information website.

Elsevier hereby grants permission to make all its COVID-19-related research that is available on the COVID-19 resource centre - including this research content - immediately available in PubMed Central and other publicly funded repositories, such as the WHO COVID database with rights for unrestricted research re-use and analyses in any form or by any means with acknowledgement of the original source. These permissions are granted for free by Elsevier for as long as the COVID-19 resource centre remains active.
Managing business relationships during a pandemic: Conducting a relationship audit and developing a path forward

Michael Obal⁎,1, Tao (Tony) Gao1

Marketing, Entrepreneurship, and Innovation, Manning School of Business, University of Massachusetts Lowell, 72 University Avenue, Lowell, MA 01854, United States

ABSTRACT

During stable times, firms will generally aim to create reliable B2B relationships that provide increased efficiency and profitability. However, tumultuous times, such as the time during a major pandemic, cause many significant disruptions in both internal and external environmental domains. Thus, we argue that it is critical during this time to reevaluate the company’s business relationships as a whole. While long-term partnerships are great for handling incremental changes during stable times, disruptive environmental changes may require managers to consider disruptive changes to their businesses. A pandemic may also present opportunities for establishing new relationships as there may be other partners/suppliers who are better equipped to help the company address urgent short-term needs and to capitalize on significant long-term opportunities. In this paper, we design a new relationship audit template to help B2B firms weather the immediate crisis at hand and position themselves more strategically for the future. We explore this idea in relation to the coronavirus outbreak, introduce the idea of a B2B crisis relationship audit, and offer potential steps forward for firms.

1. Introduction

The existing industrial marketing literature provides numerous guidelines to B2B managers on how to build and sustain key business relationships to support their essential business operations (e.g., Dwyer, Schurr, & Sejo, 1987; Heide, 1994; Jap & Anderson, 2007; Kumar, Stern, & Achrol, 1992; Lusch & Brown, 1996; Palmatier, Dant, Grewal, & Evans, 2006; Wilson, 1995). Generally speaking, B2B companies should consider both internal factors (such as company objectives and resources) and external factors (such as supply and market conditions and regulatory factors) in designing their relationship marketing strategies (Buchanan, 1992; Pfeffer & Salancik, 1978). Within a stable environment, firms are usually motivated to focus on improving profitability and efficiency by leveraging trusted B2B relationships (Dwyer et al., 1987; McQuiston, 2001; Weber, 2001). However, unstable environments can make it more difficult for firms to focus on such narrow criteria and can make reliance on existing relationships more risky (Gao & Eshaghoff, 2004a; Larson, 2011; Baker, 2020). In a crisis situation, we argue that firms should consider reevaluating their existing relationships based on criteria that are uniquely appropriate for such an unstable environment.

Given the disruptive nature of the 2020 coronavirus pandemic, we believe it is appropriate for firms to conduct a relationship audit on their existing B2B relationships and consider necessary (and even drastic) changes to their relationship portfolio. Within this paper, we develop a research-based template that is straightforward and practical to use for managers. We ground this template on prior literature on B2B relationship value (e.g., cost vs. benefits) (Ulaga & Chacour, 2001; Walter, Ritter, & Gemünden, 2001; Zeithaml, 1988) and relationship states (e.g., trust, commitment) (Dwyer et al., 1987; Lusch & Brown, 1996). We then introduce some emerging considerations that are unique to the pandemic crisis: health-related threats, economic threats, humanitarian needs, regulatory changes, and emerging opportunities (Gao & Eshaghoff, 2004a; Smith 2005; Larson, 2011). We ask managers to evaluate the velocity, volatility, and criticality of changes in these factors and formulate appropriate responses to them (Gao & Eshaghoff, 2004b; Palmatier, Houston, Dant, & Grewal, 2013). Then, we offer managers some practical advice based on the results of this relationship analysis, including when to leverage an existing relationship and when to begin a new B2B relationship.

In the next section, we discuss the motivations and structure of the relationship audit template.

2. The relationship audit: theoretical underpinnings

Before moving forward with any specific relationship management strategy to cope with a major public crisis, we recommend that firms “audit” their relationships to better understand the virtues and limitations of each existing partnership in light of the evolving pandemic (Weber, 2001; McQuiston 2001; Lindgreen, Palmer, Vanhamme, &
Wouters, 2006). Early on in a crisis, it is important to figure out which relationships can be leveraged in both the short-term and the long-term. Further, firms must decide what the criteria to use in judging their relationships. We specifically propose that companies should evaluate both the unique contextual factors surrounding each business relationship during a pandemic (e.g., arising health and humanitarian challenges) and key attributes of the relationship itself, most notably the relationship value and relationship states. While the focus of this audit is to identify the areas of the B2B relationship that have changed most during a crisis, we also encourage managers to provide some baseline information detailing the relative strength of the relationship value and state immediately before a crisis.

The B2B company should attend to all kinds of business relationships that have major impacts on the company’s performance, whether those impacts are direct (such as key suppliers, distributors, and customers) or indirect (such as key innovation and information partners, the community, or broader regulatory environment) (Walter et al., 2001). Companies can decide on their own as to how to define the scope of their relationship audit efforts. While we do suggest including relationships with various stakeholders, the B2B company can choose to limit the scope of the audit to only include major partnerships in each domain if the number of general relationships is very large. Alternatively, the company can expand the audit to cover more relationships if the total number of relationships is relatively small.

