Buyer–supplier collaborative relationships: Beyond the normative accounts

Journal Item

Buyer–supplier collaborative relationships: Beyond the normative accounts

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Abstract

This paper presents a critique of the normative, buyer-supplier literature and in addition suggests that the more empirically-based literature needs to expand its scope of attention beyond its traditional confines of attention. Four main deficiencies are identified within much of the existing buyer-supplier literature. Firstly, collaborative buyer-supplier theories fail to discriminate sufficiently between individual and firm-level buyer-supplier decision-making. Secondly, the stage models of relationship development are challenged. Thirdly, the interdependencies between buyer-supplier relations and other, competing organizational priorities are highlighted. Fourthly, we question the monolithic constructs of organizational 'commitment' and 'trust' underpinning much existing relationship-marketing literature.

Examples are presented of collaborative buyer-supplier practice drawn from multi-sector case study research of customer-responsive supply chains. We argue that, even in exemplary circumstances, collaborative relationship practices are susceptible to failure due to wider organizational and behavioural issues.

We conclude that researchers and management practitioners' need to pay more attention to these issues if sustainable benefits derived from advances in buyer-supplier understanding are to be realised.

Keywords: Buyer-Supplier relationships; Collaboration; Supply Chain Management

Introduction

Fast-moving, volatile market conditions with short product life cycles carry far-reaching implications for production processes, the way companies are organised and the way their supply chains operate. For example, it is argued that the mass production system with its emphasis on economies of scale and leanness becomes problematical in those product markets where variability and uncertainty prevail. Responsiveness to more demanding customers and turbulent markets are concerns that are shared across sectors. Traditionally, demand uncertainty has been counteracted by attempts to hold sufficient inventories to meet fluctuations. This is increasingly viewed as a wasteful and untenable response. A 'customer-responsive supply chain' would mean a chain which could operate with the absolute minimum of stock-out events, with prompt response to market fluctuations, and yet while carrying minimal buffer stocks. Balancing these requirements is plainly a difficult managerial task and it is made more than doubly difficult if co-operation from organisations up and down stream is less than certain. The management of interfirm relationships has for this and other reasons received extensive attention (for example (Child & Faulkner, 1998; Yoshino & Rangan, 1995).

This paper has two main aims: firstly, it presents a critique of the existing buyer-supplier literature, much of which is, we suggest highly normative and other parts of which, though empirically grounded, are too narrowly focused. Secondly, it suggests that greater understanding of the human and organizational behaviour implications of collaborative working arrangements are needed if practitioners are to manage collaborative buyer-supplier relationships successfully. These ambitions are crystallized in the following research question: *To what extent does existing theory account for the* *reality of effective collaborative buyer-supplier relationship management in practice?* We address this question in two parts: firstly we provide a review of the buyer-supplier literature and secondly, we present and discuss four case examples of collaborative buyer-supplier management practice. These cases were intensively researched during a three year study.

Literature Review

There are a number of strands of literature relevant to collaborative, buyer-supplier relations. Our research draws upon and contributes to each of these main strands – though it also presents a critique and challenge to them. In addition to the lean and agile supply chain literature there has been significant work in buyer-supplier relations (with a particular focus, for example, on relationship marketing), and there has been substantial work in the areas of Quick Response (QR), Collaborative Planning, Forecasting and Replenishment (CPFR), and Efficient Consumer Response (ECR). We address each of these sub-fields in turn.

The Buyer-Supplier relationship literature

In addition to popular texts which set out the rhetoric of collaboration, often with a weak evidence base, there is an extensive empirical literature exploring buyer-seller relationships which can be expected to offer some relevant insights. Two main lines of enquiry are evident in this literature – the first seeks to identify the variables which may influence the success or failure of these relationships; the second, seeks to trace and model the various ‘stages’ in relationship development. The success/failure variables literature has largely used survey methodology in order to identify the main factors (Anderson & Narus, 1990; Anderson & Weitz, 1989; Wilson, 1995). This now considerable body of research re-emphasises the variables identified in the founding studies: for example, the importance of variables such as seller characteristics (i.e. an identification of the kind of factors used in the evaluations of potential vendors such as price, quality, and an ability to meet specifications). The other dominant mode of approach has been to clarify the 'stages' involved in developing such relationships (Dwyer, Schurr, & Oh, 1987; Ford, 1980; Johnston & Lewin, 1996; Robinson, Faris, & Wind, 1967; Sheth, 1973; Webster & Wind, 1972; Wilson, 1995).

