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Supplier Relationship Management 2.0: Cross-industry Best Practices

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GLOSSARY

BP: Best Practice

CSR: Corporate Social Responsibility

EDI: Electronic Data Interchange

E.g.: Exempli gratia

ERP: Enterprise Resources Planning

Etc.: Et Cetera

ETO: Engineer-to-Order

FMCG: Fast-moving consumer goods

HQ: Headquarter

IBA: Ion Beam Applications

IOMA: Institute of Management and Administration

IS: Information Systems

MRP: Materials Resources Planning

SQE: Supplier Quality Engineer

SRM: Supplier Relationship Management

SSCC: Serial Shipping Container Code

PWC: PriceWaterhouseCoopers

QBR: Quarterly Business Reviews

R&D: Research & Development

ROI: Return on Investment

TCO: Total Cost of Ownership

USA: United States of America

VCE: Volvo Construction Equipment

VMI: Vendor Management Inventory

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1. Introduction

During these last years, firms are increasing their reliance on their supply base. Moreover, a general trend is to cut down the supply base to focus only on the most relevant suppliers (Biemans & Brand, 1995).Indeed, suppliers are seen as real enablers in order to achieve their strategic goals in terms of features such as price or quality. A main reason mentioned is the need of efficiency to focus only on their core business (Krause et al., 1998). It is achieved by the outsourcing of strategic processes that imply the rising importance of several suppliers that must be managed cautiously (Kannan & Keah, 2002). As quoted by Monczka et al. (1998, p 556), the main difference with a classical relationship comes from the fact that the buyer do not purchase supplier's products or services but its capabilities. The main study that analyzes how to leverage value through the tapping of supplier's capabilities is Supplier Relationship Management (Martin, 2004). For Webb (2017), the origin of the notion of Supplier Relationship Management (SRM) comes from Peter Kraljic who linked it to the notion of Category management which is aimed at adapting the buying behavior following the strategic importance of the supplier. Moreover, the expectation in terms of quality and innovation are generally wide. It implies that firms have three choices: Produce in-house, swap a supplier to another or finally enhance the capabilities of the current supplier on pre-defined indicators Handfield et al. (2000, p37).

Several case studies developed highlight how firms managed effectively their suppliers and more specifically their key one. For instance, Cessna improved sensibly their inventory management in few years thanks to an intensive work in terms of strategic supplier's selection and management (Chenoweth et al., 2012, p9). Another study realized at Caterpillar in the United States of America (USA) proved that a supplier development program led to a subsequent quality increase even if these programs require an intensive work of the buying firm (Min, 2009).

SRM is seen as the topic that manages directly the collaboration of suppliers by distinguishing them following their importance. This topic is highly used by the professor and practitioners but interpreted in different ways. Moreover, some ERPs even have modules related to this field such as SAP SRM or Oracle's PeopleSoft SRM (Oracle, n.d.; SAP, n.d.). Actually, 1,700 books are referenced on this topic on the book-selling platform Amazon (Easton et al., 2014, p7). This ambiguity is removed in this thesis through a clear definition developed in the literature review.

The aim of this master thesis is create a guideline composed of several best practices that can be applied in any industry or any type of firms in terms of size. These best practices are the result of researches linked to a study of each step of partnership processes. It is done so that they are integrated in a relevant framework and cover several steps of this process. They can summarize each step of the partnership but can also be seen as the ways to address these steps. The originality comes from the fact that studies mainly focus on SRM processes or a part of them (Park et al, 2009; Krause et al., 1998; Chenoweth et al., 2012; Corbett et al., 1999). Other studies only focus on the supplier development practices (Liker & Choi, 2004; Kannan & Keah, 2002; Ford, 1980). In this case, the practices are designed to be clear to understand and simple to implement.

In more details, the goal of this study is to identity how companies must manage partnership processes in order to leverage all the capabilities of their suppliers. In order to answer to this question, it analyzes and defines the different findings linked to SRM and more specifically the management of strategic partners. It is addressed by answering to other sub-question which are How to define the scope of Supplier Relationship Management? What is the most relevant supplier partnership process in line with this scope? What are the Best Practices that can cover all this process?

This research is divided in several parts in order to address the key questions. A first part is dedicated to the analysis of the theoretical literature. It is a clear vision of the scope analyzed, some existing cases but also the opportunities and threats linked to this topic. There is also the creation of a personal SRM framework and the analysis of different best practices that can be applied to this process. Secondly, there is a description of the methodology followed to address the empirical part. Thirdly, a summary of the different interviews realized through a case study. Fourthly, a cross-case analysis is achieved to highlight the similarities and differences between the theory and the practice. Finally, a conclusion was done in order to highlight findings such as new practices found in the case studies or the limitations.

The creation of a personal process framework before the elaboration of the Best Practices (BP) was done to cover all the steps related to a supplier partnership. Moreover, these Best practices can be used in the other way as conditions to respect to ensure its achievement of each step of the process. This model has an originality unseen in other studies because there is a distinction between the different steps of the process but also the “enablers” that are foundations required in order to achieve the different steps. These enablers have an impact on more than one step.

The empirical part consists in a case study analysis that was done in order to apply these theoretical concepts in a practical context. These firms were chosen in different industries with the goal to see if the best practices founded have a universal application or not. The firms analyzed are Volvo Construction Equipment (Vehicles and Construction equipment producer), Carrefour Belgium (Retailer), Alpro (food producer), Emerson Process Management – Cernay factory (Producer of specific industrial Valves) and IBA (Manufacturer of medical devices). The different persons interviewed are specialists in the field of Purchasing and have a high hierarchical level in their organization's purchasing department in order to have a clear vision of the different processes involved in SRM. The selection of these firms was realized in order to have different approaches. Indeed, they are from different sectors, they have different levels of turnover and number of employees. Some firms are highly independent and other have a hierarchical link with a parent company. Some have a more local scope while others are more globalized. Finally, the business models are highly heterogeneous with for instance some firms with mass-production model while other have a tailor-maid production.

This thesis contributes the literature by bringing a new input with a different approach. Some steps of the partnership process or best practices are challenged through a case study of leading companies in their field. It will also create a new insight in the management of strategic suppliers in the case of Supplier Relationship Management. Secondly, while a high number of studies focus on important market such as USA or continent such Asia, this study is the lone found in the scientific literature that only address firms that are headquartered in Belgium (and France for Emerson Process Management). Finally, this thesis tries to create a framework and best practices that are implementable on different kind of industries while some studies only focus in one sector. There are also managerial applications because it proposes a clear process and best practices simple to understand and to implement. They are also adapted during the cross-case analysis for the realities of the industries. Moreover, new practices or realities were found by this firms that are not clearly stated in the literature. Some of these findings are exposed in the conclusion in order to expose new realities for managers and scientific community that comes from the long experience of the persons interviewed.

2. Literature Review

2.1. Scope definition

In order to better identify the aim of this study, it seems crucial to define the different concepts used. Firstly, it is includes in Procurement theory. It is the field that *"describes all processes concerned with developing and implementing strategies to manage an organization's spend portfolio in such a way as to contribute to the organization's overall goals and to maximize the value released and/or minimize the total cost of ownership"* (CIPS, n.d.). It includes more facets than purchasing like tactical acquisitions and executions of plans. It is considered as a process *"that addresses all pre-contractual and post-contract processes […] where SRM is a key activity to leverage the potential value"* (CIPS, n.d.). This topic is linked to a strategic approach related to the management of suppliers as strategic enablers. It relates to Strategic Sourcing which is defined as "*a systematic and fact-based approach for optimizing an organization's supply base and improving the overall value proposition*" (University of Michigan, n.d.). Finally, other notions that will be used in the study are defined on Table 1:

The notion of SRM differ following the case. On the one hand, some definitions emphasize on supplier collaboration or relational management. On the other hand, there is a focus on information systems and processes that are designed to respond to the collaboration's strategic needs. It contributes to the partner selection, monitoring or communication through a common platform (Park et al, 2009, p498; Mettler & Rohner, 2009). Other definitions of SRM as:

- "*the establishment of a two-way, mutually beneficial relationship between an organization and its suppliers. These collaborative and relationship building activities are targeted at the most strategic and critical supply partners that deliver great added value to the firm"* (Deloitte, 2015, p2).
- *"SRM capability comprises organizational processes and routines oriented at the initiation, development, and ending of supplier relationships."* Forkman et al (2016, p185).
- *"Supplier Relationship Management (SRM) is a comprehensive approach to procurement managing and capturing the post contract value from key business relationships. SRM enables procurement to operate at a strategic level and by adopting a more collaborative approach and developing a closer relationship; this generates more value from the relationship in terms of innovation and efficiency"* (CIPS, n.d.).
- *"Supplier relationship management is the business process that provides the structure for*

how relationships with suppliers are developed and maintained" (Lambert & Schwieterman, 2012, p 337).