### 2.1. Key contextual factors

Companies are advised to closely monitor changes in key domains of their external business environment and seek to address immediate and critical threats arising from the pandemic. Drawing on a study on how multinational companies responded to the 2002 Argentine financial crisis (Gao & Eshaghoff, 2004b), we consider two factors as being particularly important to emphasize in designing the company’s pandemic response strategies: (1) volatility - the size of the possible change to a factor caused by the pandemic or economic crisis, and (2) criticality - the factor’s relevancy to strategic decision-making during a pandemic/crisis. We also consider the velocity of the possible change to a factor caused by the pandemic (cf. Palmatier et al., 2013). By considering these factors, we aim to provide managers with a manner in which to evaluate the size, speed, and importance of the relationship changes that could be triggered by a crisis.

During stable times, a firm is likely motivated to focus on how their B2B relationships can benefit their economic/financial standing, help identify emerging opportunities, and perhaps enable regulatory compliance (Dwyer et al., 1987; McQuiston, 2001; Weber, 2001). However, new concerns emerge during a pandemic. The economic, regulatory, and opportunities considerations become more salient, while new humanitarian and health-related concerns arise (Gao & Eshaghoff, 2004a; Smith 2005; Baker, 2020). Larson (2011) argues that traditional business logistics often do not match up with health and humanitarian logistics, which often deal with changing partners and uncertain demand. “In business logistics, actors have the profit motive and generally operate in uninterrupted environments. To the contrary, in humanitarian logistics, …interrupted environments are the norm, especially in the case of disaster relief” (Larson, 2011, p. 2). Along this line of thinking, we argue that firms must go beyond generic profit motives and consider health-related and humanitarian factors during a crisis. Thus, we propose that companies consider the impact of the following five major contextual factors on each B2B relationship during a pandemic: health-related, economic, humanitarian, regulatory, and opportunities factors.

#### 2.1.1. Health-related threats

Within a crisis scenario, a company would want to build and retain relationships that will allow it to minimize any immediate impacts. Thus, a company should aim to identify which relationships have a direct impact on the physical health of the company’s key stakeholders (Kuckertz et al., 2020). For example, a company may question if there are suppliers, perhaps due to contaminated production facilities, that cause direct health risks to the company’s other stakeholders such as employees and customers (Baker, 2020; Rassy & Smith, 2013). Conversely, there may be existing suppliers who are capable of shifting production capabilities to produce products that can enable a healthy work environment (Distilled Spirits, 2020). In both scenarios, the company should identify those relationships and address the associated challenges accordingly (Larson, 2011).

#### 2.1.2. Economic changes/disruptions

A firm should also ask itself within a crisis scenario: Which relationships are causing the most disruptions in the supply chain and marketplace for the company (Rassy & Smith, 2013; Turner & Akinremi, 2020)? Prior research has shown that companies tend to focus on economic stability, perhaps at the cost of prior goals (e.g., market share growth), during a crisis situation (Kunc & Bhandari, 2011). It is imperative that the company identify relationships at most risk of causing major and urgent impacts on product sales, sourcing of key supplies, and continuity of essential operations (Singh & Yip, 2000). Decisions should be made on whether to retain these relationships and how to find substitutes for them should be explored. At the same time, the firm should identify the existing relationships that can be leveraged in the short and long term (Kunc & Bhandari, 2011).

#### 2.1.3. Humanitarian needs

Just as the company should pay attention to the job security of its current employees, it should also consider the business security (i.e., threats to survival) for its key, long-term business and community partners. This criterion takes on a more holistic look at B2B relationships – as opposed to simply asking how a relationship can benefit the firm, this asks how the relationship can benefit the entire ecosystem including employees, business partners, and communities (Weber & Hine, 2015). Once such relationships are identified, the company should take a humanitarian approach to the management of the concerned relationships. Humanitarian activities can include providing food and shelter for vulnerable populations and offering financial assistance for those partners in immediate need (Starr, Van Wassenhove, & L. N., 2014). Starr et al. (2014) note that prior logistics literature often overlooks the role of humanitarian management and that there is a need to connect theory to practice in this area. Specifically, they argue that the largest gap in this area is the relative lack of empirical data. Thus, tracking the role of B2B relationships on changing humanitarian needs provides a novel method to connect theory to practice, provides instruction for managers in the near term (e.g., “Who are the most at risk partners in our supply chain?”), and adds to the lack of data in this area.

#### 2.1.4. Regulatory changes

As has been demonstrated in the 2020 coronavirus pandemic, there could be emerging regulations from the federal/national, state/provincial, and local governments during a crisis, such as lock-down decrees and limiting the operations of the focal company and its key business partners (Glass, Glass, Beyeler, & Min, 2006). It is important to monitor such regulatory developments and develop contingency plans for the current and/or impending disruptions (Singh & Yip, 2000). It has been claimed that firms are often unprepared for regulatory changes related to crisis management and that supply chain complexities can exacerbate this unpreparedness (Barnes & Oloruntoba, 2005). Along these lines, we argue that firms should identify relationships within the supply chain that lead to a weak response capability to crisis management regulations. Conversely, the firm should aim to leverage B2B relationships that best enable regulatory compliance.

#### 2.1.5. Emerging opportunities

While it is essential to address any urgent threats from the pandemic, the company should also look at the unique, often transient
opportunities emerging at a time of major crisis, especially those that do not usually occur in normal business conditions (Gao & Eshaghoff, 2004a; Teece, 2007). A crisis can be an inexpensive time to build relationships, perhaps with partners/suppliers/customers who would not have been available otherwise due to interests, costs, or time constraints. It is also important to consider that the terms of trade (e.g., what it takes to effectively establish a relationship) will have likely changed to a prospective relationship partner during a crisis. Furthermore, a crisis may be the time to decide if current partnerships should be replaced with those that offer more short-term and long-term benefits, perhaps addressing some of the aforementioned considerations in the process. If all firms are expected to suffer during a crisis, then there is less of a switching cost in making relationship changes during this time. As such, it could be argued that it is less risky to proactively search for new partnerships during a crisis than to rely on older relationships that may or may not survive the crisis.