In a review article, which embraced both of these traditions, Johnston and Lewin (1996) examined 165 articles published over 25 years in the leading marketing journals on organizational buyer behaviour. Summarising their meta-analysis, Johnston and Lewin (1996: 2), conclude 'after 25 years of empirical testing it appears that [the early models] were correct in proposing that environmental, organizational, group … seller characteristics as well as the stages in the buying process significantly affect the organizational buying behaviour'. But they also recognise that there is a need for research which penetrates below the surface of the large surveys. Likewise, Wilson (1995:335) notes, 'When we look at the relationships in cross section, we lose the insights that emerge from looking at the process of relationship development'.

It was in order to meet this challenge that we used a methodology which enabled detailed analysis of actual behaviour and, in one of the cases we adopted a longitudinal approach which traced the evolving relationship between a retailer and its key suppliers over a 10 year period.

The organizational buyer-behaviour and collaborative partnerships literatures

One of the most commonly observed requirements for customer responsive supply chain management which goes beyond technological capability is that of inter-firm cooperation or 'collaboration'. Long term, collaborative relationships with a few trusted suppliers have been described as representing a general trend over the past decade or so. There is said to be ‘growing evidence that to be competitive […] firms are moving away from the traditional approach of adversarial relationships with a multitude of suppliers to one of forging longer term relationships with a selected few suppliers’ (Kalwani & Narayandas, 1995: 1). Similar points are made by Spekman (1988) and Spekman & Caraway (2006). As has also been noted, 'For many of the world's most successful corporations, the very things that made them great were neither developed nor owned in-house. They have been achieved through collaborative relationships' (Cardell, 2002: 1).

Mainstream research in this area has focussed on the structural characteristics of these relationships and how these may be related to competitive advantage (Dyer, 1996; Mohr & Spekman, 1994; Mudambi & Helper, 1998). These empirical works explore practices in the US automotive supply chain. For example, Dyer (1996) predicts higher performance levels in tightly integrated, proximate production networks with high co-specialization. Mudambi and Helper (1998) add lengthened decision-making horizons, improved information flow, strategic quality plans and tolerance of some competitive variability.

However, theoretical conceptions of these strategic partnerships have constrained our understanding (Bresnen, 1996). As Stuart and McCutheon point out, 'No single theory appears sufficient to explain how these relatively new forms of business relationships may develop' (Stuart & McCutcheon, 1996: 7-8). Specifically, Bresnen (1996) has argued that complex internal organizational processes and management action tend to be ignored. While a better appreciation of the dynamic, emergent nature of the relationship development process has been achieved (Cousins, 2002; Cox, 1996, 2001; Macbeth, 2002), these alternative conceptual frameworks tend to retain a deterministic, normative, rationalistic, prescriptive bias. More recently, researchers have began to unpack some of the barriers to achieving effective and sustained implementation in a wider context (Boddy, et al, 1998; Christopher & Juttner, 2000; Cousins & Spekman, 2003; Stuart & McCutcheon, 1996). Cross-sector comparison and a unit of analysis that extends beyond the dyad have suggested that, when partnership development is viewed as a change initiative, differences in project management practices explain some of the claimed variability in success. A 'systematic approach' to development (Christopher & Juttner, 2000); recognition of the need to actively manage multiple actors' interests (Boddy et al., 1998) and equitable benefit sharing (Cox, 2001) have all been proposed as means of improving the likelihood of a successful outcome. Alternative interaction models (Boddy, Macbeth, & Wagner, 2000) and research by the IMP group (Ford, 1990; Gadde & Hakansson, 2001; Hakansson, Henjesand, & Waluszewski, 2004; Hakansson & Snehota, 1995) provide multi-faceted approaches with which to posit potential and explore actual interaction effects. Our research study contributes to and extends these endeavours.

The Retail Logistics Literature.

Retail logistics initiatives known variously as ‘Quick Response’ (QR), ‘Efficient Consumer Response’ (ECR), ‘Continuous Replenishment Planning’ (CRP) and ‘Collaborative Planning Forecasting and Replenishment’ (CPFR), share some of the characteristics of the collaborative buyer-supplier models discussed above. These movements have been based on the premise that shared benefits can be derived by suppliers and retailers through collaborative action on cost reduction, efficiency savings, and customer service improvements (Cooke, 1999; Cooke, 1999; Giunipero, et al 2001).

While these movements began in the US grocery industry, they have been emulated to some extent in the textiles and clothing sectors (Skjoett-Larsen, 2003). QR has been defined as ‘a strategy for linking retailing and manufacturing operations in order to provide the flexibility needed to quickly respond to shifting markets’ (King, 1994; Richardson, 1996). As with each of the other movements of this type, some dramatic outcomes have been claimed. For example, one such claim is that with EPOS data, customised garment replenishment can be achieved in less than four hours. This would turn conventional ‘Make to Stock’ wisdom on its head and promote manufacturer-market proximity (Yang & Wee, 2001).

