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IMPLEMENTING COLLABORATIVE RELATIONSHIPS WITH SUPPLIERS:
EVOLUTIONS REQUIRED OF PURCHASING FIRMS

Introduction

At a time when inter-organizational relationships – both vertical (buyer-supplier) and horizontal (between players from the same industry or users of the same resources) – are increasingly common, management of these relationships is becoming a key factor in overall company success. Under certain conditions, cooperation becomes essential to enhance competitive advantage (Dyer and Singh, 1998; Dyer, 2000). In this paper we focus on the purchasing firm and its extended network of collaborators. Beyond being merely an assemblage of firms, supply chains involving “extended firms” increasingly compete amongst themselves (Fenneteau and Naro, 2005). Development of close collaborative relationships between companies and their suppliers (as well as with various competitors) is one of the main innovations resulting from the current economic situation. As a case in point, in mid-2009, PSA Peugeot-Citroën created a 40-person entity specifically dedicated to supporting struggling suppliers by ensuring the sustainability of PSA’s upstream relationships.

Of course, collaboration does not exclude risk either for the supplier or for the customer. Nor is collaboration a universal panacea, because it does not always lead to the expected results. It may even be a real trap for suppliers who become very dependent on their clients (Donada, 1997) leading some researchers and practitioners to postulate that inter-firm partnerships are not always necessary or desirable. Despite this view, developing different relationships with suppliers according to the role they are expected to play for the firm is vital (Bensaou, 1999) and regardless of the nature of the relationship, it is important to define and implement appropriate operating procedures to develop a “*cooperative advantage*” (Kanter, 1994) or a “*collaborative advantage*” (Dyer, 2000).

Therefore, in this paper, we examine the extent to which implementing collaborative relationships with suppliers should be supported by the development of *internal collaborative capital* of the purchasing actors (buyers, internal clients, etc.). This paper introduces a conceptual approach. First, we develop the central question of consistency between internal and external relationships. Second, we address the specificities of the collaborative approach with suppliers. Finally, we propose ways to develop collaborative capital inside the purchasing firm at the buyer level, at the buying center level and for the firm globally.

1. Coherence between the logics of internal and external relationships

The structuring role of the environment on organizations has been extensively described in the literature. This structuring effect manifests in different ways, but many authors insist on the important role played by environmental pressures that are then transmitted inside organizations. This

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situation and our desire to highlight the determinants of inter-organizational control modalities served as impetus for development of the “control chain” approach in our previous research (Poissonnier, 2005a, 2005b). Knowledge of control chain functioning then provides relevant explanations for inter-organisational relationship development and evolution.

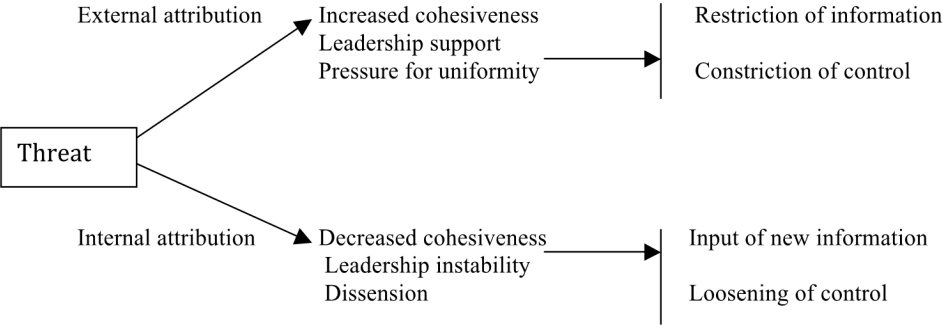
1.1. The role of the environment in the structuring of firms

Authors supporting the environmental contingency approach show the extent to which organizational architectures are influenced by the characteristics of the environment in which they exist (Burns and Stalker, 1961; Chandler, 1962; Emery and Trist, 1965; Lawrence and Lorsch, 1967). Mintzberg (1979) describes four environmental dimensions enabling better understanding of the structuring mechanisms, namely stability, complexity, market diversity and hostility.