In this master thesis, Supplier Relationship Management is defined as a comprehensive approach that manages strategically two-ways collaborations with key suppliers through pre-defined processes where the goal is to capture the contract value.

Table 1: Key notions of the master thesis

Supplier development	*"Any activity that a buyer undertakes to improve supplier's performance and/or capabilities to meet the buyer's short or long-term supply needs"* (Handfield et al., 2000, p37).
Supplier Partnership	*"A commitment over an extended time to work together to the mutual benefit of both parties, sharing relevant information and the risks and rewards of the relationship"* (ISM, 2017).
Internal Stakeholder	"*A person who works for and owns, or has shares in, a particular company and is likely to want the company to be successful* (Cambridge Dictionary (a), n.d.)
External Stakeholder	*" anyone outside a particular company who is affected by its success or failure, for example, customers, companies that sell it supplies, or banks that lend it money"* (Cambridge Dictionary (b), n.d.)
Best Practice	*"Best practice is associated with seeking to identify the best processes that exist, usually in other organizations, which it is hoped, if adopted, will lead to better outcomes"* (CIPS, n.d.).

2.2. Supplier Partnership

There are several practices that are considered in terms of Supplier partnership. The most important are quoted in the Table 2 below. The aim is to" *work across organizational boundaries to build and manage unique value-added processes to better meet customer needs".* (Fawcett et al, 2008, p93). This strategy is generally achieved to face the rising supply chain's complexity due to the globalization, a tough competition and fast-changing models (Liker & Choi, 2004). There are several goals and advantages that motivate firm to have a common long term vision. The most redundant reasons are total cost reduction, sustainability, quality improvement, data sharing, cycle time enhancement, supply chain coordination, flexibility increase and better delivery conditions. These different factors target a competitive advantage creation (Monczka et al., 1998, p556; Dyer et al., 1998; Krause et al., 2006). As mentioned by Qrunfleh & Tarafadar (2013, p579), a higher agility in the supply chain will bring more *"responsivess"* against the constant changing environment where suppliers are seen as points of flexibility (IOMA, 2004; Jack & Powers, 2015; Stuart et al, 2012). In order to achieve these goals, a buying firm will work in leveraging all the capabilities of the supplier through higher efficiency (PWC, 2013; Deloitte, 2015; Jack & Powels, 2015). For instance, total cost reduction can be completed by optimizing the whole supply chain and create economies of scale to share the benefits. It is also achieved by the buying firm to be the preferred customer (Liker & Choi, 2004; Jack & Powels, 2015)). Another key reason is to secure the supply against fluctuation and scarcity thanks to share planning (Deloitte, 2015). For Heide & Miner (1992), partnership can also be explained by the resources that imply a strategic supplier switching, the technologies rise that require more information sharing capabilities or the higher customization's level. Firms must collaborate in order to innovate by analyzing together possible synergies to create new opportunities (Deloitte, 2015; PWC, 2013).

Table 2: Enumeration of different partnership activities

Vendor Management Inventory (VMI)	*"Vendor-managed inventory (VMI) is an inventory management technique in which a supplier of goods, usually the manufacturer, is responsible for optimizing the inventory held by a distributor".* (Rouse, 2011)
Electronic data interchange (EDI)	It is "*defined as an interorganizational exchange of business documentation in a structured, machine-processable form".* (Van Weele, 2010, p405)
Shared investment	Investment in specific asset or plant expansion to improve the supplier capabilities. It is aimed to increase shared performance of the buying and selling firm (Hartley & Choi, 1996, pp111-112).
Continuous Improvement	*"The process of making regular small changes and improvements to the products, services, etc. of a company rather than a few big changes"* (Cambridge Dictionary (c), n.d.)
Open book contract	"Open *book contracts are arrangements where the contractor is reimbursed their actual expenses, which are validated through allowing the client access to the contractor's actual expenditure, the 'open book'".* (CIPS, n.d.)
Collaborative planning, forecasting and replenishment (CPFR)	*"This concept allows co-operation across the supply chain, using a set of processes and technology models. Its goal is to provide dynamic information sharing that is integrated both 'demand' and 'supply' side processes and […] addresses customer needs through the supply chain"*(Van Weele, 2010, p404)
Early product development	The practice of securing supplier influence at the design or specification stage of a project rather than at the proposal or negotiation stage. (CIPS, n.d)
Alliance	In the spectrum of business relationships an alliance represents a co-operative but non-controlling relationship between two or more parties, often motivated by shared goals such as cost reduction, or improved customer service. (CIPS, n.d.)
Source: Park et al (2009); PWC (2013), Van Weele (2010), CIPS (n.d.)	

Concerning the success factors, a partnership needs to achieve several conditions to be successful (Monczka et al., 1998, p155). The different parties must be committed to share the gains, to have an independence and an impact strategic definitions. This field must also be highly integrated in the internal processes such as Category Management or Strategic Sourcing does. The different outcomes must be assessed to see if the objectives are met (Atkinson, n.d.). Another key element is defined as trust (IOMA, 2002, p11). For Fawcett et al (2008, p103), trust remains a key element for the success because it avoids adversarial situations. It is defined as "*one party's belief that the other party in the relationship will not act opportunistically and not exploit its vulnerabilities even when such exploitation would not be detected*" (Stuart et al, 2012, p394) .A key enabler is the organizational culture which is open to the change. However, trust can also be considered as a high hindrance while firms are suspicious. It can be explained by the tough competition due to the globalization (Easton et al, 2009, p89). Trust is also difficult while suppliers work in developing countries where there are low information disclosing protection. A last fear is to become too dependent on the capabilities of the partner. (Revilla & Knoppen, 2015). Another key success factor determined is Commitment from parties which is defined as "the *willingness of buyers and suppliers to exert effort on behalf of the relationship".* (Monczka et al., 1998, p557). It can be characterized in terms of Resources, long term vision, trust, free exchange of data or coordination (Corbett et al., 1999, p72). Commitment is also achieved through vertical integration and long term contracts (Helper, 1991, p16).

However, a partnership can also fail while firms simply apply processes and procedures without adapting to the real purpose (Liker & Choi, 2004; Easton et al, 2014). Another failure appear when supplier partnership is only managed in the purchasing department while it has a high impact on internal and external stakeholders. (Easton et al, 2014, p 9). For PWC (2013), other failure reasons come from a too high emphasis of cost reduction. It can also come from unadapted performance indicators that have only a short term vision while elements such as innovation or sustainability require a long term vision. There are also wrong skills from the collaborators and lack of strategic alignment (Fawcett et al, 2008, p93; PWC, 2013).

2.3 Car industry case

A well-known case that address SRM is the comparison between the purchasing strategy of American and Japanese car manufacturers. The car industry is highly studied because it implies high volumes and amount of money, different types of categories and sourcing cost represent more than 50% of the turnover. Moreover, there is a surging importance due to the globalization or the technological change (Dyer et al., 1998). Two expressions can summarize two opposite supplier management practices. Concerning the American philosophy, *"[Ford] seems to send its people to 'hate school' so that they learn how to hate suppliers. The company is extremely confrontational. After dealing with Ford, I decided not to buy its cars."* (Liker & Choi, 2004, p 105). The philosophy of Japanese manufacturers rather follows: "*The achievement of business performance by the parent company through bullying suppliers is totally alien to the spirit of the Toyota Production System."* (p108). In this case, the word "parent" is a real pillar for a long term commitment.

The Japanese apply practices called Kereitsu which is defined as "close-*knit networks of vendors that continuously learn, improve, and prosper along with their parent companies"* (p106). There is also the Japanese concept of Kaizen that refers to "*a business practice that focuses on continuous improvement of processes with the involvement of all staff in the process. The aim of kaizen is to eliminate waste, or to create a lean manufacturing environment, by improving standardized activities and processes"* (CIPS, n.d.). Japanese manufacturers succeeded in four years of partnership to create high cost savings in terms of Total Cost of ownership (TCO) in comparison with American producers (Chenoweth et al., 2012, pp7-8). They use a model based on partnership and categorize their suppliers following their strategic importance where they integrated with equities participation in the strategic one. They second category share sensible data while the final category have less attention (Dyer et al., 1998). This model is characterized on Table 3.

An important finding of this case is that some American manufacturers tried to adapt this Japanese way of thinking but they failed to adapt. A key reason was a high emphasis on cost savings (Liker & Choi, 2004). There is also a cultural dimension where the American mindset has a feeling to lose control when they externalize strategic processes which it is not the case of Japanese that have a high trust level (Dyer et al.,1998). In this case, American manufacturers use a system called arm's length relationship as seen on Table 3 (Liker & Choi, 2004). It is defined as "*a commercial relationships between buyer and supplier who either are independent or act independently"* (CIPS, n.d.). A direct consequence is no joint working, few alignment, no real collaboration or a very transactional relationship with no long term commitment or exchange of sensible data (CIPS, n.d.). This model has also a high emphasis on lower time of contract (2.4 years instead of 4.7 years for Toyota) or no real trust.