High levels of QR and ECR performance are said to be possible with the transfer of inventory responsibility (Palmer, 2000) and increasing inter-firm collaboration (Giunipero et al., 2001). They also require the development of inter-functional technical competencies (Fisher & Raman, 1996; Fisher, et al, 1994) and benevolent organisational support structures (Richardson, 1996; Sabath, 1998). But, to date, the link between improved business performance and advanced QR practice has proved tenuous when subject to serious scrutiny (Giunipero et al., 2001; Palmer & Markus, 2000). Whiteoak (1994) noted that 'despite increasing willingness to work together, there remain many attitudes, prejudices and corporate cultures to be changed, and hidden agendas to be exposed, if the full range of possibilities are to be explored.' But, so far, there has been surprisingly scant attention paid to the effects of management and organisational behaviour when evaluating those factors likely to impact programme success or failure: our study attends to these factors.

The Relationship Marketing Literature

In terms of the analysis of underlying social processes, the dominant theme in the buyer-supplier relationship literature has been the exploration of 'commitment' and 'trust' in relationship marketing and buyer-supplier collaboration (for example, Dwyer et al., 1987; Morgan & Hunt, 1994; Young & Wilkinson, 1989). Indeed, relationship marketing has largely been defined in these terms. For example, one fairly typical definition of relationship marketing is that it denotes the 'establishing, developing and maintaining of successful relational exchanges' (Morgan & Hunt, 1994: 20). The essential theme of such literature is the co-operative aspect of economic behaviour. Analysts within this mode emphasise and usually extol 'norms of sharing and commitment based on trust' (Achrol, 1991: 89). Commitment and trust are indeed usually the central concepts. Such themes continue to provide the underpinnings for recent empirical work (see, for example Claro, Claro, & Hagelaar, 2006; Yilmaz, Sezen, & Ozedemir, 2005; Zhao & Cavusgil, 2006). The parties to the relationship are required to make a trade-off: 'In relational markets, both the organization and the customer concede some control and autonomy in return for assurance of equitable exchange and reduction of risk over the longer term' (Bowen, Siehl, & Schneider, 1989: 83). Here again we see the assumption being made of a rational calculation process being undertaken and used by the parties. Our data will question the validity of constructs such as ‘calculative trust’ (Suh & Kwon, 2006).

The reasons normally advanced for viewing commitment and trust as key, stem from one or more of the following propositions: trust and commitment prompt sellers and buyers to work at developing their relationship through further cooperation; they allay the fear of opportunistic behaviour; they permit longer term, higher risk options - such as investment in partner specific plant and/or materials (Doyle & Roth, 1992; Dwyer et al., 1987; Ford, 1990; Morgan & Hunt, 1994). The relationship marketing and buyer-supplier behaviour literatures often seem to conceptualise the playing-out of these tendencies as subjects for rational debate among organisational decision makers who weigh the relative merits of different potential courses of action (Hakansson et al., 2004). For example, Morgan and Hunt (1994:24) claim ‘buyers’ anticipation of high switching costs gives rise to an interest in maintaining a quality relationship’. These two interrelated notions (that buying organisations necessarily enter into rational open debate about such factors and second that anticipated costs are weighed) are also ones which we wished to explore in greater depth. Such propositions derive in turn from social exchange theory (Blau, 1964; Bleeke & Ernst, 1993). However, in the context of an increasingly global market economy, we suggest that there are limits to the direct transferability of lessons from interpersonal relationships to inter-organisational trading relationships.

To summarise, the concept of 'supply chain management' and related concepts of buyer-supplier collaborative behaviour have provoked a large and rapidly expanding body (or rather bodies) of literature. Much of the literature to date has remained at the prescriptive and survey based level. At this high and often abstract level, trust, relationship building and commitment are not surprisingly heavily emphasised. But more detailed probing and more context-sensitive research (Boddy et al., 2000; Gadde & Hakansson, 2001; Hakansson & Snehota, 1995), reveals the possibilities of more complex, context-specific interactions behind these apparent truths. The need therefore for fuller investigation has been noted (Christopher & Juttner, 2000; Stuart & McCutcheon, 1996).

Research methods

Our research approach aims to draw out the rationale, methods, and consequences (intended and unintended) of specific initiatives. Our methods were designed to allow exposure to the context-specificity of buyer-supplier relationship building. We also wanted to pay regard to the behavioural and organisational dimensions. Thus, we attended to who had an influence in shaping buyer-supplier policies and behaviours, how much political influence these players had, their career paths and lengths of tenure in the critical buyer or supplier positions they occupied, organisational structures and wider corporate priorities and strategies.