Several approaches have tried to present the environment as an important evolutionary factor for firms. Population ecologists (Hannan and Freeman, 1977, 1984) write that external conditions oblige firms to choose a specific niche. To succeed, the firm has to adapt to their environment. Di Maggio and Powell (1991) argue that political and ideological pressures coming from the environment reduce strategic choices, but do not eliminate them. Legitimacy is then a determinant of “institutional isomorphism”.

The effects of external environmental pressures can be observed inside the organization. Staw et al. (1981) insist on the structuring role played by threats. According to these authors, each threat can contribute to the appearance of different forms of rigidity, among which strengthening of internal control is a common modality. The group response model to a threat is an explanatory framework for the importance of control (strengthening in the case of an external potential danger; weakening in the case of an internal potential danger) – as shown in figure 1.

Figure 1. A model of group response to threat



Source: Staw et al. (1981).

In this model, the authors consider centralization of authority and formalization as the main modalities for strengthening control. The tendency of firms to play a pivotal role in transferring upstream pressure downstream is a leading environmental structuring factor.

1.2. The tendency to translate pressure received into pressure exerted

Several authors have highlighted evidence of the tendency for individuals to transfer pressure they experience to their subordinates. A better understanding of this transmission of pressure would be useful and should be taken into account when defining control implemented by higher internal hierarchical levels. According to Ouchi (1978, p. 174), “in a hierarchical organization, the top-level managers must not only arrange a mechanism for controlling their immediate subordinates, they must also arrange a mechanism whereby their subordinates are sure to maintain control over the level below them, and so on, to successively lower levels”. Other authors present performance

measurement systems as control mechanisms, but also as important levers for implementing broader change (Axelsson et al., 2005).

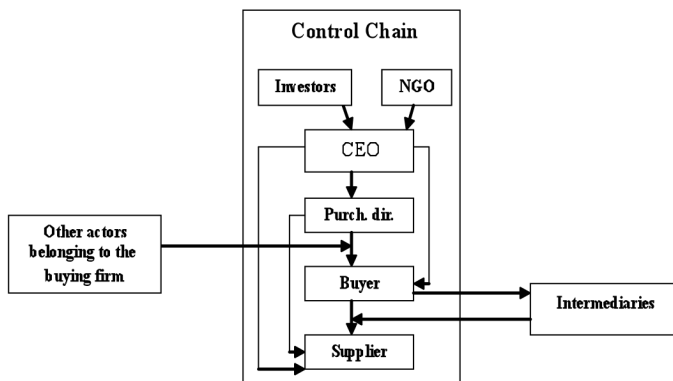
Ouchi (1978, p. 174) explains that there is a coherence between “control received” and “control exerted” and argues that “all forms of control may not be equally susceptible to hierarchical loss”. For example, Evans (1975) shows that in an organization composed of more than three levels, hierarchical loss becomes an increasingly heavy burden to the system and control decreases as a result. Ouchi (1978), on the other hand, argues that control loss does not apply equally to all forms of control. Behaviour control is seen as being determined by local conditions which do not favour transmission. Output control, however, is more objective and thus more easily transferable.

Several studies, following Evans (1975) and Ouchi (1978), conclude that strong links exist between buyer performance measurement (control) and the characteristics of the relationships developed by buyers with their suppliers (Isenman, 1986). Other studies change the causality link and show, for instance, that the development of partner relationships at the organizational level lead to implementation of partner relationships at individual levels (Kanter, 1989). All these works have inspired the “control chain” concept.

1.3. The logic of control structuring inside the control chain

Our desire to analyse inter-organizational control as a specific process led us to develop the notion of “control chain” (Poissonnier, 2005a) based on links between shareholders, purchasing directors, buyers, and suppliers, etc. A control chain is composed of several actors implementing control on the other actors in the chain. Most of the actors are inside the controlling organization (CEO, Purchasing Director, buyers...). Other actors are located upstream (shareholders, NGO, society...) and downstream (agents, importers, suppliers...). The control that functions between one link and the next one is partly a consequence of the control that is exercised by previous links in the system (see figure 2.).