Table 3: Arm length vs Strategic partnership in automobile industry

	Durable Arm-length Relationship	Strategic Partnerships
Product feature	• Standardized product • Open architecture products • Stand-alone (low interaction with other products) • Low degree of supplier-buyer interdependence • Low value input	• Non standardized • Closed architecture products • Multiple interaction effects with other inputs • High degree of supplier-buyer interdependence • High value inputs
Supplier Management features	• Single functional interface • Price benchmarking • Minimal assistance • Supplier performance easily contracted • Contractual safeguards sufficient to enforce agreements	• Multiple functional interfaces • Capabilities benchmarking • Substantial assistance (investment and know-how share) • Supplier performance of non-contractible (innovation, quality, responsiveness, etc.) • Self-enforcing agreements are necessary for optimal performance (e.g.: trust, stock, etc.)
Source: Adapted from Dyer et al. (1998)		

2.4. Partnership Framework

As already mentioned in the introduction, a choice was done to create a process related to supplier relationship management in order to ensure that the Best Practices embraces different steps. An important statement from IOMA (2002) states that firms must primarily work inside the buying firm to prepare partnership. Then work with the future partner and finally, integrate totally the partnership. These processes will bring a structured way to take into account these different dimensions. A business process is defined as « *a series of logically related activities of tasks [...] performed together to produce a defined set of results"* (Business Dictionary, n.d.). In order to elaborate my personal framework, several studies were selected that gather similarities and differences. The details of each steps will be explained in the next chapter.

A first framework analyzed was realized recently by the Consulting firm PriceWaterhouseCoopers (PWC) in 2013. It is based on qualitative and quantitative surveys but also on their own expertise in order *"to gain a better understanding of the typical challenges involved and to determine how supplier capabilities drive competitive advantage"* (PWC, 2013, p9). In this model, there is high stress on a formalization into a cyclical process. The buying firm firstly select the future partner by selecting him among a pool of segmented suppliers and then issue a quotation to select the last one. Afterwards, the partnership must be assessed, clear objectives are defined, an action plan is done and finally risk and performance are assessed. After some year, a new quotation is achieved. Finally, a new quotation is done after several years. It also consider other elements that have an impact such as the structure of the organization, the people involved or the technology used (PWC, 2013, p 13).

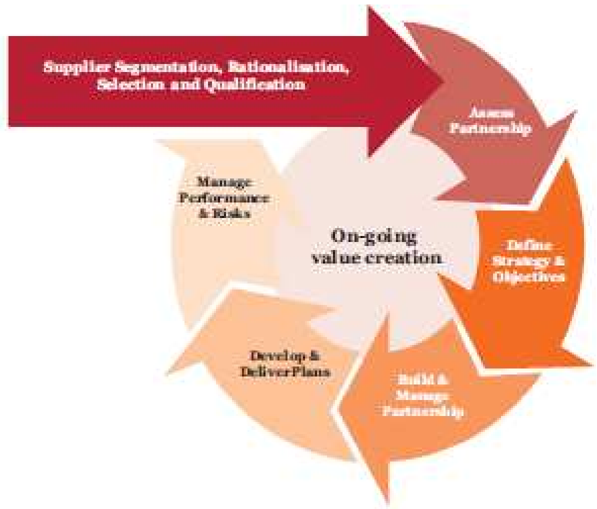


Figure 1: SRM as a formalized process (Source: PWC, 2013, p 21)

Another recent framework was developed by the consulting firm Deloitte in 2015 and can be seen on Appendix B. This model is also cyclical and divide SRM into four steps: Segmentation, Governance, Performance Management and Supplier Development. This framework is similar than PWC (2013) because 3 step out of four are similar. Indeed, Governance gathers several steps of the model of PWC because governance committee need to assess the partnership, to formalize the process and to define strategic guidelines that align the two firms (Deloitte, 2015, p3). The last step concerning the supplier development is interesting. The three prior steps are seen as pillars for this last step and this step consists in sharing long term achievements.

A third framework visible on figure 2 is based on the studies of Liker & Choi (2004). It is directly inspired from the car industry case already discussed before. The goal of this model is to highlight how to tend from an arm-length model to a partnering model. It takes into account the specifics of the firms using it (Liker & Choi, 2004). This pyramid is divided in 6 steps that must be climbed each step after the other. As mentioned before, the aim remains to optimize the revenues without doing it to the detriment of suppliers. This methodology is interesting because it does not describe only formalized processes but more features to adapt to each situation by understanding the capabilities of each companies. It also include some best practices to help the firm to have a clear action plan. The mains step that differ from the previous models are the step aimed to understand how the supplier works, the use of competitors in order to continuously challenge the partner and the share of information (even if PWC evokes it through the information systems.

Figure 2: The Supplier-Partnering Hierarchy **(**Liker & Choi, 2004)

Another framework was developed by Park et al. (2010) and is observable on Figure 3 below. It is based on literature reviews and case studies where the goal is to find an integrative SRM system. An interesting element to notice is that several arrows go back after the fourth step. It shows that a constant supplier assessment and development enable him to be re-selected in new projects if he achieved the required level. As integrated in a system, it is more dynamic process where the supplier is challenged on the basis of its performance. However, an important issue comes from the lack of understanding of the supplier capabilities such as above.

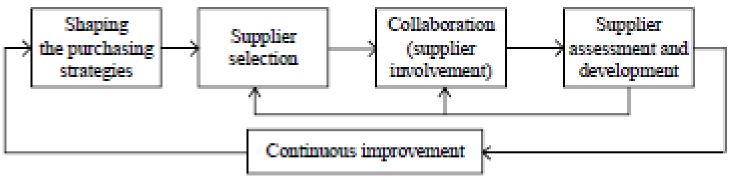


Figure 3: Integrative SRM framework (Park et al, 2010)

A fifth model observable on Appendix C is based on a study of Krause et al. (1998) who analyzed 84 firms in order to create a development model applicable for suppliers. In this model, it is detailed in more steps that the prior models (10 steps) but there several among them that are similar that the other framework seen. There is an identification of critical commodities and suppliers (segmentation step), a high emphasis is put on supplier's management discussion (strategy definition), performance management or continuous improvement. However, this model gathers some differences. Firstly, there are no cycles and finishes on the continuous improvement process. Secondly, several step are seen as activities that could enable processes steps seen. For instance, the third step consists in the creation of a cross-functional team and the fourth is to initiate communication with supplier's management. These practices can be used in order to identify the strategic needs. There are other activities such as rewards and recognition that can be seen as an incentive after performance assessment.

A last model was adapted by Chenoweth et al. (2012) and is below on figure 4. It is developed to guide the supplier and buyer to a successful value capture. It is divided between the selection process and the development process. In this model, the aim is to start from scratch (below left) and climb to the total integration where all the capabilities of the partnership can leverage value (high integration with high benefits). It increases gradually in the development part by assessing the capabilities through cross-functional teams, the establishment of the program and finally, the integration of the supplier and the work on tier 2 suppliers.

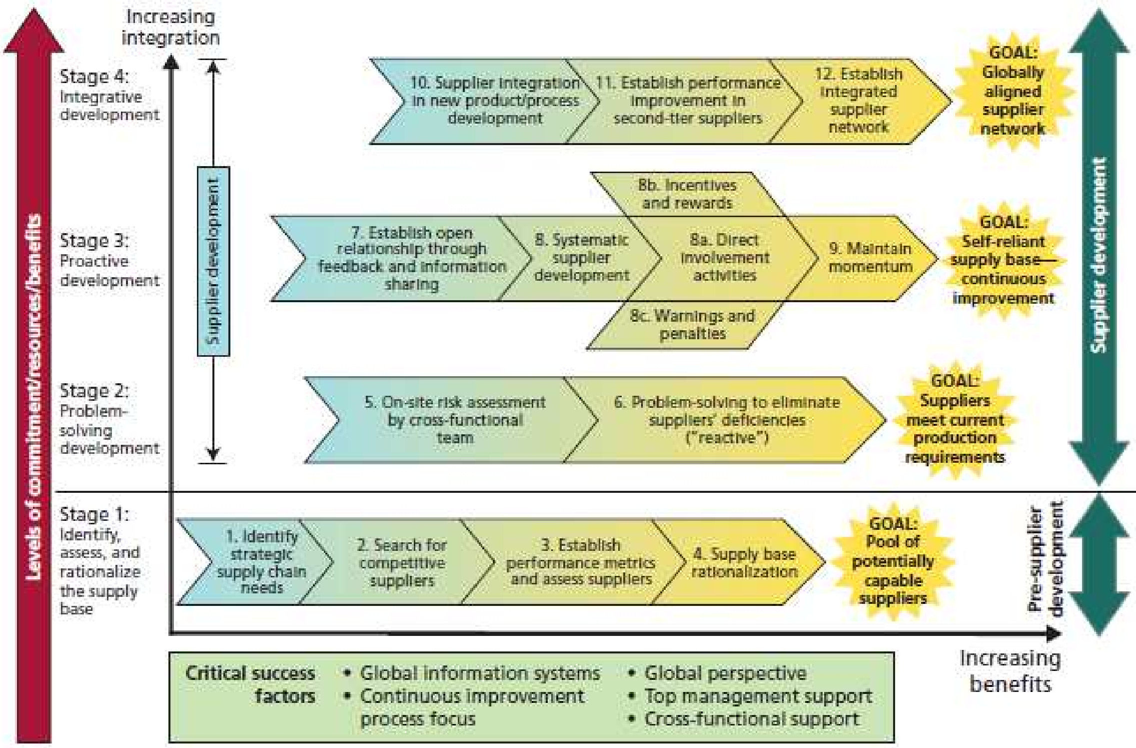


Figure 4: Adapted supplier development model (Source: Chenoweth et al., 2012, p17)