To these ends, we present four 'functioning specific' examples (Stake, 1995): individual cases that demonstrate how buyer-supplier relationships operated in specific contexts. This method exploits the full potential of case studies to 'deal with processual and multiple stakeholder considerations' (Larsson, 1993: 1516). The research, which ranged across different sectors, covered 32 supply chains of 'focal firms' identified as leading proponents of 'customer responsiveness'. Our studies began with a focal organisation and the research was then extended to take in upstream and downstream supply chain partners. We collected data on both technical and behavioural aspects of supply chain processes.

Two hundred and seventy detailed and extensive semi-structured interviews with key informants provided the first and most important source of data, though each study was constructed by drawing upon multiple data sources which were cross-checked and used as prompts for further enquiry. A second source of data was derived from internal company documents including progress reports, inter-company presentations, memoranda, minutes of meetings, progress reports and stakeholder analyses. These were unusually detailed and extensive because they often represented the work of the key informants and their close associates in the respective buying or selling organisations. This paper presents analysis of cases from four main sectors, purposively selected from this research. These 'best in class' outlying examples exhibited the most developed, collaborative buyer-supplier management practices our research had identified in each of these sectors.

Research informants had been selected and interviewed on the basis of their active involvement in and responsibility for shaping the form of buyer and supplier relationships within their sourcing and delivery processes. Most of the informants played leading parts in the various initiatives described herein. Their motives and intentions formed key parts of the investigation, as did their analyses of the situation and their readings of the motives, intent and behaviours of other actors. Each of the interviews was conducted by two researchers and ranged in duration from a minimum of an hour to as much as half a day.

Substantive interview notes were taken and analytic field notes made soon afterwards. Interviews were also tape-recorded and transcribed. The resulting qualitative data was coded and analysed using Nvivo software. Cross-company case summary reports were produced. The prime focus of the analysis in each of the four selected cases was to explore the, empirically emergent (Archer, 1995), organisational and behaviour factors relevant to the management of buyer-supplier relationships. Specifically, we sought to understand how the relationship practices underpinning sourcing and delivery processes had been developed and how attempts at collaboration had been either facilitated or impeded. In the case accounts which follow we draw upon the data to illustrate our thesis that a context-sensitive reading of leading supply practice is needed in order to derive value from the many strictures about the need for trust and for relationship-building.

Case Studies

Our cases are drawn from four sectors: logistics/distribution, electronics, clothing and process industries. Informants variously described their roles as purchasers, buyers, account managers, commercial managers, supplier managers, transport managers and collaborative planners. The seniority of those interviewed ranged from directors to middle management executives. A profile of each case is provided in Table 1

[Take in Table 1 here]

Retail Clothing Co

The clothing company was a predominantly UK-based multiple retailer with a group turnover of £7,619 million (2002). Our research focused on their clothing supply chain.

Having traditionally extolled the virtues of UK supply, the company had recently taken a strategic decision to increase their overseas sourcing. Whilst some of this was managed through existing UK suppliers, alternative globally-dispersed sourcing and distribution models were being actively developed. The research examined the changing relationships over the past decade between the retailer and two of their main suppliers. In one of these companies' divisions, the Planning Executive had painstakingly built up and defended a successful collaborative planning initiative. The retailer shared their Electronic Point of Sale (EPOS) data with the supplier, in return for flexible manufacturing contracts. This new buyer-supplier initiative was a huge success for both parties. The clothing supplier was able to manage its production runs in a far more predictable and efficient way and the retailer had better on-shelf availability and rarely had to discount end-of season stock with respect to this range of goods. Technically, the new buyer-supplier arrangements were far superior to the previous arrangements. Nonetheless, the new collaborative mode collapsed after five years because other policy priorities intruded.

One problem in maintaining this technically superior arrangement was that the retailer had a practice of changing its Buyers every two years as part of its career progression plan. This meant that the Planning Executive had to continually re-persuade each new Buyer of the wisdom of the arrangement which was at odds with buyer-supplier practice in all other parts of the retailers' business.

This continuing challenge was exacerbated when the Senior Buyer changed and as the Planning Executive explained,

> '*[Retail Company] people were again saying, "Why should we give you this data" And they reverted right back down to the traditional level. Back to the old hierarchical approach, back to the uneducated, lack of support and lack of awareness in data sharing and partnering'*

Then came even wider and more far-reaching policy changes. Category rather then technologically-oriented buying units were created, suppliers were rationalised and responsibility for overseas procurement was given to a dedicated team. The repercussions for buyer-supplier relationships were very far-reaching. Fundamental changes to production and delivery mechanisms were also underway as the senior management teams of both Retail Clothing Co and their supplier base responded to market pressure on price. This redirection of management attention was to the detriment of collaborative service logics. The improvements in product availability and inventory reductions achieved through this tightly coupled relational buyer-supplier collaboration, proved impossible to sustain in this new environment.