Figure 2. The general control chain structure



Several kinds of control chains exist, each one associated with particular control modalities (Poissonnier, 2005b). In the case of a collaborative approach, a specific control chain needs to be developed based on a collaborative culture throughout the supply chain (Emmet and Crocker, 2006). We will present the specificities of the collaborative logic in the second part of this paper.

2. The collaborative approach and its specificities

Before addressing the central and pivotal role of trust in the inter-organizational context and the issue of resulting organizational complexity, a brief reminder of reasons why companies decide to collaborate is appropriate.

2.1. Reasons which lead companies to collaborate

As Prahalad and Krishnan (2008) emphasize, the age of mass production is over and “value is shifting from products to solutions and experiences”. No company is large enough to respond to all complex and varied demands. It is therefore necessary to create collaborative networks. Networks are seen as the best way to develop competitive advantage based on the specific relationship built (Dyer and Singh, 1998).

Our review analysis highlights five additional reasons that justify development of collaborative relationships:

- *Increased commercial and financial results* through cost savings (out-sourcing and collaboration with new suppliers) and value creation (skills, know-how sharing... which lead to new product offers);
- *Obtaining, managing and exploiting a limited, hard-to-access, or innovative resource* that will contribute to development or strengthening of sustainable competitive advantages;
- *Increased agility*. Cooperating with partners (internal and external to an existing organization) allows developing, adapting and evolving production structures and product/service distribution, with greater flexibility, leading to the development of increased agility in project and/or market implementation;
- *Gaining legitimacy*. Collaborating with partners may be a sign of professionalism and quality vis-à-vis other trading and/or financial partners. Developing partnership relationships with suppliers can also improve company image. Finally, developing collaborative relationships is an opportunity to internally review management at a time when demands are increasing in this area. It is thus possible to relieve social tensions by collaborating;
- *Managing competition* (acquiring power) *by avoiding confrontation* via collective strategies, agreements between competitors, or by being “stronger” by acquiring a critical mass to influence or manipulate the market or policy makers.

The ability to create new relationships, and the capacity to coordinate partner input (Lipparini and Fratocchi, 1999) – a.k.a. “cooperation know-how” (Simonin, 1997) is crucial in an effort to fully benefit from the potential created by collaboration. Benefits include quality improvement, reduced time-to-market, improved image and development of other “cooperative advantages” (Kanter, 1994). Strange though it may sound, collaborating is, in fact, a prerequisite for successful collaboration. Successful collaboration attracts “good” partners, this leads to better partners and initiates an increasingly virtuous circle (Tsang, 1999). Lorenzoni and Lipparini (1999) emphasize the importance of new relationships and coordination under their concept of “relational capability”.

The majority of the authors quoted above support the notion of the particularly relevant role of trust in successful collaborations. Sometimes presented as additional concepts, control and confidence are also regularly substituted for one another. Some even consider trust as a mode of control in itself. In this case, it is usually presented as a form of residual control (Ouchi, 1980). More specifically, when outcome based control or behaviour based control are not adapted, trust can be used as a mode of control instead. However, confidence is now widely viewed as a means, in and of itself, of coordination that may be less residual than it seems, and this is particularly true in a collaborative context.

2.2. Trust: a less residual means of coordination in the collaborative context

Zucker (1986) explains that for economic theory, as for the theory of organizations, trust is “the most efficient governance mechanism for transactions” in an inter-organizational context. The author notes that trust is perceived as essential for long-term relationships, vital for maintaining cooperation in society, and necessary as a foundation for even daily, routine interactions. In this vein, several quantitative studies have shown that the greater the trust between partners in an inter-organizational project, the greater the relational governance and above all, partner cooperation (Donada and

Nogatchewsky, 2007). Empirical studies also show that in an alliance context, trust between partners promotes learning through the enacted exchanges (Kale et al., 2000) and also promotes search for cooperative solutions (Barney and Hansen, 1994; Muthusamy et al., 2007). According to the literature review, trust contributes to relationship flexibility, a decrease in conflict occurrence and a reduction of cost of doing business. Trust seems to be a key to relationship success (Ring and Van de Ven, 1994; Donada and Nogatchewsky, 2007). Brulhart and Favoreu's (2006) quantitative field study conducted in the logistic partnerships context confirms the influence of trust on the success of a partnership. Among the vectors of trust in business cooperation, Detchessahar (1998) emphasizes the important role of similar trajectories for the socio-professional actors responsible in a given cooperation. This role is confirmed by Akrouit and Akrouit (2004).