Based on these models, a personal SRM framework based on prior models is developed. The different processes are analyzed in the next section and several best practices were found for each of these steps. The goal remains that these practices encompass the whole framework. It is a cycle because the process must be readapted and suppliers must be challenged in order to tap all their potential. There are three parts integrated in a set called “enablers”. They are important elements that must be taken into consideration while implementing a partnership with suppliers. However, they have an impact on several stages of the process because they enable the whole process to work. The aim of this framework is to be applicable to different types of industry and firms with heterogeneous features.

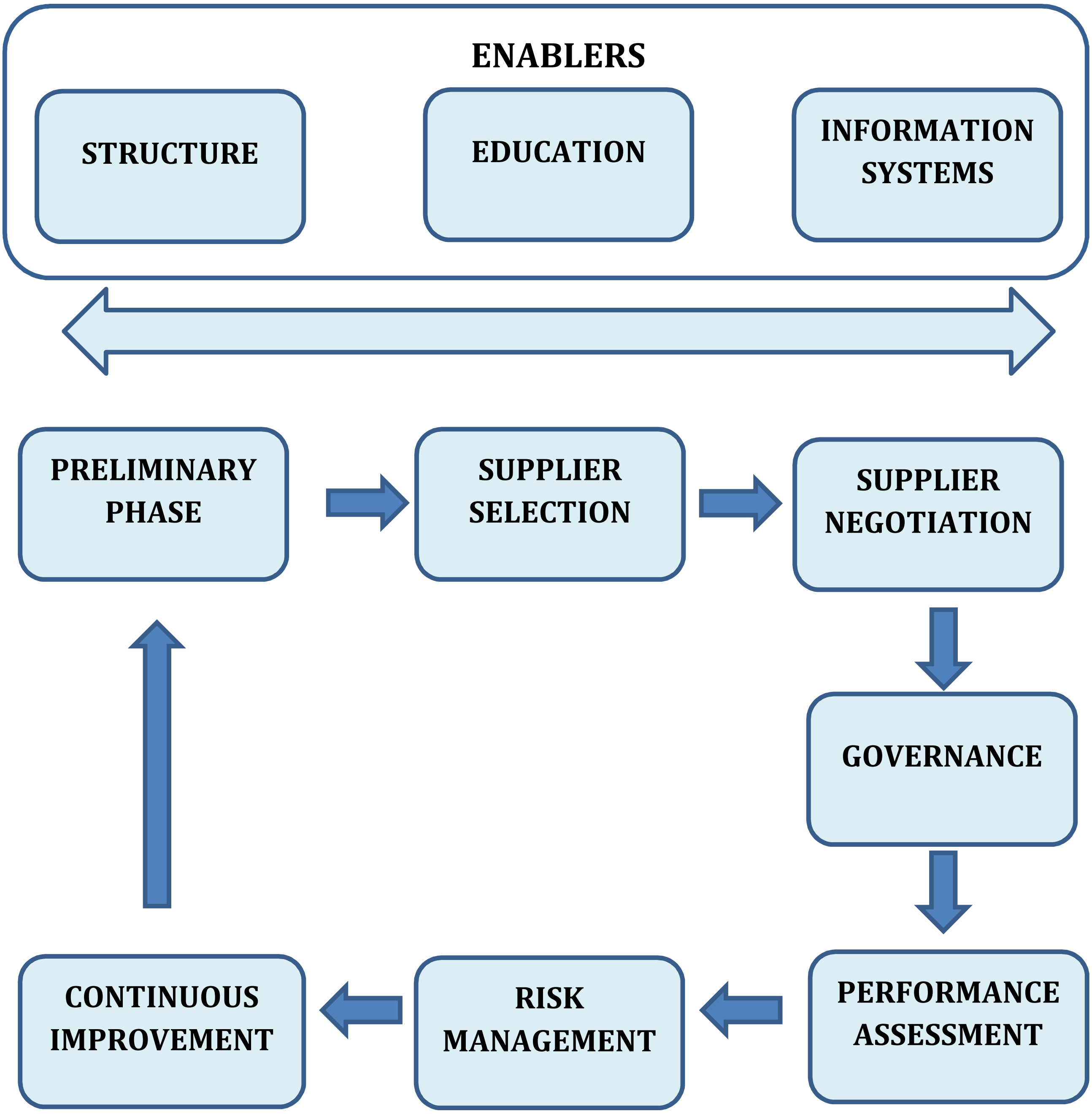


Figure 5: Personal SRM framework

2.5. SRM Best Practices

A best practice is "*associated with seeking to identify the best processes that exist, usually in other organizations, which it is hoped, if adopted, will lead to better outcomes*" (CIPS, n.d.). In this framework, there will be an explanation of the different processes but also a description of useful key practices to address each step of the process. The chapter is divided in two part: There are three enablers and seven steps in the process.

2.5.1. Enablers

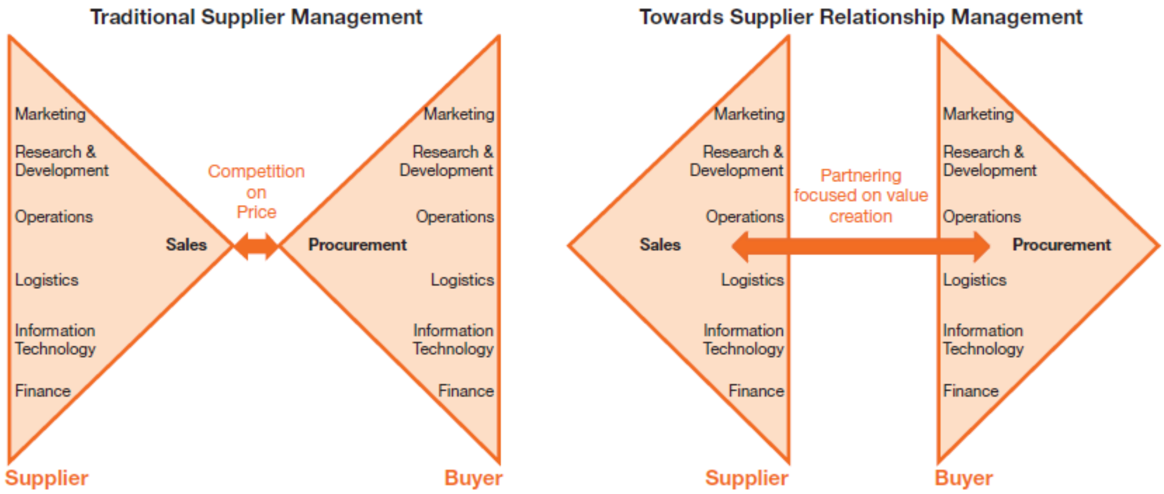
Structure

A person in the organization must take the ownership to manage the whole collaboration process (Paulus, 2015). Indeed, it has a strategic importance and requires a constant follow-up to address several steps of the framework created on Figure 5. He must have a strategic position in the organization such as in the centralized purchasing department to have the mandate to manage it (Paulus, 2015). This person is generally in charge of a category of products and its strategic management (Van Weele, 2010, p 296). He will have a strong position to discuss with the suppliers' key account manager (Easton et al., 2014, p119; Van Weele, 2010, p295). A way to manage daily this relationship would be to create a team composed of the different stakeholders involved by the partnership. However, it can be difficult to assign this number of person only for this purpose. Indeed, a tradeoff must be done between allocating the best collaborators on the partnership management and letting them doing their current job (Hartley & Choi, 1996). Moreover, these types of projects can last three to four months which can also be a burden for the supplier if he had to allocate all these resources.