This first case illustrates emphatically how even when a collaborative-buyer supplier relationship is painstakingly constructed, implemented and is proven to be successful, it is vulnerable to ongoing job moves by buyers and is even more vulnerable – in this case terminally so – to wider corporate polices such as a decision to source offshore.

Process Manufacturing Co

Process Manufacturing Co was the UK operating company of a very large international trading group. The UK market accounted for around a third of group sales revenue and in this capital intensive industry, 450 people were employed across 5 UK sites. Third party manufacturers, warehouses and hauliers were used to manage demand peaks as well as providing additional capacity for new products and services.

As well as some inter-regional trading, the company developed and manufactured branded and own- label products for two main business sectors: contracts and consumer. Their consumer business was by far the largest sector, with sales of £100 million (2000). The sector was split into two main markets: toiletries and household. Our investigations focused on the company's relationships with two of their national account customers. Over the last 5 years, two distinct retail strategies had emerged: scale cost reduction through volume efficiencies on the one hand and margin improvement through product and service differentiation on the other. These strategic differences were exemplified by these two, important national account retailers: Value Co and Service Co. Each bought a similarly wide range of products.

Process manufacturing Co had sought to develop collaborative relationships with their national account customers through the deployment of Customer Service Logistics personnel. These were customer-dedicated representatives whose sole responsibility was to develop and enhance Process manufacturing Co's logistical services in conjunction with customer representatives. However, despite the stable and continuing trading relationship with Valueco, the value-driven retailer, the manufacturer found that collaborative development opportunities were limited.

One problem was the identification, by Valueco, of other more powerful brand holders as ‘Category Captains’. These were held to be responsible for routine replenishment decision-making across the category. Category Captaincy status bought influence and it was these suppliers who tended to dominate developmental discussions and trials. However this status could be transient. As one of our informants explained, one day he received an e-mail from Value Co inviting his company to make a presentation to take over the category captaincy. The day after the presentations, in which representatives from the existing category captain supplier also participated, the captaincy was transferred. Further transfer in this mode was always a possibility.

A second problem was that the value-driven retailer used value engineering teams to focus on operational cost-cutting. This posed a threat to Process Manufacturing Co’s own strategic brand intentions. This deployment of the retailer’s Value Engineering teams to reduce operational and hence product cost, ran counter to the manufacturer’s desire to maximise leverage of their own brands’ market value in support of new product development activities.

Process Manufacturing Co’s collaborative aspirations met greater success with another of their national account customers, Service Co. Here, Process Co logistics personnel had co-developed an innovative Quick Response logistics replenishment solution. Process Co increased their delivery frequency into Service Co’s national distribution centre. The new daily schedule reduced finished goods inventories for both Service Co and Process Manufacturing Co. Ordering responsiveness and delivery lead times to store were also improved. On time in full delivery performance dramatically improved. These impressive benefits were acclaimed by Process Manufacturing Co and Service Co personnel alike, however the initiative was vulnerable. Service Co planned the introduction of intermediate Regional Distribution Centres as part of a strategic distribution network review initiated by the Head of Supply Chain. This internal Retail initiative threatened the continued viability of the delicately tuned, carefully constructed and successful operational relationship.

So, this second case reflects and extends some key lessons and insights from the first. Collaborative buyer-supplier relationships can be very hard to construct and maintain. The interests of the multiple parties in a network are highly likely to conflict. Power imbalances always remain open to exploitation. Further, even when they have been built and are managed continuously and carefully, they remain subject to disruption by policy changes instigated by more senior figures with other agendas in the partner companies.

Global Electronics Co

Headquartered in Amsterdam with a multinational workforce of over 200,000 this Global Electronics Group operated in 150 countries worldwide. The semiconductor market within which the focal division of our case study operated was characterised by turbulent growth, cyclical capacity issues, technology churn and the importance of the business creation process to secure future market share. A previously stable customer base had coalesced into a more consolidated, if volatile portfolio. Distinctions within and between customers, suppliers and competitors were not always clear-cut. Joint ventures and multiple-roles were commonplace. Inter-group sales e accounted for nearly a fifth of divisional turnover.

Within the semi-conductor division, we explored buyer-supplier relationships in detail between two technology-specific management units (business lines) and their common customer, another Group division. ATV Chips, the first of these units and the largest in the division, supplied a broad range of semi-conductors to manufacturers of analogue broadcast televisions. The second, DTV was part of a newly formed operating unit. Though DTV's current manufacturing activities were again focussed on chip supply into a relatively mature, income generating marketplace, new product development occupied much management attention as new technologies were developed for a predicted shift of both volumes and revenues into new technologies.