In the context of cooperative relationships, trust is essential but it is not developed without difficulty. It requires appropriate methods of control (Bimberg, 1998), adaptation by the operating partners, and internal changes. Indeed, it generates a real, new organizational complexity that must be managed.

2.3. The emergence of organizational complexity in need of being managed

Purchases made by companies are increasingly complex, thus leading to larger numbers of people involved in the purchasing process (Prahalad and Krishnan, 2008). The changing expectations that are placed upon suppliers tend toward stronger collaboration which requires enriched exchanges. As mentioned by Chen et al. (2004, p.518), "firms that have reduced their supplier base also need to increase their investments in relationship-specific assets, facilitate communication and knowledge exchange, and deepen trust and cooperation with their suppliers, in order to achieve durable collaborative advantage". The search for product or service innovation, or more broadly, a desire to create value for the end customer, induces relationship changes between firms. It also leads to changes in each of the involved organizations. The multiplication of interactions and the interdependence of co-created businesses (strategic alignment of business within the same supply chain) lead to new sources of risk and uncertainty, and increased organizational complexity. However, as noted by Ivens et al. (2010) there is now considerable research on inter-organizational approaches but very little on the impact of inter-organizational relationships within each organization. The study conducted by Bocconcelli and Hakansson (2008) is an exception, and Brennan and Turnbull (2003) also give several examples of the adaptation of both partners in a dyadic relationship. We focus here on the purchasing company to better understand how increased complexity requires adjustment for those individuals concerned, the collective company sub-group (the "buying center") and within the company as a whole.

Classically, the organization of a buying center reflects the nature of the project at hand. Indeed, it corresponds, in its operation, to the characteristics of project management (Ammeter and Dukerich, 2002). The people involved:

- have different functions (R&D engineer, quality specialist, logistician, buyer, etc.) in the organization;
- work together to perform tasks of multidisciplinary natures (writing technical specifications, auditing suppliers, etc.);
- work together for a determined length of time and for a predetermined outcome by appropriately responding to the purchasing needs of the company.

However, as indicated by Lewin and Donthu (2005) in their meta-analysis incorporating the results of 33 studies conducted between 1979 and 1999, the constitution of a buying center and the involvement of its members vary depending on the type of purchase (new, modified or extension of an earlier purchase), type of product/service, its size, complexity and uncertainty. In the case of establishing a collaborative relationship with suppliers, the level of uncertainty and complexity surrounding a purchase increases because relationships with suppliers are based on trade situations that are difficult and complex to define. Multiple functions within the purchasing company need to

be involved in the collaboration to make it a success (quality, R&D, etc.). The buyer cannot work in isolation.

The organizational complexity which is created is relative to the purchasing uncertainty (search for innovation and/or value to the final customer) and the diversity of those actors involved (multiple functions and hierarchical levels, varied cultures, etc.). This uncertainty leads to less formalization, specific tools becoming almost useless in the interaction which is now based on mutual adjustment (Neuville, 1997). The complexity of exchanges with the supplier implies effective collaboration above and beyond strict cooperation. Furthermore, as pointed out by Mintzberg (1979), mutual adjustment is a coordination mechanism that serves simple and complex organizations well, because paradoxically, it is the only mechanism that continues to work even under very difficult circumstances. Indeed, levels of formalization and centralization increase when a purchase becomes more complex, up to a certain point. However, when uncertainty and complexity increase sufficiently, formalization and centralisation naturally decrease (Lewin and Donthu, 2005).