The best solution given by Hartley & Choi (1996) consists in enrolling a lone person that would be in charge of managing these partners as a project. Its role is crucial because he coordinates the different internal and external stakeholders and motivate them. The success of the partnership will rely on its ability to coordinate the different persons involved (Hartley & Choi, 1996). As seen on right part of figure 6, the purchaser helps and coordinates the different collaborators in their exposure with their equivalent in the supplier's firm. The buyer is seen here as a support for all these internal collaborators by coordinating all their actions (PWC, 2013). However, its management is difficult because it consists in a complex network composed of different profiles and an information flows that must be analyzed and controlled (Dyer et al., 1998, p71; Mena, 2013). Finally, the buyer can optimally leverage the capabilities of the other collaborators to make move the project and at the same time they can continue to work on their current position (Hartley & Choi, 1996).

A person who is directly involved on the field and could operationally manage the partnership is the residential engineer. He is considered as an engineer that is assigned operationally to visit on a daily basis the supplier to enable its development (Van Weele, 2010). He can also have a dedicated space in the supplier facility where he works on a full-time basis on the different steps such as continuous improvement, supplier formation or product design (Easton et al., 2014, p119; Hartley & Choi, 1996, p40).

Figure 6: Supplier Relationship Management structure



Source: PWC (2013, p20)

BP 1: A unique and direct person must be selected to manage and coordinate the interactions with the partner.

In order to manage a partnership that overstep the scope of the purchasing department, it is crucial to gather the different expertise affected (Corbett et al., 1999, p80; Paulus, 2015). It is materialized by the creation of teams with varied profiles and composed of key persons representing their department. This diversity can bring a new vision and more originality. However, a firm must ensure that its own internal collaborators are fully aligned with clear objectives before considering external stakeholders (Dyer et al., 1998, p71; IOMA, 2002). This team must be involved early in the relationship like before the supplier selection or during the product design (Krause et al., 1998, p48; Paulus, 2015). Their mission will be to address several steps of the collaboration process thanks to their personal knowledge that enables them to understand several complex requirements (Hartley & Choi, 1996). They will also make the relationship live because their department will be directly affected by the new partners (Liker & Choi, 1996). Moreover, a supply chain needs the involvement of all stakeholders that are internal or external to the organizations in order to be optimized

(IOMA, 2002). The team composition must be adapted to the project realities. There are for example from R&D, Quality, Finance, Sales & Marketing, buyers, logistics. There are also operational staff such as Residential engineers (Handfield et al., 2000, p40; Krause et al., 1998, p48; Lambert & Schwieterman, 2012, p340; Liker & Choi, 1996).

This cross-functional team works manages on an incremental basis such the process as a project and not as a full-time assignment. The purchaser is generally the lead and teamwork capabilities are highly important (Chenoweth et al., 2012; Biemans & Brand (1995). This project is considered as an external structure that works occasionally on a long term basis (Krause et al., 1998). The main steps involved by this team are all the steps seen on Figure 5. They most important element is that they will define the objective that a future partner achieve which will have an impact on the whole collaboration (Chenoweth et al., 2012; Lambert & Schwieterman, 2012, p340; Revilla & Knoppen, 2015, p1423). Their involvement must be exploited only for key suppliers that have a sensible influence on the buying firm (Krause et al., 1998, p48).

Finally, some studies have analyzed the optimal number of members of these cross-functional teams. Corbett et al. (1999, p79) consider that it must be limited between 2 and 5 members. For Hartley & Choi (1996), the Japanese car manufacturer Honda was using 3 to 4 members while its American competitor Ford used 15 members in order to manage these projects on a shorter time.

BP2: A cross-functional team composed of the main departments affected by the partnership must be created to address different steps of the process.

Education

During the 80s, procurement positions was not recognized as a strategic function like nowadays (Carr & Smeltzer, 2000, p40). It implied a lack of advanced skills in this function. However, its positioning and needed skills changed. Now, purchasers must deal with the complexity rise and advanced innovations that require more capabilities (Giunipero & Pearcy, 2000). A collaboration needs a high set of skills because it addresses a high number of practices like requirement translation, negotiation, mutual improvement, co-design, etc.

In order to support the SRM, people themselves must be taken into account. The ability of a firm to educate the buyer in charge of the supplier management and to continuously improve the skills of its collaborators through educational supports will have a positive impact on their productivity. Moreover, it proves the commitment of a firm to the partnership (Chenoweth et al., 2012; Fawcett et al., 2008, p102). It also brings more credibility while purchasers face the internal and external stakeholders. It will have an impact on the whole collaboration process but also on Strategic Sourcing where education is considered as an enabler of the partnership (Carr et al., 2000, p46). Actually, "*firms continually seeks to maintain their competitive advantage by managing their resources*" (Carr & Smeltzer, 2000, p41). A training of the different persons in contact with partners is a prerequisite for continuous improvement (Chenoweth et al., 2012).

Firms must define a set of skills that are required to bring their purchaser at a higher level to address a partnership. The person in charge of the partnership process is the foundation of this project and requires specific skills to manage it. For instance, a study of Chenoweth et al. (2012, p15) highlights that for an investment of 100.000 dollars on an engineer that will train suppliers, 3 to 10 times this sum can be recovered through better resources allocations. Another positive impact is the switching from a culture of fear into a culture open to change, collaboration and that continuously keep the relationship alive (Fawcett et al., 2008, p102).

The first person concerned by these skills is the purchaser in charge of the partnership. However, it could be interesting to extend it to all the members involved. Moreover, it must be adapted to the hierarchical level. For instance, medium managers need to learn how to visualize globally their impact through an explanation of the processes. The senior managers must be educated on how to assess a project in order to prioritize their actions (Fawcett et al., 2008, p102). The formations can also be provided to the suppliers. Indeed, the buying firm can train their suppliers by providing in-house trainings (Biemans & Brand, 1995, p12; Hartley & Choi, 1996; Handfield et al., 2000, p44). Residential engineers can also train supplier's operation staff in their facilities. Moreover, Paulus (2015) states that these courses must be adapted to the project specificities and requires an internal academy to bring flexibility in the choice. However, they can be provided externally too (Handfield et al., 2000; Carr & Smeltzer., 2000, p40).

There are common skills that are related to the classical purchaser and some other that are particularly relevant for partnerships. These skills can be divided in different subsets. For Carr & Smeltzer (2002), firms classically look for new collaborators in the basis of their interpersonal skills and then put an emphasis on technical skills trainings. It seems normal because each firm has its own technical particularities. An exhaustive enumeration of required skills are summarized on Table 4.

A first array of skills are technical skills. The supplier must have a strong product knowledge but also the processes involved to understand the different stakeholders and complex discussions (Carr & Smeltzer, 2000). It can explain that several person in charge of key suppliers have generally a background as purchasers, engineers or a manufacturing experience (Chenoweth et al., 2012, p15). It is considered as a key element but not the lone. They are considered as the classical purchaser expertise (Carr & Smeltzer, 2000, p47).

Table 4: Skills required to manage a partnership

Purchaser Technical Skills	**Process management**	**Soft Skills**
• Supply Chain Management • Negotiation skills • Product knowledge • Production process knowledge • Cost analysis • Quality management • Root cause analysis • Market/risk analysis • Spend management • Category management	• Process improvement abilities • Six Sigma • Lean Management • Total Quality Management • Project Management • Change Management • Conflict resolution • Sustainability	• Communication • Presentation • Coordination skills • Team player/manager • Influencer / Leadership • Resilience • Coordination skills • Entrepreneurship • Networking • Conflict management
Decision-making Skills	**Strategic Vision**	
• Problem-solving • Analytical skills • Data Systems competences	• Strategic thinking • Long-term planning • Supplier base analysis • Prioritization skills • Broad Business orientation	
Source: Carr & Smeltzer (2000); Bienmans & Brand (1995, p12) ; Chenoweth et al (2012) ; Deloitte (2015) ; Giunipero & Pearcy (2000) ; Hughes et al. (2013); PWC(2013) ; Van Weele (2010, p296)		

Secondly, Process Management skills emphasize on process, project and change management. It is aimed to manage the partnership as a project with defined processes that must be improved. Thirdly, soft skills allows a buyer to manage a team through leadership, manage several issue internally as externally, clearly communicate and the ability to continuously motivate everybody. Fourthly, must have the capabilities to take decisions and prioritize tasks. It is done through the use of systems that are a tool for decision making and to have analytical skills in order to interpret the data procured through the systems (Hartley & Choi, 1996). Finally, strategic skills consist in placing the partnership as a strategic foundation in the partnership. It is essential in order to understand effects of the partnership on the firm's strategies. (Giunipero & Pearcy, 2000).