Both units were required to manage their respective supply chains following divisionally decreed principles: final testing and assembly were co-located; logistics moves during internal manufacturing operations were restricted: product was not to be flown more than twice. Whilst observing these constraints, each unit had adopted a multiple sourcing policy for their Wafer fabrication processes. This provided volume flexibility, reduced risk and guaranteed supply. Order placement was influenced by each plant's specific technical expertise, line cost and route flexibility. Additionally, within DTV, the Supply Base Manager sought to maintain a balance between in-sourced and outsourced production. Given the high degree of uncertainty in this newly evolving marketplace, partnerships with external test facilities had been developed. This extended available capacity, improved responsiveness and, through strategic geographical selection, could also minimise duty. Supply strategy was therefore a complex balancing act, influenced both by internal capacities, divisional ideology and the geography of available test localities.

In this environment, clear tensions emerged between Divisional policy objectives and the dual sourcing supply strategies as operationalized by the ATV and DTV management teams. As the DTV Supply Base Manager explained, despite divisional pressure to drop external suppliers due to internal capacity lying idle during a market downturn, 'you can't just go to them when you need them and expect them to be there … you have to maintain a level of business with them'. Yet it was unclear for how long these carefully considered and intricately planned external supply relationships could be maintained in the light of pressing Divisional demands to maximise internal manufacturing efficiencies.

This case well illustrates the constrained, negotiated and contested reality of buyer-sustaining strategic supplier relationships. In common with previous cases, managers within the organisation found themselves caught between conflicting organisational priorities. On the one hand, volatile, cyclical market demands meant the ability to flex capacity and secure supply routes during times of peak demand were critical. On the other hand, powerful senior managers with their eyes on internal efficiencies demanded outsourced production to be bought in-house during market downturns. These, apparently incommensurable strategic objectives presented a set of conflicting managerial objectives. And these tensions created serious difficulties in achieving either capability.

EuroLogi Co

Eurologi Co was part of a global parcel network provider. Our case study focused on a client-specific business unit contracted to manage onward distribution throughout the European Union, Norway and Sweden for a vendor of hi-tech branded networking products. Eurologi Co was responsible for arranging transport from nine strategic logistics centres (SLC's) around the globe. Goods were routed via a central European Logistics Centre in The Netherlands to customer-specified destinations.

Eurologi Co sometimes operated in the capacity of a Third Party Logistics Provider (3PL). However, despite the familial relationship that existed between Eurologi Co and one of the subcontractor organisations, a sister company within the global parcel group, a 'carrier neutral' policy governed the selection of route operators. Hence logistics operations could also be executed through competing network providers, though Eurologi Co remained responsible for their management (a practice sometimes referred to as 'Fourth Party Logistics' or 4PL). Outbound distribution partners themselves managed alternative channels, as well as servicing customers who chose to 'opt out' of the Vendors' proffered logistics services. Inflow Co, the sole inbound carrier used by Eurologi Co was also a direct competitor, managing customer distribution in Europe, the Middle East and Africa. Inflow Co's Account Manager was not afraid to question the 'value add' of Eurologi Co's service and, when describing Eurologi Co's attempts to convene a cross-carrier meeting, accused them of 'showing off' to the client.

Tensions also existed between the client and Eurologi Co. Performance was measured on the basis of lead time delivery performance, from SLC collection to customer receipt. The Eurologi Co Transport Manager had been active in the development of 'fact based' carrier assessment, which used Six Sigma principles to improve lead time capability on some of the more difficult to reach European destinations. Outbound subcontractors expressed their unease. This highly statistical analysis was considered unusual within the transport sector and both carriers and Client proved reluctant to embrace the approach. Rather, there was some pressure from the Client for Eurologi Co to select carriers on the basis of cost, rather than service level capability.

Despite the carrier neutral selection policy, operational relationships with the three major outbound carriers had developed unevenly. Carrier ‘in-plants’ were used to ensure accurate despatch with the two external suppliers and a comprehensive master operating plan had been drawn up with the more sophisticated, global player. This Carrier monitored demand trends very carefully and their Global Account Manager was quick to raise unanticipated fluctuations with Eurologi Co to ensure they were not losing business to their rivals.

As this fourth and final case study illustrates, in this complex, buyer-supplier network there was significant variation between actors in their beliefs about effective supply management. These alternative modes co-existed, with actors attempting to advance their own positions. As in the previous cases, individuals and organisations in powerful positions had the greatest opportunity to exert influence over (and subvert) any initiative attempts. Although this supremacy did not go uncontested, in all four cases it was apparent that logically-consistent rationale for successful buyer-supplier collaborative relations as found proselytised in much of the normative literature were often accorded low priority when situated alongside other business imperatives and objectives.