2.2. Relationship value

The marketing literature presents numerous insights on how companies can build relationships with key internal and external stakeholders. The basis for building and sustaining long-term relationships is a provision of mutual value by relationship partners (Zeithaml, 1988; Walter et al., 2001; Ulaga & Chacour, 2001; Lindgreen & Wynstra, 2005). Existing research in marketing typically conceptualizes customer value as the customers’ assessment of the worthiness of a purchase based on considerations of both benefits and costs associated with buying from the supplier (Zeithaml, 1988). According to Ravalid and Gronroos (1996), in order to fully understand how customers assess value in purchase relationships, both transactional (or episodic) and relational benefits and costs need to be examined. Episodic benefits are the core procurement benefits (functional benefits related to concerns such as quality, volume, and delivery) that are important to each and every purchase task (Gao, Sirgy, & Bird, 2005; Ritter & Walter, 2012). Relational benefits are utilities beyond the core performance offerings that the customer can obtain from the formation, development, and maintenance of a long-term buyer-seller relationship (Eggert, Ulaga, & Schultz, 2006), which may include confidence, interpersonal goodwill, customization, and supply stability benefits (Gremler & Gwinner, 2000; Walter et al., 2001). Episodic costs mainly consist of product costs (i.e., price), acquisition costs, and operating costs (Cannon & Homburg, 2001). Gao et al. (2005) define relational costs as the resources committed to initiating, managing, and dissolving a buyer-supplier relationship (cf. Heide, 1994; Williamson, 1985).

Flint, Woodruff, and Gardial (1997) emphasize the need for companies to keep track of changing value needs by their customers. In particular, Payne, Storbacka, and Frow (2008) discuss the importance for the supplier to seize opportunities provided by external forces such as technological breakthroughs and changing industry logics to co-create value with the customers. We suggest that the B2B company should reevaluate the evolving virtues and limitations of each existing relationship in the context of the pandemic in terms of the above benefit and cost categories.

2.3. Relationship states

Aside from auditing the relationship on the value it provides the focal company, the B2B company should also reevaluate the changing states of the relationship. The marketing literature generally views trust, commitment, dependence, and relational norms as the four most notable relationship states (Zhang, Watson IV, Palmatier, & Dant, 2016). Thus, it is particularly important to monitor the velocity of each relationship or the rate and direction of changes in these key relational states in each stakeholder relationship (Palmatier et al., 2013). Adverse, fast moving business situations such as a pandemic, an economic crisis, or both as what is transpiring in the current Covid-19 pandemic provide touchstones for true business partnerships.

Trust is a company’s perceptions of reliability and integrity of its exchange partner (Morgan & Hunt, 1994). For example, a B2B company is said to have trust in a supplier if it believes the supplier possesses the ability to perform effectively and reliably and considers the buyer’s best interests in taking actions (Doney & Cannon, 1997). Commitment refers to an enduring desire of an exchange party to maintain a valued relationship (Moorman, Zaltman, & Deshpande, 1992). Dependence reflects an exchange party’s realization that its relationship partner provides key resources for which few alternative sources exist (Emerson, 1962; Kumar, Scheer, & Steenkamp, 1995). Relational norms represent shared expectations about exchange behaviors in a relationship (Heide & John, 1992) and their presence can help ensure equitable sharing of benefits and costs, curtail opportunism, and provide normative governance to a relationship (Gundlach, Achrol, & Mentzer, 1995). Zhang et al. (2016) note the non-redundant and complementary nature of these four relationship constructs in capturing the overall climate of an exchange relationship.

While trust, commitment, dependency, and relational norms tend to take a long time to develop and are generally stable over time (Dwyer et al., 1987; Lusch & Brown, 1996), they could all quickly change during a pandemic. For example, certain suppliers may use the pandemic as an excuse to reneg on their past promises or they simply may have lost the capacity to fulfill their volume commitments made in a much quieter time. Also, when both internal and external situations are fast evolving, some firms may no longer display the same collaborative orientation in dealing with tough issues quickly arising in a business partnership. Further, as demands for old products sink and opportunities for developing new products especially needed during a pandemic (such as masks, ventilators, and disinfectants) arise, the balance of interdependency could change rapidly as well (Jap & Anderson, 2007; Pfeffer & Salancik, 1978).

3. Conducting the relationship audit

3.1. A relationship audit template

Table 1 shows the relationship audit template we propose based on the above discussions. Each factor is evaluated on three criteria pertaining to changes occurring during the pandemic to a relationship (its contextual conditions, value to the focal company, and relationship states): volatility, velocity, and criticality. For volatility, managers are tasked with determining how many changes have already occurred or are about to emerge to the relationship due to the crisis (Gao & Eshaghoff, 2004b). For velocity, the manager must decide how quickly the changes are taking place or how fast the situations in the pertinent domains are evolving as a result of the pandemic (cf. Palmatier et al., 2013). For criticality, managers must decide how important it is for the company to consider the above changes in the relationship in formulating their crisis response strategies, both during and after the crisis (Emerson, 1962; Pfeffer & Salancik, 1978).

A key dimension in relationship dependence (Emerson, 1962; Pfeffer & Salancik, 1978) is importance, or the criticality of resources obtained from the external environment/partners. Our notion of criticality is conceptually similar to the concept of importance in the discussions of external dependence, and it specifically pertains to the criticality of the volatile and fast-moving changes transpiring during a pandemic that impact the proper functioning of the relationship and call for appropriate company responses. While many of the contextual changes happening during one of the worst health and economic crises in modern history are threats (or having negative impacts) in nature, they all tend to have major impacts on the company’s performance and could cause major short-term and long-term damages to the company if they are left unaddressed. In turn, the rare opportunities that do uniquely appear during a pandemic, if properly identified and capitalized on, could translate into major competitive advantages for the company (Courtney, 2001).
The first section highlights the aforementioned contextual concerns. For example, managers will need to determine how much new health-related challenges (volatility) have appeared around a given B2B relationship, how quickly those changes are occurring and must be addressed (velocity), and how important those health-related concerns are to the relationship (criticality). This process should be completed for economic, regulatory, humanitarian, and opportunities concerns as well. Managers may be able to identify which existing relationships should be adjusted or can be leveraged into addressing emerging health, regulatory, and humanitarian concerns in this section. Managers should also be able to identify which partners can best assist with traditional goals, such as economic health and opportunity identification.