With complexity of exchanges come domestic political games – in the sense presented by Crozier and Friedberg (1977). Indeed, the less standardized an organization (at any level), the more decisions resulting from face to face negotiations allow the expression of domestic politics (Mintzberg, 1979). This organization requires a new division of labour among specialists from different disciplines (purchasing, engineering, quality, etc.). Furthermore, early in a collaborative relationship it is difficult to identify specific, desired results and the appropriate actions to achieve those ends. Involvement in the procurement process by different actors from different functions inevitably leads to conflicts in both goals and the associated means by which to achieve them (Sheth, 1973; Kohli, 1989; Smeltzer and Goel, 1995). These conflicts between the procurement department and internal clients can lead to over-specification, mis-identification of needs, expenditure fragmentation, or a negative image of the firm in the eyes of the outside supplier market (Lonsdale and Watson, 2005). Despite use of coordination mechanisms like process, results or qualification standardization (with the provider or within the procurement team), the project's success essentially depends on the ability of the various protagonists to adapt to each other.

The buyer therefore sees his/her role evolving within the company, and it could even be compared to that of a project manager. It is difficult for the typical buyer to sequentially or simultaneously exercise the roles of leader, manager or chief, especially as the role of project manager is, by nature, evolving (Allard-Poesi and Perret, 2005). Without the benefit of formal authority over the buying center, this difficulty is all the more pronounced since the buyer must impose his/her legitimacy among actors that can, in some cases, be from superior hierarchical levels. They face a double complexity: cognitive complexity (understanding the diversity of the roles that must be played) and behavioural complexity (demonstrating ability to implement the diversity of the required roles) (Denison et al., 1995; cited by Allard -Poesi and Perret, 2005).

Therefore, the complexity of such a situation demands communication, adaptation and adequate control, which are different from aptitudes called for in a traditional procurement process (Holma et al., 2009). In a classic case, the purchasing firm proceeds in its relationships with suppliers by direct supervision or results standardization, and the amount of leeway is small and areas of uncertainty few.

Therefore, collaboration development between client and provider requires a trust that should be maintained and developed, contributing to increased organizational complexity. Collaboration also requires a development of interfaces between customers and suppliers. To promote various exchanges, these interfaces cannot be confined to strict relations between a buyer and seller (Araujo et al., 1999), but extend broadly to both of the involved companies. With these observations, we propose exploring the ways purchasing firms can develop their *purchasing collaborative capital* to support collaborative relationships with suppliers in the last part of this paper.

3. How to develop *purchasing collaborative capital*

If a firm wishes to develop collaborative relationships, it needs to learn to collaborate. Management of underlying organizational complexity in a collaborative environment is particularly important and three components are crucial: the role and competences of the buyer, the operation of the buying center, and the enterprise as a whole.

3.1. The individual level: buyer as a project and network manager

Behavioural and relational changes in a purchasing project team primarily require changing the nature of the buyer's profession. It is essential that the purchaser be able to enliven the procurement network to meet collaborating needs with suppliers. In parallel with their general knowledge (contract law, Incoterms, financial analysis, etc.) and purchasing expertise (sourcing, negotiation, etc...) which are necessary basic skills, today's buyers must mobilize "high level" competences to operate at the heart of transverse exchanges with leadership, essentially taking on the role of a collaborative network manager.

Abilities to identify power games, to negotiate conflicts of interest, to obtain the support of internal clients and maintain a sense of diplomacy are all necessary assets in the exercise of the buying profession. This extends the vision of Giunipero and Percy (2000), who describe "high-qualified buyers", and that of Bichon et al. (2009) in their approach that considers buyers as "agents of change". The buyer must be able to move from one network to another, thus becoming a "knowledge mule" (Piercy, 2010, p.2), bringing ideas from one group to another and thereby generating new ideas. This greater interaction level leads to solving complex organizational problems, while helping generate more buyer satisfaction (Damperat, 2004). In this context, the buyer becomes the bridge to a new legitimacy in companies seeking to develop collaborative relationships with their suppliers.

Some companies don't hesitate to overhaul the traditional link between market positioning and purchasing needs. They evolve their relationships with their suppliers to redefine their market position, consistent with new, increasingly involved procurement practices. The buyer discovers a new role, including creation of firm strategy and as a result has to broaden their vision of the company. And as mentioned by Mol (2003, p.46), "this is where the role of the purchasing department will often lie: in linking together various internal (R&D, marketing, production) and external (suppliers) parties when new products are being developed and new components are being specified".