Discussion and Conclusions

These cases reveal the nature, and extent, of the gap between theorised depictions in organisational buyer-supplier, supply chain and retail logistics literatures and the management reality on the ground. Much of this literature, as described earlier in the paper, tends to treat organisations (business-to-business buyers and sellers) as virtual individuals who make calculated rational choices. Traditional survey research seeks the variables which are supposedly weighed by the actors most closely associated with the process. But, the reality, as we found in these cases, demonstrates that supply chain collaboration and inter-organizational relationships more generally are not salient on the corporate agendas of other, more senior directors. In line with Cousins and Spekman, (2003) we found buyer-supplier relationships are developed at a more operational level and they therefore remain vulnerable to changes in corporate policy which intrude upon established, emergent, practices.

Our case studies show that collaborative buyer-supplier relationships development is *technically* feasible. Empirical examples such as these can be found in many different industrial settings. This is an important finding. For a short period at least, and in circumscribed conditions, collaborative development can deliver huge advantages. But, the study also reveals that *even when it works*, this is no guarantee of managerial support for its continuance.

The difficulties described here can be found in even more exaggerated form in many other circumstances. The identification of the nature and importance of these behavioural dynamics helps to correct for the naivety in much of the existing literature about inter-form 'co-operation' and 'collaboration'. Our body of case study evidence therefore widens the scope of existing findings (Boddy et al., 1998; Boddy et al., 2000) as well as providing significant empirical data to support our, and others' similar, theoretical critique (Bresnen, 1996).

These case studies generate some important challenges to the now very considerable body of literature on business to business buyer-supplier relationships and the literature on supply chain management. There are four main underlying assumptions and claims in those literatures which ought to be re-addressed in the light of this evidence.

First, there is an assumption underpinning much of the buyer-supplier relationship literature, and the supply chain management literature that firms act in a similar manner as individual-decision makers might do in considering and weighing a series of options. This is especially evident in the literature built around the idea that buyers spend time calculating which suppliers to develop and which ones merit the investment needed to maintain an ongoing relationships. The study suggests that these calculations, in so far as they do occur, are made rather more at an operational level and that as a result their outcomes can be easily over-ridden by competing corporate level priorities.

For example, Morgan and Hunt (1994: 24) claim 'buyers' anticipation of high switching costs gives rise to an interest in maintaining a quality relationship'. These two interrelated notions (that buying organisations necessarily enter into rational open debate about such factors, and second, that anticipated costs are rationally weighed against each other) were challenged by the findings of our studies. These kinds of issues were not, in practice, openly debated in such terms in any sustained way even in these large sophisticated companies. Rather, the case studies reveal starkly how alternative corporate strategies and priorities can rudely interrupt and easily brush aside organisational collaborative relationships.

Second, our cases also challenge the widely canvassed notion that buyer-supplier relationships proceed in a number of incremental 'stages' (Dwyer et al., 1987; Johnston & Lewin, 1996; Robinson et al., 1967; Sheth, 1973; Webster & Wind, 1972; Wilson, 1995). The eight stage model outlined by Johnston and Lewin (1996) and built on earlier work of Robinson et al (1967); Webster and Wind (1972); and Sheth (1973) were evidently not in play in these cases. This supposedly rational, process of search and decision in a series of logical phases does not accord with the more tentative, and iterative reality that we encountered. Indeed, as our research clearly reveals, much more to the fore is a contrary pattern – one which required champions of the various initiatives to continually have to re-convince buyers, and indeed other actors, within their own and as well as the customer's/suppliers organisation.

Third, in the cases recounted, there were strong competing ideas flourishing in other parts of buyer and supplying organisations and at higher levels. Hence, collaborative supply chain initiatives, despite their positive financial and technical logics and proven outcomes - continued to be at risk. Arrangements not only have to be regarded as worthwhile under benign conditions, they have also to be sustainable and seen as worth preserving when difficult conditions were encountered. Above all, as these cases illustrate, the converts and enthusiasts on both sides may be too few. Ideas do not always permeate the collaborating companies; essentially remaining in the heads and working practices of just a handful of people. Thus, collaborative practices were at risk when people moved posts or when alternative priorities swept away the arrangement as a sacrifice on the altar of supposedly 'bigger' ideas.