The second section highlights the costs/benefits portion in both a short-term context (episodic) and a long-term context (relational). In this section, managers must ask how much the benefits and costs of each relationship may have changed or are expected to change (volatility), how quickly those changes are unfolding to the cost/benefit structure of the relationship (velocity), and how important those changes are to the continuation of the relationship (criticality). Thus, managers may realize in this section that they require a cost reduction from a supplier or perhaps an increase in benefits (e.g., access to new supplies) in this section.

The third section highlights the current state of the relationship. For example, managers will be tasked with identifying how much trust has changed during the crisis (volatility), how quickly that trust has changed (velocity), and how important that trust is to the continuation of the relationship (criticality). This process should be completed for partner commitment to the relationship, relative dependence within the relationship, and relational norms (e.g., shared expectations of behavior between partners). This section is most useful for managers to determine how existing relationships may have changed during the pandemic and the relative importance of those changes.

We also include a baseline information column to help the company record how things were right before the pandemic, mostly in terms of the value the relationship affords the focal B2B company and the relationship states as seen by the B2B company. Our recommended baseline standard for relationship value and relationship states is the state of affairs in these key relationship properties existing immediately before the pandemic. While all partnerships chosen in this audit were deemed functional prior to the pandemic, much may have changed to each partnership from its surrounding context to its internal value and states, as seen from the focal B2B company's perspective. Because not all good and functional relationships are the same, this baseline evaluation serves as a reminder on where things were before the pandemic started.

The scales going from “Least” to “Most” help capture the evaluations of the changes in both the contextual factors and inherent properties of each relationship. Given the variance of information across the evaluative areas and among different types of relationships, we do not recommend a fixed set of guidelines on how to assign the scores on each evaluative aspect. We submit that different companies could have different views on the severity and pace of changes. For example, while a complete lockdown mandate by the local government could certainly qualify a regulatory change in a particular relationship to a 5, other B2B companies could view a partial lockdown as severe enough to warrant a 5 assignment as well. The same understanding goes with adverse changes in episodic benefits where either an 80% or a 50% supply volume reduction could lead to scores of 5, pending on specific situations faced by two different B2B companies.

We now include a summary column in the audit form to help the evaluator record the key events and changes triggering assignments of extreme scores in certain evaluative areas. By serving as a reminder on what kinds of events would qualify a relationship for a particularly high score in an area, such a column also helps increase consistency in a focal company’s evaluations of different relationships. We recommend that managers add a summary description for any instance in which they give a score of 4 or 5, indicating a drastic change to a B2B relationship. Thus, the focus for managers completing this audit will be to identify the instances in which the most dramatic change will occur.

### Table 1

A relationship audit template.

| Factors for Review | Evaluative Criteria |
|--------------------|---------------------|
| **Baseline Evaluation before Pandemic** (1 = Unacceptable, 5 = Excellent) | **Volatility** (1 = least, 5 = most) | **Velocity** (1 = least, 5 = most) | **Criticality** (1 = least, 5 = most) | **Summary Notes** |
| Key Contextual Factors | Health-Related Threats | | | |
| | Economic Changes | | | |
| | Regulatory Changes | | | |
| | Humanitarian Needs | | | |
| | Emerging Opportunities | | | |
| Relationship Value | Episodic Benefits | | | |
| | Relationship Benefits | | | |
| | Episodic Costs | | | |
| | Relationship Costs | | | |
| Relationship States | Trust | | | |
| | Commitment | | | |
| | Dependence | | | |
| | Relational Norms | | | |

Baseline Evaluation: Relationship value and states immediately prior to the crisis. Key contextual factors (e.g., crisis-related factors) are excluded from this evaluation.

Volatility: The size of possible change in a factor caused by the crisis (Gao & Eshaghoff, 2004b).

Velocity: The rate of change in a factor caused by the crisis (Palmatier et al., 2013).

Criticality: The factor’s relevancy to strategic decision-making during the crisis (Emerson, 1962; Pfeffer & Salancik, 1978).

Summary Notes: Detailed explanation of any 4 or 5 scores.

3.2. Analyzing the results

After conducting these evaluations, managers can tally up their totals to gauge what relationships require immediate attention. Based on the total scores earned in the volatility, velocity, and criticality columns, the company can divide the partners into two group: high...
priority response group (with individual score ≥ 4 in any evaluative area) and low priority response group (all individual scores < 4). The high priority response group represents firm relationships that have already changed or are expected to change dramatically in the face of the crisis. In some instances, these relationships will take on increasing importance while in other instances, these relationships will become less important, perhaps obsolete.

It should also be noted that some relationships may become crucial for addressing very specific concerns, hence the importance of the key contextual factors. For example, a relationship with a medical supplies firm may be very important in addressing emerging health-related concerns, but they may not have much impact on other factors. In this case, you would expect scores of 4 or 5 on volatility, velocity, and criticality across the “health-related concerns” row, but much lower scores on the other factors. Thus, these relationships should still be addressed immediately even though the total scores may not be very high.