For buyers, such changes involve learning new skills. Besides the traditional skills like technical expertise, other skills are becoming increasingly necessary, including creativity and interpersonal skills. Traditionally "left brain" (logic) buyers are encouraged to develop skills that require using their "right brain" (intuition). These skills can only flourish in a system of adapted performance management. This brings up the question of defining buyer performance in a new way and needs to be addressed by later research.

3.2. The Buying Center Level: Changing Relationships

In a collaborative approach with suppliers, maintaining the links inside the buying center and in different project teams requires greater interactivity, more agility and a strong ability to quickly respond to any change (Johnston and Bonoma, 1981). As mentioned by Driedonks and van Weele (2009), sourcing team effectiveness depends heavily on the extent to which purchasing organizations have adopted a "team management perspective, reflected by the delegation of responsibilities to teams, providing training in teamwork skills and the facilitation of effective team processes" (p.50). As indicated by Lawler and Worley (2006), in firms the priority is on creating organizations that are able to change. The procurement team should be able to constantly adapt to their interactions with collaborative suppliers to define, create and deliver value to end customers. They must be able to

identify where value creation is and how to obtain it. Group-wide collective skills must be initiated to deal with situations that cannot be managed by individual members (Bataille, 1999). Team member interdependence is indispensable and must be propelled into a higher quality and frequency of interactions. As stated by Everaere (1999, p.175-176) people interact when they join a group project, and participate and cooperate effectively in concrete actions. Constant and simultaneous working together is not necessarily required to interact. Often, individuals may work alone. Nevertheless, interaction occurs when they perform their work, being aware of the complementarity of their actions with the actions of others and their overall impact. Developing collective collaborative purchasing skills thus requires two elements: (1) individual involvement in the interaction and (2) implementation of attributes of collective competence, namely a common repository, a shared language, collective memory, and a subjective commitment (Retour and Khromer, 2006). The development and deployment of these attributes create the circumstances for real shared responsibility.

The creation of collective purchasing skills is essential if firm members are going to behave and communicate coherently with suppliers, and thus present a homogeneous expression of the company and its expectations to the outside world. This is called “one voice to supplier”.

These evolutions often incite resistance and multiply sources of conflict by increasing types of new interaction. Managing these new situations is vital to success. Jehn (1997) and Boutigny (2004) attest to the fact that in general, conflicts have long been considered detrimental to companies. In recent years, certain researchers, however, have demonstrated the value of conflict. Many conflicts generate creativity by forcing individuals to think “outside the box” (Pelled, 1996; Jehn and Chatman, 2001). Boutigny (2004) distinguishes two major types of conflicts: relational conflicts, and procedural conflicts concerning choices of how to carry out tasks and strengthen team productivity. Managing collective intelligence (Zara, 2004) in the buying center relies on daily conflict management and dealing with the suggested changes that are subsequently generated. Thus, effective purchasing managers enhance collaboration, teamwork and empowerment (Driedonks and van Weele, 2009).

3.3. The Firm Level: Deploying Collaboration in the Structure

As noted by Piercy (2010), this change induces increased team work. Employees need to develop and enlarge their personal networks outside those created via formal exchanges. The quest to innovate in terms of capacity and agility within the firm leads to wide ranging organizational changes. Indeed, the network of strategic external relations with clients, suppliers or partners must be mirrored by internal relationships (expressed in Piercy’s (2010) “strategic internal relationships”) that in turn improve the interface between customers (marketing), suppliers (procurement) and partners (joint ventures, etc.).

To develop these relationships throughout an enterprise, and thereby achieve efficient supplier collaboration, it is necessary that the purchasing firm develops its own collaborative capital. Collaborative capital refers to the social capital concept, defined as “the stock of active connections among people: the trust, mutual understanding and shared values and behaviors that bind the members of human networks and communities and makes cooperation action possible” (Cohen and Prusak, 2001). The issue of organizational integration (Lawrence and Lorsch, 1967) is again central. The company must be able to ensure efficient integration of teams, even though they are, by necessity, highly differentiated. The example of IBM illustrates this point. The company decided to develop a culture of connection and collaboration within its structure, but also among its major partners, resulting in enhanced creativity and interactivity.