BP 3: Train your collaborators intensively on technical skills, Process management, soft skills, decision-making skills and strategic vision

Information Systems

Information systems (IS) are seen as an enabler used to improve the efficiency of SRM (Rizza, 2015; Dyer et al., 1998; Monczka et al., 1998; Fawcett et al, 2008, p102). It can be defined as "*the extent to which critical information is communicated to the partner*" (Monczka et al., 1998, p559) and can be also seen as threat internally. It is an enabler because an effective data management will have an impact on several steps of the process like risk management, performance assessment but also to align the different stakeholders (Martin, 2004). It is highly linked to new sourcing technologies that allow to communicate with spread networks of suppliers and a better data selection (Chenoweth et al., 2012, p18). Moreover, a transparent information share with key partners is a mark of respect because it brings an atmosphere of trust and commitment (Dyer et al., 1998, p71; Helper, 1991; Liker & Choi, 2004). It is explained by the fact this level of commitment comes generally because it requires a share of confidential information, an intensive common understanding work and high investments to create communication tools (Helper, 1991, p16)

In order to create an effective tool that will help the collaborators to take a decision, firms must select the type of data according to the strategic importance of the supplier (Qrunfleh et al., 2012). The type of information exchanged must be agreed by them and defined by their top management (PWC, 2013). It can also be done in function of the intensity of the partnership where a standard supplier will receive a few information (Dyer et al., 1998).Indeed, companies generally do not select the information which can be a burden for their users (Helper, 1991, p17). Firms that need to share these data can face some difficulties. For instance, the lack of trust avoid this collaborative action (p 605). It can be avoided through none disclosure agreements (Handfield et al.; 2000, p46).

The information exchanged type are generally strategic plans or financial data on their cost structure (Monczka et al., 1998). It also used for future orders, shared design plans, inventory levels, real-time data share or forecasting (IOMA, 2002; Qrunfleh et al., 2012, p605). It is also used to develop detailed scorecards that describe the supplier's performance (Easton et al., 2014). It can be a database that includes market knowledge such as prices or trends. It also include suppliers' informations such as its performance, capabilities or compliance (Chenoweth et al, 2012, p18).

For IOMA (2002), some firms still use tools such as emails, phones or fax for their communication. They bring higher cost of use and numerous errors. A more adapted solution are web-based platforms. To ensure that only the required data is shared, the firms must select common standard that design the web-platform. Normally, no data must be repeated on it (Martin, 2004). This platform will be unique and adapted to the needs of each partnership where its access is given only to key suppliers (Martin, 2004). This web-based solution must be designed in a rigid format where only the required data is indicated (Liker & Choi, 2004). It will avoid irrelevant data sharing that could be misinterpreted. This selective and organized data management will bring more accuracy and cost savings through mistakes reduction (IOMA, 2002).

The technological web-based solution evoked can be used though the classical ERPs that a majority of firm use if these systems are coordinated (IOMA, 2002). There exist several solutions such as ERPs that encompass the organization as a whole and have an impact on other departments (Kearney, 2013). Others are dedicated to sourcing. For Kearney (2013, p15), there are roughly 30 serious technological providers that give the ability to manage complex networks by connecting the buying firm with its suppliers. It can also be provided by EDI but the most developed are online solutions tools that improve the collaboration through a better coordination of the different stakeholders involved (Corbett et al, 1999).

Some elements must be addressed during the use of these technologies. Indeed, inefficiency can be created if the collaborators are not trained to fully use this platform (Martin, 2004). Moreover, the information exchange across a supply can alter it through wrong interpretation (Corbett et al, 1999, p71). It can be solved by increasing the exchange frequency of data (p71). SRM principle can be considered "*"to provide a common customer database platform that different parts of the supply chain can access and use effectively"* (Martin, 2004, p35). Finally, the buying firm could create an open system that will give an access to the database where is stored the informations. This access would be specific to the type of supplier (Martin, 2004). This access must be controlled to address security issues.

BP 4: Define the level of information to share regarding the level of the partnership and deploy structured open systems

2.5.2. SRM Process

Preliminary Phase

The first step of the process is to define the need of doing a partnership. The idea comes generally from a supplier base rationalization and to leverage all the capabilities of the supplier (Hartley & Choi, 1996). It also comes from a will to make a higher pressure on suppliers by collaborating with one of them. A key element to remind is that every close relationship will be achieved only if it can leverage value or improve the cost structure (Ford, 1980, p340). It implies that any purchasing strategy implemented are achieve to gain a competitive advantage (Van Weele, 2010, pp 185-186; Watts et al., 1995, p5). So, the partnership implementation will rely on its successful alignment with the firm's strategy (Park et al, 2009).

Generally, three main strategies exist in a purchasing department. Firstly, cost leadership that consists in having a better cost structure than competitors. Secondly, differentiation strategy aims at providing to the final customer a unique product with special features. Thirdly, the focus strategy has as goal to reach the needs of a specific segment of market or adapt the offer to the final customer (Van Weele, 2010, pp185-186). While the first one consists in a cut-throat competition among the suppliers, the second and third are keen to collaboration (Dyer et al., 1998; Park et al., 2009). To reach this strategy, firms must firstly define clear goals and objectives. Then set policies to reach them. Finally, assess the benefits among the stakeholders (Watts et al., 1995, p5). The targets defined are generally objectives in terms of innovation, cost decrease, delivery and logistic conditions improvement, quality or final customer satisfaction (Easton et al., 2014, p128).

In order to define these strategic lines, several persons have the knowledge to define them. The first members that are involved are the cross-functional team in charge of the project. They have a certain independence in order to write the future lines of the partnership but also its objectives. Indeed, they are the main beneficiaries of this collaboration (Easton et al., 2014). However, the translation of a strategy into defined objectives can be a complicated task in a continuously changing environment (Watts et al., 1995, p6). It requires to have a deep understanding and responsibility of the company as a whole and its implication on the processes of different department. Top managers have these capabilities and must support the initiative (Hartley & Choi, 1996; Watt et al, 1995). This commitment from the top management must be seen in the buying's firm but also on the supplier's management side. It can be translated in the practice by allocating a real "sponsor" for the project with a high hierarchical level. He will be in charge to ensure an effective alignment of both company's strategies with the SRM project. (Jack & Powers, 2015). For these authors, there is a positive correlation between the involvement of the top management and the quality of product but also the financial performance.

Moreover, this involvement will bring more visibility and resources to the project. It will also conclude agreements easily and allocate more time (Chenoweth et al., 2012, p18). Moreover, "*More than having cross-functional involvement, it is important to have people that have the authority to make move the project*" (Corbett et al, 1999, p78). Moreover, He will be also the best placed to take the required decision (Revilla & Knoppen, 2015, p1424). However, a common mistake done by firms is generally to have the Purchasing director as a sponsor (p78). Indeed, if they are for instance other members of the executive committee, they will make move their own departments faster. The project which is generally positioned as an operational strategy will be rocketed to a strategic importance (PWC, 2013). It also highlights to the other party the strategic commitment and a mutual understanding (Ford, 1980, p340; Fawcett et al, 2008, p101). The strategic sponsor will be able to map the notion of value and can leverage the need of a partnership or not (Dyer et al., 1998).

This process needs coordination in different departments and hierarchical levels to enable an efficient preliminary phase (Easton et al, 2014, p129). For instance, an efficient use of the top manager in order give the authority to commit to change and ensure that the business strategy is ensured. The project team in order to write the objectives and the management of the different processes at their expertise level. Finally, the purchaser ensures the coordination of the different stakeholders, its documentation to ensure that the project as a whole respect the pre-defined targets (Corbett et al., 1999, p80). A hindrance that was seen in this strategy is that the operational collaborators are generally afraid to suggest ideas while directors are present. (Hartley & Choi, 1996)

BP 5: The strategic definition of a partnership must be sponsored by the top Management to ensure its alignment with the business strategy

Supplier Selection

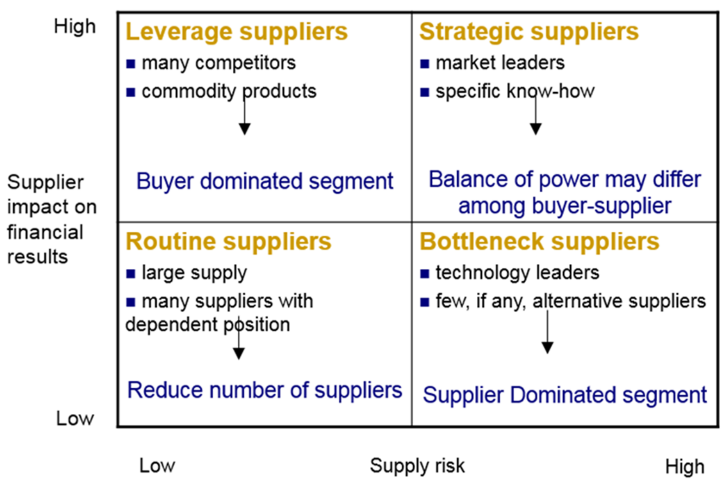
After initiating the need of building a partnership, the next step is the selection of relevant suppliers that fit the Strategy defined. A first distinction must be done in the supplier base. Indeed, the complexity linked to the partnership implies that firms must allocate resources only in a very restrained number of strategic suppliers (Hartley & Choi, 1996, p38). A solution to map these suppliers is to categorize them following their importance (Fawcett et al., 2008, p103). A supplier categorization tool is defined as *"the process of categorizing suppliers based on a defined set of criteria in order to identify the (strategic) suppliers with which to engage in SRM" (Deloitte, 2015, p3).*