4. Steps forward

In this section, we provide some guiding principles to B2B companies in their formulation of a pandemic response strategy. Each one represents a different guideline, and when all are considered, we hope to offer companies a relatively complete set of thought processes needed in relationship management during a crisis. We will organize our discussions by addressing steps forward for 1) high priority response relationships (i.e., high volatility, velocity, and criticality), 2) low priority response relationships (i.e., low volatility, velocity, and criticality), and 3) managing the balance of the entire relationship portfolio.

There are three major connections between this section and the previous two, in terms of the logical activity sequence, the theoretical basis of our formulated strategic recommendations, and necessary extensions to the current relationship portfolio. In terms of logical activity sequence, our above relationship audit tool enables the B2B firm to evaluate each major relationship and identify the relationships and specific aspects of those relationships (from most salient contextual factors to most notable relationship value and state variables) to focus on in formulating their specific pandemic strategies. Hence, the preceding sections provide necessary inputs for further decision-making in the current section.

In terms of the theoretical linkage, we organize our entire article by following the contingency perspective of structural design (Chandler, 1962; Venkatraman, 1989). According to this theory, a firm’s structure, including its external structure or the way in which it relates to other organizations (Gittell & Weiss, 2004) should conform to a set of organizational, environmental, and inter-organizational factors to produce best performance. Our view of external business relationships as an organizational design issue in the domain of inter-organizational structure is consistent with the view expressed in Shi and Gao (2016, p. 5). As much may have already changed in both the broader context and the essential properties of each business relationship, the B2B company should first monitor and categorize such changes and then, specifically based on conclusions developed above, formulate specific relationship management strategies.

In terms of the necessary extensions to current relationship portfolio, the B2B company should go beyond the auditing of existing relationships to consider needs and opportunities for developing new relationships that were not part of the relationship audit. In this vein, the initial auditing results may illuminate areas that are lacking, thus requiring the establishment of new relationships. For example, if none of the current B2B relationships can be leveraged to address emerging regulatory concerns, this will become apparent from this analysis and a new B2B relationship should be sought after. Below we recommend some steps forward based on the results of this relationship audit.

5. Advice for high priority response relationships

Because the high priority group requires the most pressing attention, we focus on these types of relationships first. For the high priority response group, we recommend the following strategies:

- **Adjust the pace of relationship development** based on fast evolving internal and external conditions. While all relationships go through the same five stages of development including awareness, exploration, expansion, maturity, and dissolution (Dwyer et al., 1987; Jap & Anderson, 2007), the pace of their developments across stages can vary, especially during times of major changes in a company’s internal or external environments. The company should also recognize that as a partner migrates through different relationship stages over time, not all relationship marketing strategies (such as product mix, partner investments, communication, and compromise) will be equally effective (Zhang et al., 2016). This means that firms should be open to the expansion of some relationships, especially for high response and high criticality partnerships. However, firms should consider dissolution of other relationships, especially for high response but low criticality partnerships.

- **Develop dynamic relationship management capabilities** (learning from the pandemic, resiliency, response systems, etc.). Drawing on the dynamic capabilities perspective (Teece, 2007), we propose that a company’s ability to manage complex business relationships in conditions of rapid and unpredictable change, such as those experienced in a pandemic or economic crisis, may become a key source of competitive advantage. This means that the role of client facing employees, such as the sales force, will change. Sales dinners have moved to virtual meetings and conferences have been cancelled which means sales teams must get creative. One example of this is the merging of outside and inside sales teams. While these sales force members historically would work in separate functions, rarely seeing each other in person, the coronavirus has forced teams to embrace virtual selling together. This movement away from separate functions within the salesforce today could lead to more functional and integrated sales forces in the future. In other words, traditional inside and outside sales forces could become a relic of the past, replaced by hybrid sales teams (Carson, 2020).

- **Be responsible and humanitarian** in treating key internal and external relationship partners. Firms should work closely with local communities, charities, and governments to participate in public-corporate partnerships for pandemic response. For example, Cockroach Labs, a cloud database start-up, has moved away from providing perks and giveaways to win over clients and have instead offered to donate on behalf of their clients (Carson, 2020). This is an example of one firm shifting their relational norms to satisfy humanitarian concerns while concurrently developing further trust and commitment with their clients.

- **Explore possibilities of producing new product lines** particularly needed during a pandemic, such as masks, ventilators, protective equipment, and disinfectants. For example, distilleries have begun to product hand sanitizer in recent weeks as the demand has skyrocketed (Distilled Spirits, 2020). In this example, distilleries are using equipment that they already have available, but our introducing a new product to the market. The distilleries are reassessing existing and new partnerships with customers and retailers while addressing health-related, economic, and opportunistic concerns.

- **Retreat as needed and possible**. Firms will need to end certain relationships in the short-term, which could be a difficult idea to accept. The relationship audit is especially helpful in these scenarios as the auditing manager will be easily able to identify relationships that have a low criticality score but high volatility and velocity scores. Specifically, the cost/benefit portion of the template should help in identifying the relationships that should not be further pursued. The pandemic presents an opportunity to end a relationship that no longer contributes to the company’s strategic objectives both in the near-term and long-term. Partners who are unable to
embrace a shift to modern technologies are perhaps the clearest example of partnerships that should be terminated during the coronavirus crisis.

**Identify and aggressively pursue new opportunities.** While many firms have taken a survivalist approach to the crisis, we argue that firms must not overlook potential opportunities. Depending on the firm, a crisis can actually be a great time to respond to a changing market. One example of this can be seen from the Leavitt Corporation, an Everett, Massachusetts based company that produces Teddie Peanut Butter. As the coronavirus pandemic has changed dining habits in U.S. and across the world, the demand for peanut butter (which is shelf-stable, low cost, and high in protein) has increased drastically. As such, grocery stores have had an increasingly difficult time keeping peanut butter on the shelves, even being forced to ration the amount sold to customers. In response, the Leavitt Corp. has tripled production since the middle of March 2020. They leveraged current relationships with jar, lid, and label suppliers (economic criterion), while beginning new relationships with trucking companies that had lost business from other ventures shut down by the pandemic (opportunity criterion) (Baker, 2020). This example highlights how one firm identified high response, high criticality relationships and aggressively pursued new economic opportunities.