Fourth, the dominant theme in the buyer-supplier relationship literature of 'commitment' and 'trust' in relationship marketing and buyer-supplier collaboration (Dwyer et al., 1987; Morgan & Hunt, 1994; Young & Wilkinson, 1989) needs reconceptualising. The reason is that this literature is constructed on the basis of organizations operating as unitary entities which engage in 'trusting' or 'committed' relationships depending on known variables. But, as our research has shown, organizations labelled as 'buyers' or 'sellers' in fact contain multiple agents. They are engaged in intra-organizational as well as inter-organizational negotiations. The operational staff who may have built up trust and commitment as a result of interaction are subject to commands and instructions from seniors who have different experiences and other agendas. The essential theme of the trust and commitment literature is the co-operative aspects of economic behaviour. Analysts within this mode emphasis and usually extol 'norms of sharing and commitment based on trust' (Achrol 1991: 89). Within the relationship marketing literature, commitment and trust are indeed claimed to be the key concepts but, as our study emphasises, while some actors may build such trust and commitment across organizational boundaries they can be overridden in their decision making by corporate chiefs. Here, our findings resonate with the empirical findings of Boddy et al. (1998, 2000) who identified the weakness of over-reliance on good, interpersonal relationships and theorised the 'contextual confusion' that may exist between those implementing partnering and other, more senior organizational actors. Cox (2001) has suggested that far greater attention need be paid to power structures if theory pertaining to the fashioning of extended, dynamic collaborative relationships is to be developed.

In addition, our empirical findings present a challenge to current management practice. As others have suggested (Boddy et al., 2000; Christopher & Juttner, 2000), developing collaborative buyer-supplier relationships is an uncertain and unpredictable business. Even if collaborative relationship management was perceived to be a strategic priority, differences of opinion and unexpected outcomes were evident. Sustained, co-ordinated, adaptive action is required within and between organizational actors if hard-won benefits are to be realised and sustained. Clearly, this represents significant behavioural challenges which even in these most of promising cases, current corporate actors' appeared to lack the agency to address.

To summarise, this paper challenges the prevalent view of normative, collaborative buyer-supplier relationships within much buyer-supplier management theory. The appealing, logical, notions of 'customer-responsive supply chain management' and the collaborative buyer-supplier relationship which underpin it, so elegantly described in the normative literature are thus found in practice to be prone to a number of critical organizational and behavioural barriers.

Competing organisational strategies threaten even effective, established supply chain solutions. The most carefully planned, technically sophisticated and well implemented initiatives can be easily overridden. In these respects, our cases reflect the findings of others adopting interactional and power-sensitive approaches (Boddy, 2000; Cox, 2001; Ford 1997; Hakansson 1998; Gadde 2001). However, our case studies also cast doubt on any current, generally positive, 'trend' in the position of supply management (Cousins & Spekman, 2003), even within these leading examples of practice. Our research suggests that, rather than the measured, temporal displacement of one network strategy by another, multiple initiatives co-exist. Differing individual and organisational perspectives mean that a continual process of negotiation and re-negotiation constitutes the reality of many buyer-supplier relationships. In order to progress, and to make a practical impact, collaborative buyer-supplier research and literature will need to take much fuller account of these realities.

Our research suggests that the logically-deduced and hypothetically-tested models of collaborative buyer-supplier relationships as spelled out in the extant literature are not wrong: rather they are insufficient. Greater attention to how they operate in practice - and their limitations even when practised in unusually skilful ways – can contribute to more nuanced theory and more artful practice.

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List of Tables

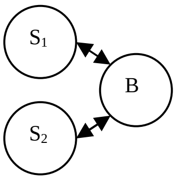
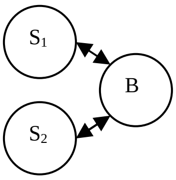
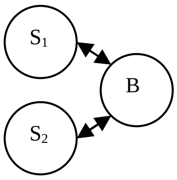
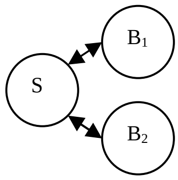
Case Study Descriptive Variables	**Clothing Retail Co**	**EuroLogi Co**	**Global Electronics Co**	**Process Co**
Case Context				
Sector	Retail	Transportation	Electronics	Process
Geographical Scope	United Kingdom	European (EU+2)	Global	United Kingdom
Focal Business Unit				
Sales Turnover	£3.8 billion	$1.969 billion	$4.1 billion	£115 million
Product Range	Clothing Retail	Distribution and Logistics Service Management	Integrated Circuits (IC's)	Manufacture and marketing of soap, toiletries and household products
Employees	40,854	60-120	26,000	~ 450
Unit of Analysis B_n = buyers S_n = suppliers				
Nature of Organisational Buyer-Supplier Relationship	Exclusive, own-label manufacturing – retailer partnerships	Competitive distribution partners, managed by contracted logistics services partner	Inter-business unit component supply for original equipment manufacturers	Branded and own-label product supply to retail competitors
Specific buyer-supplier initiatives	Collaborative planning	Six Sigma supplier management	Die-based organisation Dual sourcing for capacity flexibility	Quick response replenishment Supplier value engineering

Table 1. Case Study Contexts