For Kraljic (1983, pp112-113), firms must firstly segment their supply base on the basis of several indicator. Secondly, investigate on the suppliers related to this segmentation. Thirdly, determine the strategic products and finally, implement plans to achieve these strategies. In the Japanese car industry case, suppliers were divided in three subsets following their strategic importance and the intensity of their relationship (Dyer et al., 1998)

The segmentation criteria chosen is crucial. The most common tool is the Kraljic matrix. The idea is to focus only on suppliers that provide the highest value to for firm (Van Weele, 2010, p195). As seen on figure 7, the two key criteria are the financial impact of the supplier and the supply risk. The first one measures the amount of money involved by this supplier such as the cost. The second measures the risk issues such as the availability, changing supplier cost or available products (Kraljic, 1983, p 112).

However, a distinction between the supplier's types can also be defined by the market itself that impose suppliers that are seen as having a unique advantage (Ford, 1980, p340). For Easton et al. (2014, p28), the categorization can also be done on the basis of performance measurement and their potential in the future.

Figure 7: Kraljic Portfolio Matrix



Source: Van Weele (2010)

BP 6: Firms must categorize their supplier base to focus only on the strategic one

After categorizing the strategic suppliers, a selection must be done to select among the most strategic one that will support a partnership. It will succeed only if both players fit each other' and especially in terms of strategic aim (Jack & Powers, 2015). It must ideally be done through the cross-functional team in charge of the project (Handfield et al, 2000, p39). Indeed, it requires a knowledge that cannot be entirely supported by the purchaser. The help of the top management sponsor can also be useful (Krause et al, 1998, p47).

Firms can use a formal selection process (Monczka et al., 1998) but it can be complicated because every supplier have its own capabilities that cannot be summarized in only a few features. It implies the importance to have the best amount of selection indicators that will let the buying firm to compare the suppliers (Park et al, 2009). Generally, buying firms select them among their current supplier base. If they source from new one, it is generally due to new market trends or regulations (Ford, 1980, p341). The relevant selection factors will have a direct impact on the success of future continuous improvement activities or co-design (Vonderembse & Tracey, 1999). An exhaustive list of indicators discussed below is available on Table 5.

The first criteria concerns the financial and compliance indicators. In the last years, the price had a decreasing importance in opposite of the quality or innovation capabilities of the supplier (Helper, 1991, p20). The financial indicators highlight the former performance track while the financial stability put an emphasis on future situation. It is a key requirement to assess the long term capabilities (Ellram, 1990).

The second criteria includes the corporate culture. Some of these qualitative indicators are difficult to assess such as the trust atmosphere because it is a subjective notion (Rizza, 2015). The top management fit is highly important because a lack of involvement will lead to a rejection. These indicators related to partnership must continuously be monitored even after the selection through audits and clear alignment must be found (Mitrega & Pfajfar, 2015; Watts et al., 1995). Firms generally choose suppliers that gather a cultural fit (Wuyts & Geyskens, 2005) Indeed, a supplier could pretend a certain commitment to partnership and then later behave in an adversarial manner by putting the buying firm in a hold-up situation (Mitrega & Pfajfar, 2015).

Thirdly concerning the technologies, a pre-screening is important in order to map the situation. It is done to assess the ability of the supplier to deliver value on a long term basis and its ability to change fast. Their abilities to innovate are highly analyzed because it is important to involve the supplier already in the design and the product development (Chenoweth et al., 2012; Ford, 1980, p341; Vonderembse & Tracey, 1999, p38). Firms must also assess the capacity of the supplier to face new market changes by assessing shared vision and technological capabilities (Jack & Powers, 2015, p130).

Fourthly, an audit of the manufacturing capabilities must be achieved by engineers. For instance, the geographical distance can be a hindrance to achieve better delivery time (Ford, 1980, p 341). In the Japanese car industry case, the buying firm always want to know everything about its supplier by sending engineers and cross-functional teams to supplier's facilities to assess their way of working from the factory to the headquarters (Liker & Choi, 2004).

Finally, Traceability allows the buying firm to select suppliers that could become a partner to assess the different problems and complexity related to a supply chain. It is based on the knowledge of the supplier of its customers and tier 2 suppliers for instance. It involve a personal work of the buying firm to ensure some alternative during the selection such as the replacement cost or other similar supplier (Paulus, 2015). It includes audits in terms of finance and compliance but also of supply chain traceability. The aim is to find a supplier that have the capabilities to provide a competitive advantage at the lowest risk level (Deloitte, 2015).

Table 5: Relevant indicators for supplier selection

Financial and Compliance indicators	**Corporate culture and strategic fit**	**Technological capabilities**
• Economic Performance • Financial stability • Ability to ensure the demand • Regulations • Sustainability • Quality levels	• Trust atmosphere • Commitment for partnership • Long-term commitment • Strategic alignment • Top management fit • Fit on different levels of the two organizations • Supplier's structure • Continuous improvement capabilities	• Design capabilities • New Product Development duration • Product and process differences
Manufacturing capabilities	**Traceability**	
• On-site audit • Safety record • Physical distance • Supply Chain capabilities	• Supplier's customers analysis • Sustainability • Child labor • Supplier's knowledge of the market	
Source : Deloitte (2015); Dyer et al. (1998); Ellram (1990); Ford (1980, p341); Vonderembse & Tracey (1999, p38)		

BP7: Select final partners on the basis of multiple quantitative and qualitative indicators

Supplier negotiation

After selecting the future partners, both parties must discuss on how they will ensure a common long term commitment. It will be materialized through a contract. Indeed, a successful partnership is generally based on a strong contractual relationship (Wuyts & Geyskens, 2005). Moreover, this contract must be highly detailed because it involves a more deep relationship in order for example to hedge against opportunistic behaviors. However, a tradeoff must be achieved because a less complete contract provide more flexibility to the stakeholders (Wuyts & Geyskens, 2005). The key difficulties is that a contract cannot easily include elements related to trust which is the key element of a partnership (Biemans & Brand, 1995).

Then, negotiation has a key place in the partnership process. Indeed, it can be seen as the occasion for both parties to learn on each other's rather than a race to gain as much concessions as possible (Ford, 1980). Moreover, they have a small knowledge of the other vision. So the distance is high between them while the resources involved are important comparing to the results. The only knowledge comes from the reputation (p343). For Hughes et al. (2013, pp 25-26), the negotiation must be used to clarify the motivations. It must also be based on factual discussion to better convince the supplier where a clear commitment on trust can be achieved through an open-book contract where all numbers transparent (p27).

Indeed, the aim is to reach a long term partnership where facts are crucial. So, negotiation duration is key to have a complete discussion where a respect climate must prevail (p28). In this vision, negotiation is clearly seen as a process. It can be achieved through a clear planning of the negotiation itself in order to reduce time pressure in the negotiation. It must also be well-prepared, show lower level of aggressiveness (p28). Another vision encountered by Corbett et al. (1999, p77) is to clearly separate the cost discussions and the improvement activities. It is done by a prior talks on the design and product development topics. After that, a mandate is given to a commercial manager to discuss only on the financial and cost elements (Corbett et al., 1999, p77).

A long term commitment remains one of the key element of a successful partnership that can be formalized through a longer contract (Heide & Miner, 1992). For instance, it will ensure the parties that high fixed cost such as customer assets investments will be covered (Helper, 1991, p22).The open-book contract is also an evidence of this commitment where the price is constructed following an in depth analysis of the buying firm of the seller factory (Liker & Choi, 2004).

However, the objectives must also evolve and not be locked in a contract. The principle of a continuous improvement policy is to adapt the objective following the current performance of the supplier (Liker & Choi, 2004). In this process, transparency is a key element in order to share common visions and a clear definition of the notion of value created (Paulus, 2015). A clause must be included in order to readapt some elements after several years if they encounter a problem or a change in the market. A clear vision of a contract based on partnership is seen on Table 6 on right side.