**Establish new relationships to address immediate threats** arising from the pandemic. While the emerging threats during the pandemic are seemingly countless, one goal of the relationship audit is to identify the most immediate threats. For example, perhaps no current relationship provides the firm the tools needed to address new health-related concerns. Thus, a new relationship is needed. In order to speed up production, Leavitt Corp. did just this by buying face masks and other health gear for employees in March 2020 and brought in outdoor porta-potties for the visiting truck drivers (Baker, 2020). In this example, new relationships were needed with a medical supply firm and a portable toilet rental firm. While these may appear to be relatively minor steps, they were necessary in order for Leavitt Corp. to keep their supply chain moving and to take advantage of the aforementioned opportunities.

5.1. Advice for low priority response relationships

For the low priority response group, the response is to maintain relationships and consider contingency plans. Although most B2B relationships will change due to the pandemic, some will change less than others. In these cases, it is appropriate to maintain a cordial relationship, but also consider contingency plans if any issues arise. The level of effort spent maintaining will also depend on the criticality of those relationships. For example, Coca-Cola’s brand Dasani processes and bottles water from Detroit municipal sources. In this case, the relationship with the city of Detroit has high criticality scores for Coca-Cola and thus should be nurtured, but the low volatility and velocity scores would indicate that little change is expected. As of April 23, 2020, there were no signs of a shortage of safe drinking water in the United States, thus the relationship should not change drastically (Felton, 2020). Although demand changes are not expected, and the relationship with the city of Detroit is less likely to change than other relationships, Coca-Cola should at least consider other potential sources of water as a contingency.

5.2. Advice on relationship portfolio adjustments

Marketing scholars have used the relationship portfolio approach to denote the range of business relationships a company forms with various types of actors such as customers, competitors, complementors, and suppliers (e.g., Ritter, Wilkinson, & Johnston, 2004). The B2B company should also view the entire existing relationship portfolio/network as a whole and evaluate its updated capacity/performance to meet the company’s key strategic goals (Ritter et al., 2004).

Drawing on this research tradition, we propose a balanced portfolio approach to the management of business relationships during the coronavirus pandemic and associated health and economic crises. That is, B2B companies should seek to establish a balanced portfolio of supplier and customer relationships that will enable to them to both weather the immediate challenges in the crisis and take advantage of unique strategic opportunities arising from the crisis. This approach inherently indicates that firms should expect to “lean in” to some relationships, while simultaneously adding new relationships, perhaps in replacement of suddenly failing, current relationships. In this context, we recommend that firms should consider the following steps:

- **First,** firms should **institute a new orientation toward relationship development** during a pandemic by recognizing the pandemic as a whole new reality and becoming open to changing the relationship portfolio. For example, Leavitt Corp. has offered a regular bonus for all employees while the state of emergency lasts and the factory runs at nights and weekends, thus addressing the emerging humanitarian concerns internally (Baker, 2020). In this case, Leavitt Corp. is nurturing a critical relationship – the one with their employees.

- **Second,** firms should **seek new relationship building opportunities** (or embrace the pandemic, so to speak). While the relationship audit necessarily focuses on the reevaluation of all existing relationships, it is critical to recognize the need to develop new relationships using valuable and often transient opportunities emerging from a pandemic. In doing so, the company may need to increase resource commitments as needed (Gao & Sarraf, 2009), at a time when while many companies may be attempted to cut spending as a default crisis response strategy.

- **Finally,** we recommend that firms **look at the results of the relationship audit holistically.** In other words, we ask the managers to consider if they have addressed all concerns noted in the template. We argue that it is not enough to simply respond to the most critical relationships, but companies must also ensure that all relationships are complementary. General Electric (GE) may provide a cautionary tale of how a firm can get in trouble for taking too narrow of a view. As the coronavirus began to spread in March 2020, GE did as many firms have done and laid off workers. However, they focused too sharply on their economic concerns and overlooked their humanitarian concerns, especially related to the production of ventilators. GE workers and the unions that represent them responded to the layoffs by protesting at various facilities in the U.S. demanding that recently laid off employees be allowed to produce ventilators needed to combat the coronavirus (Jones, 2020). While GE has since begun the production of ventilators, the firm could have avoided these protests by better balancing their various relationships and considering the humanitarian concerns surrounding mass layoffs.

6. Conclusion

We hope that this paper is useful to all the various employees, firms, and customers in the B2B space who are affected by the coronavirus pandemic. We understand that managing a crisis is difficult for all firms and that a reliable “playbook” can be hard to come by. In this vain, we hope that the relationship audit template outlined in this paper can provide firms with an additional tool for managing a crisis. The 2020 pandemic has pushed practitioners and academics into a new reality that most of us are unfamiliar with. Thus, we hope this paper can inspire an emerging stream of research and knowledge focused on crisis management in the B2B context.

Given the newly developed nature of this relationship audit framework, this framework still requires comprehensive, empirical testing. With that said, we have applied the framework to evaluate a relationship with a food services supplier on behalf of the university where the authors work. We believe this is an appropriate example as the authors have both familiarity and prior experience navigating the university’s relationship with their primary food service provider. (see the Appendix).
Even though the focus of this article is on managing relationships during a pandemic, relationships do not exist in a vacuum and concrete; essential marketing decisions about product, price, communication, channel distribution, and target marketing provide the foundation on which relationships are built and adjusted. As such, we also contend that all areas of marketing decision-making within a crisis context could be up for review and possible change. For example, new product opportunities may emerge, price levels may need to be adjusted, and new communication messages would need to be formulated. We hope that this article, along with many others, spurs a new line of research that considers the changes seen within industrial marketing brought about by a global crisis.