As in new product design projects that directly influence internal integration capabilities resulting in firm innovation (Johnson and Filippini, 2009), this integration also affects a firm’s ability to collaborate externally. This collaborative vision thus goes far beyond the traditional boundaries of the purchasing department. Generally speaking, this new vision also increases organizational

complexity due to the increased number of different departments involved, and greater disparity in business cultures and geographical dispersion. However, as indicated by research on the conditions for successful collaboration (Chachere et al., 2003; Heerwagen et al., 2004; Herman Miller, 2008; Holma et al., 2009) the importance of a shared working environment is paramount. It allows team development, due essentially to non-verbal behavior in the transfer of tacit knowledge. It is therefore essential to establish joint working meetings and to bring buyers to their internal customers to avoid an “ivory tower” syndrome. This helps develop natural communication that thus supports a favorable environment for creativity and complex problem solving.

A growing number of companies have become customer-oriented. It may prove valuable for these same companies to become supplier-oriented. As underlined by Martin and Grbac (2003), one way to leverage a strong market orientation resource is through strengthening supplier relationships. “Managing the cross-functional sharing of information in such a manner will help firms establish stronger supplier relationships because the different functional areas of a business will have a better understanding of both customer- and supplier-related issues” (Martin and Grbac, 2003, p.36). Changing the internal vision in companies is clearly necessary so that everyone in the organization is aware of the potential for added benefit resulting from transforming relationships with suppliers. Seizing and integrating these opportunities is connected with strategic decisions and new business approaches. Moreover, as indicated by Langerak (2001) “to the supplier, the purchaser does not fully represent the manufacturer”. Other functions in the firm have this role and thus a common purchasing culture in the company must be established.

Conclusion

In an environment where companies have to use available market resources (including upstream resources) for survival and growth, the procurement function enhances strategic dimensions. Developing collaborative relationships with suppliers leads the purchasing department not only to manage different interfaces outside the company, but also to manage different interfaces within its own organization. A new organizational complexity emerges and the “control chain” must then be adapted.

More precisely, the buyer’s role is changing and turning into one of project manager. Buyers increasingly have to introduce changes and innovation into their company on the basis of the quality of supplier selection and relationships. In the past, buyer training focused on technical skills (negotiation, supplier market analysis, etc.). Today, to successfully assume the role of project manager, a buyer has to develop other skills qualified as “soft skills” (interpersonal skills, communication, etc.). Implementation of a collaborative purchasing approach needs to diffuse and create purchasing best practices inside the company.

This paper highlights the internal adjustments necessary for successful buyer-supplier collaboration by focusing on the purchasing firm. One of the limitations of the approach is the “overly optimistic” vision of collaboration. It would be interesting to focus on the paradoxes that emerge from this situation. For example, a buyer has to, on one hand, be a project manager, which means working with delays and objectives. On the other hand they have to implement a collaborative approach, which means long-term relationships. The next step of this research is to propose a model of the internal purchasing collaborative capital and to better understand the different levels of this concept. Case studies could be used, based on the “participatory inquiry paradigm” (Heron and Reason, 1997), via a network of practitioners and researchers, PEAK® - Purchasing European Alliance for Knowledge, to better understand the implementation of this approach, its advantages and its limits.

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ABSTRACT

The aim of this conceptual paper is to highlight how to support implementation of collaborative relationships with suppliers within the purchasing firm. We contend that firms have to develop their internal collaborative purchasing capital to then be capable of implementing greater collaborative relationships with suppliers. First, we explore the importance of consistency in internal and external relationships. Second, we address specificities of a collaborative approach with suppliers. Third, we propose ways to develop collaborative capital inside the purchasing firm at the buyer level, at the buying center level and for the entire firm.

Keywords: collaboration, purchasing, purchasing collaborative capital

Submission category: competitive paper

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