Appendix. A relationship audit example

Focal Business: Public, Research University (PRU).
Name of Business Partner: Food Services Company, Inc. (FSC).
Type of Partner: Supplier / Customer / Distributor / Community (Underline One).

| Factors for Review | Baseline Evaluation before Pandemic (1 = Unacceptable, 5 = Excellent) | Volatility (1 = least, 5 = most) | Velocity (1 = least, 5 = most) | Criticality (1 = least, 5 = most) | Summary Notes |
|--------------------|-------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------|
| Key Contextual Factors | Health-Related Threats | 4 | 3 | 2 | FSC will need to offer safer methods to deliver food to students and staff, but the need is not immediate as campus is closed until at least August 2020. Food service contract will need drastic revision to account for short-term economic loss. |
|                      | Economic Changes | 5 | 5 | 4 | |
|                      | Regulatory Changes | 2 | 2 | 1 | N/A |
|                      | Humanitarian Needs | 4 | 5 | 3 | Some (but not all) students may depend on PRU for food, thus PRU and FSC need to continue to serve these students right now. PRU and FSC should address any food insecurity issues with students and staff immediately. |
| Emerging Opportunities | 2 | 2 | 2 | N/A |
| Relationship Value | Episodic Benefits | 3 | 5 | 5 | 5 | FSC offers minimal benefit to PRU in the short-term as most catering services are not needed until at least August 2020. |
|                      | Relationship Benefits | 3 | 3 | 3 | 3 | N/A |
|                      | Episodic Costs | 3 | 5 | 5 | 5 | Due to decreased episodic benefits, contract with FSC is suddenly a major short-term liability. |
|                      | Relationship Costs | 3 | 3 | 3 | 3 | N/A |
| Relationship States | Trust | 3 | 3 | 3 | 3 | N/A |
|                      | Commitment | 3 | 4 | 4 | 5 | While the lack of short-term benefit may indicate the need to terminate contract with FSC, PRU should aim to stay committed to FSC to ensure easy transition once campus reopens. |
|                      | Dependence | 3 | 3 | 3 | 3 | N/A |
|                      | Relational Norms | 3 | 4 | 4 | 5 | As regular food services have halted, relational norms have shifted in the short-term. New norms will need to be developed to maintain the relationship in the short-term. |
References

Baker, B. (2020). Everett-based Teddie Peanut butter has become one of the unsung companies called into action to fortify the backbone. *Boston Globe* (April 9).

Barnes, P., & Olortunoba, R. (2005). Assurance of Security in maritime supply chains: Conceptual issues of vulnerability and crisis management. *Journal of International Management*, 11(4), 519-540.

Buchanan, L. (1992). Vertical trade relationships: The role of dependence and symmetry in attaining organizational goals. *Journal of Marketing Research*, 29(February), 65–75.

Cannon, J. R., & Homburg, C. (2001). Buyer-supplier relationships and customer firm costs. *Journal of Marketing*, 65(1), 29-43.

Carson, B. (2020). Tech sales teams brace for missed quotas in the time of coronavirus. *Protocol* Retrieved on April 27, 2020.

Chandler, A. D. (1962). *Strategy and structure*. Cambridge: MA, MIT Press.

Courtney, H. (2001). Making the most of uncertainty. *The McKinsey Quarterly*, 38.

Distilled Spirits (2020). Distilleries making hand sanitizer to fight COVID-19.

Dwyer, F. R., Schurr, P. H., & Sejo, O. (1987). Developing buyer–seller relationships. *Journal of Marketing*, 51(2), 11–27.

Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer–seller relationships. *Journal of Marketing*, 61(April), 35-51.

Dwyer, F. R., Schurr, P. H., & Sojo, O. (1988). Developing buyer–seller relationships. *Journal of Marketing*, 51(2), 11–27.

Felton, R. (2020). How Coke and Pepsi make millions from bottling tap water, as residents face shutouts. *Consumer Reports* Retrieved on April 27, 2020.

Flint, D. J., Woodruﬀ, R. B., & Gardial, S. F. (1997). Customer value change in industrial marketing relationships: A call for new strategies and research. *Industrial Marketing Management*, 26(2), 163-175.

Gao, T., & Edghogh, T. (2004a). MNCs’ preferred responses to the Argentine financial crisis. *Latin American Business Review*, 5(11), 23-44.

Gao, T., & Edghogh, T. S. (2004b). Important decision factors considered by MNCs in their reevaluation and/or modiﬁcation of foreign entry modes during the Argentine ﬁnancial crisis. *Latin American Business Review*, 5(2), 45-69.

Gao, T., Szyg, M. J., & Bird, M. (2005). Enriching customer value research with a relational perspective: Evidence from an empirical investigation of organizational Buyers’ value perceptions. *Journal of Relationship Marketing*, 4(1(2), 21-42.

Gao, T., & Sarraf, T. E. (2009). “What causes multinational companies to increase source commitments during ﬁnancial crises in emerging markets?” Special issue on multinationals in emerging markets. *Multinational Business Review*, 17(2), 10-22.

Gittell, J. H., & Weiss, L. (2004). Coordination networks within and across organizations: A multi-level framework. *Journal of Management Studies*, 41(11), 127-153.

Glass, R. J., Glass, L. M., Beyeler, W. E., & Min, H. J. (2006). Targeted social distancing design for pandemic Inﬂuenza. *Emerging Infectious Diseases*, 12, 1671-1681.

Gremler, D. D., & Gwinder, K. (2000). Customer-employee rapport in service relationships. *Journal of Service Research*, 3(1), 82-104.

Gundlach, G. T., Achrol, R. S., & Mentzer, J. T. (1995). The structure of commitment in exchange. *Journal of Marketing*, 59(January), 78–92.

Heide, J. B. (1994). Interorganizational governance in marketing channels. *Journal of Marketing*, 58(January), 71–85.

Heide, J. B., & John, G. (1992). Do norms matter in marketing relationships? *Journal of Marketing*, 56(April), 32–44.

Jap, S. D., & Anderson, E. (2007). Testing a life-cycle theory of cooperative inter-organizational relationships: Movement across stages and performance. *Management Science*, 53(2), 260–275.

Jones, C. (2020). GE workers demand to save jobs, make ventilators to fight coronavirus pandemic. *USA Today* Retrieved on April 28, 2020.

Larsson, P. D. (2011). Strategic partners and strange bedfellows: Relationship building in humanitarian supply chains. In G. Kovács, & K. M. Spens (Eds.). *Relief supply chain management for disasters: humanitarian, aid and emergency logistics*. Hershey PA: IGI Global.

Lindgreen, A., Palmer, R., Vanhamme, J., & Wouters, J. (2006). A relationship-manage-ment assessment tool: Questioning, identifying, and prioritizing critical aspects of customer relationships. *Industrial Marketing Management*, 35(1), 57–71.

Lindgreen, A., & Wynstra, F. (2005). Value in business markets: What do we know? Where are we going? *Industrial Marketing Management*, 34(7), 732-748.

Lusch, R. F., & Brown, J. R. (1996). Interdependency, contracting, and relational behavior in marketing channels. *Journal of Marketing*, 60, 19–38.

McQuiston, D. H. (2001). A conceptual model for building and maintaining relationships between Manufacturers’ representatives and their principals. *Industrial Marketing Management*, 30(2), 165–181.

Moorman, C., Zaltman, G., & Deshpande, R. (1992). Relationships between providers and users of market research: The dynamics of trust within and between organizations. *Journal of Marketing Research*, 29(3), 314–328.

Morgan, R. S., & Hunt, S. D. (1994). The commitment-trust theory of relationship mar-keting. *Journal of Marketing*, 58(3), 20–38.

Palmatier, R. W., Dant, R. P., Gremlal, D., & Evans, K. R. (2006). Factors inﬂuencing the effectiveness of relationship marketing: A meta-analysis. *Journal of Marketing*, 70(4), 156–153.

Palmiter, R. W., Houston, M. B., Dant, R. P., & Gremlal, D. (2013). Relationship velocity: Toward a theory of relationship dynamics. *Journal of Marketing*, 77(January), 13–20.

Payne, A. F., Storbacka, K., & Frow, P. (2008). Managing the co-creation of value. *Journal of the Academy of Marketing Science*, 36(1), 83-96.

Pfeffer, J., & Salancik, G. R. (1978). The external control of organizations: A resource de-pendence perspective. New York: Harper and Row.

Rassy, D., & Smith, R. D. (2013). The economic impact of H1N1 on Mexico’s tourist and pork sectors. *Health Economics*, 22, 824–834.

Ravald, A., & Gronroos, C. (1996). The value concept in relationship marketing. *European Journal of Marketing*, 30(2), 19–31.

Ritter, T., & Walter, A. (2012). More is not always better: The impact of relationship functions on customer-perceived relationship value. *Industrial Marketing Management*, 41(1), 136–144.

Ritter, T., Wilkinson, I. F., & Johnston, W. J. (2004). Managing in complex business networks. *Industrial Marketing Management*, 33(3), 175–183.

Shi, L. H., & Gao, T. (2016). Performance impacts of global account coordination me-chanisms: An integrative study of boundary conditions. *Journal of International Marketing*, 24(2), 1–21.

Singh, K., & Yip, G. S. (2000). Strategic lessons from the Asian crisis. *Long Range Planning*, 33, 706–729.

Starr, M. R., Van Wassenhove, L. N., & L. N. (2014). Introduction to the special issue on humanitarian operations and crisis management. *Production and Operations Management*, 23(6), 925–937.

Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) Enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.

Turner, J., & Akintreemi, T. (2020). The business effects of pandemics – a rapid literature review. *Enterprise Research Centre* (accessed 14 May, 2020).

Uлага, W., & Chacour, S. (2001). Measuring customer-perceived value in business mar-kets: A prerequisite for marketing strategy development and implementation. *Industrial Marketing Management*, 30(6), 525–540.

Venkatraman, N. (1989). The concept of fit in strategy research: Toward verbal and statistical correspondence. *Academy of Management Review*, 14(3), 423-444.

Weber, A., Ritter, T., & Gemünden, H. G. (2001). Value creation in buyer–seller re-lationships: Theoretical considerations and empirical results from a Supplier’s per-spective. *Industrial Marketing Management*, 30(4), 365–377.

Weber, J. A. (2001). Partnering with resellers in business markets. *Industrial Marketing Management*, 30(2), 87–99.

Weber, M. L., & Hine, M. (2015). Who inhabits a business ecosystem? The technospecies model and synthesis of evidence. *Industrial Marketing Management*, 50, 483–495.

Williamson, O. E. (1985). *The economic institutions of capitalism*. New York: Free Press.

Wilson, D. T. (1995). An integrated model of buyer–seller relationships. *Journal of the Academy of Marketing Science*, 23(4), 335–345.

Zeithaml, V. A. (1988). Consumer perceptions of Price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(July), 2–22.

Zhang, J. Z., Watson, G. F., IV, Palmatier, R. W., & Dant, R. P. (2016). Dynamic re-lationships: *Journal of Marketing Research*, 53(9), 53–75.