Table 6: Two perspectives on negotiations with suppliers

Tactical View of Negotiations	Strategic View of Negotiations
• Negotiation is an event	• Negotiation is a process
• Negotiated results are determined by market dynamics and bargaining skills during the negotiation	• Negotiated results can be significantly affected by strategic positioning and robust preparation
• Negotiation requires a choice between hard and soft approach	• Possibility to negotiate without being adversarial and collaborate without naivety
• The aim is to get the deal signed and secure the most favorable contract terms	• The aim is to leverage the maximum value through interactions over time
• Negotiations finish when a contract is signed	• Formal contract negotiations are the first of many negotiations with a supplier
• Contract negotiations have little impact on the ongoing relationship with a supplier	• Contract negotiations lay the foundation for the interactions that follow
Source: Adapted from Hughes et al (2013, p29)	

BP 8: Design a complete contract with partners based on long term commitment and transparency

Supplier Governance

Generally, a key failure reason of a partnership comes from a lack of alignment in between buying and selling firms objectives (Deloitte, 2015; PWC, 2013). Even if their elaboration was already done in the preliminary phase, a clear formalization of these objectives and a definition of the partnership scope can be useful so that the different stakeholders can be on the same wavelength (IOMA, 2004). Moreover, a standardization of the SRM program can facilitate a rising flexibility through an integration with other sourcing processes (p3). It can also improve the risk management and supplier selection

(Mitrega & Pfajfar, 2015). In conclusion, a professionalization of key supplier's management would lead to a higher positive impact (Chenoweth et al., 2012, p17; Revilla & Knoppen, 2015). This professionalization will enable the purchasing department to reach a higher maturity by standardizing the process. It could be materialized through a dedicated training charter, common languages, new sourcing technologies, etc. It will benefit to the whole purchasing organization that will gain in maturity (Paulus, 2015). Indeed, this partner's management through a structured framework will be a first experience that can inspire already existing governance structures. The management of a partnership as a project must also imply several practices linked to project management such as fixed deadlines with result obligations, several meetings, checks, etc. (Corbett et al., 1999, p78). This interpretation can be different between two firms but also between the internal collaborators. For instance, an engineer will not have the same reading than a marketer (Ford, 2010, p345).

In order to address this issue, a clear governance structure must be created to professionalize the SRM program. This structure must only be dedicated to strategic suppliers and more specifically partners (Deloitte, 2015). It is summarized as: "*the overall systems and procedural arrangements to ensure that the procurement process displays appropriate levels of control and probity"* (CIPS, n.d.). It can be ensured through *"an appropriate procurement policy, procedures defining how the process should be managed, allocation of roles and responsibilities* […] *and controls and process reviews"* (CIPS, n.d.). A professionalization can be achieved through different leverages. Firstly, a clear writing of the objectives and guidelines of the partnership but also a roadmap that must be followed to achieve it in good conditions (Easton et al., 2014). These element are transposed in a charter or a guideline in order to recall to the supplier and the internal stakeholders the main points to achieve (Deloitte, 2015; PWC, 2013; Watts et al., 1995). It also includes the each person involved role, their mission and the hierarchical sponsor of the process. In the partnership case, this sponsor has enough authority to bring resources and make situations change. The project manager such as the purchaser is custody of the performance management, follow-up or documentation, etc. (Corbett et al., 1999, p80). Another feature can be the competences needed but also the communication channels to connect the supplier with the internal collaborators (Deloitte, 2015). Secondly, a clear definition of the processes needed to achieve this management could help to better manage them but also improve their robustness of the relationship (Watts et al., 1995). It must be recognized by the top management and the supplier to bring credibility (Deloitte, 2015). This governance can be implemented by top management or the cross-functional team in charge of the partnership definition. Another key element is to primarily dedicate the cross-functional team in mapping the current situation of the existing processes. Indeed, it is not rare that firms are not aware of their existing processes. Actually, some misaligned objectives are caused by the deficient capabilities knowledge (Corbett et al., 1999, p78). Ideally, it musts be created in agreement with the new supplier and must also include pre-defined meetings and their goal (Easton et al., 2014, p47)

Another way to professionalize the SRM is to involve finance to transform the partnership into a business case. It will be followed by a clear planning of volumes for instance. It will show the serious of the commitment but also a clear vision of the resources and benefits related to partnership. It will also incentivize the supplier to develop himself to reach the common objectives (Easton et al., 2014, p74). A first existing SRM charter can be translated by contract itself that encompass the goals and approved by both firms (Mitrega & Pfajfar, 2015).

However, a survey conducted by Deloitte (2015) highlights that a majority of firms did not have clear protocols that indicates how to manage a partnership. Moreover, several firms consider supplier management even if they are strategic as a transactional function which imply a lower awareness to professionalize it through transparent processes (Deloitte, 2015). However, the specificity of partnership is that it can be organized as projects. Moreover, a threat of doing a classic governance structure applicable for all partners would be irrelevant. Indeed, each partner has its specificities and firms must adapt to each situation with dedicated performance indicators. It must also adapt to each supplier, to the need, the technologies involved, the maturity of the buying, selling but also of the market (Easton et al., 2014, p47; Mena, 2013, p10).

BP 9: Set up a dedicated strategic supplier's governance structure that is clearly written in a SRM Charter

Performance assessment

Performance assessment is in the heart of the collaboration process. Indeed, it is the most developed tool in order to assess if the partnership objectives are achieved but it is also basis to continuously improve it or even stop it. This monitoring must be done regularly in order to recover the problem directly (Deloitte, 2015). These indicators should be selected with the agreement of the supplier during the negotiation and the governance elaboration of the project so that the two companies have a clear vision of their objectives. This mutual elaboration of performance indicator will avoid misunderstanding that could have a negative impact on the relationship (Heide & Miner, 1992; Handfield et al., 2000, p41; Krause et al., 1998, p51). They must be aligned with the targets defined by the cross-functional team and the top management (PWC, 2013). Indeed, they are considered as clear elements of trust (Stuart et al., 2012). All these data will be gathered in a dedicated scorecard that is proper to the supplier so that it can be analyzed later with him (Deloitte, 2015). Generally, the firms that achieves the best performance are those that do assessments regularly (Chenoweth et al., 2012). The continuous improvement activities are highly linked to it because when the supplier achieve a pre-defined level, he will be demanded to reach a new high level in order to improve its capabilities. Then the supplier can be rewarded based on its performance through a recognition or higher volumes ordered (p13). An emphasis must be put on the transformation of performance indicators into consequential information that must be adapted to the realities which is done through their challenging and continuous discussion with the main stakeholders involved (p13). For them, generally 5% of suppliers are underperforming and 5% are over performing. The cross-functional team should analyze deeply these categories because top performers are the supplier that are the most reliable for the future but they are not all relevant, so they must be selected. Finally, the underperformers for who actions must be done because they trigger the supplier average below (Easton et al., 2014, p31). For Fawcett et al (2008, p102), measurement indicators are seen as the most influencer variable seen by stakeholders but also can be an important hindrance because they are not adapted to the realities of a relationship. There are generally designed for short term purposes and highly related to classical financial or functional indicators. These kind of wrong measures are seen as one of the main hindrance against the success of a partnership.

Every relationship should be based on quantitative indicators that give an objective image of the suppliers' performance. These most redundant indicators are summarized on Table 7 by Van Weele (2010). They generally consist in three dimensions that are highly evoked in the literature. They are based on price (e.g.: cost savings), quality (e.g.: reject rate), and logistic (e.g.: delivery time) (Ellram, 1990; Van Weele, 2010; Watts et al., 1995). They can also assess the performance record which can include prior comments and incident reports (Liker & Choi, 2004, p9).Their use can be translated into quantitative data. It is meaningful in order to let a system later record them automatically on scorecards. Moreover, it is advantageous because its manual encoding could require a lot of resources in terms of people and time and could lead to mistakes (PWC, 2013) that could be catastrophic during continuous improvement process and have a negative impact on the future of the partnership. Moreover, they are difficult to criticize.

A key element to assess during a partnership would be indicators that put an emphasis on this long term commitment. Indeed, operational measures are relevant to see a facet of the supplier's performance but do not assess its willingness to develop on a long term basis. Indeed, a positive relationship exists between supply chain performance and the quality of the relationship (Srinivasan et al., 2011). For instance, the innovation capacity must be assessed through an audit of the supplier's capacity to create new models (Van Weele, 2010). An idea evoked by PWC (2013) could be to include the supplier himself in the assessment process by giving him the opportunity to evaluate the buying firm. It can be materialized through surveys in order to better establish the two-way commitment. Some other indicators could be addressed such as the capacity of the supplier to be flexible or its technological capabilities (1995, p7). For Biemans & Brand (1995, p4), these assessment can be done through surveys that are conducted on the supplier's factory through engineers visits to assess all their capabilities. Several indicators exposed by Easton et al. (2014, p34) to address this is generally: Firstly, the growth capabilities of the supplier (can the supplier address new markets), Secondly, the scope (how to help the firm. Thirdly, the innovation (what are its technological capabilities, does he creates new innovations). Fourthly, collaboration (has he the mindset of a partner with the internal stakeholders).

Table 7: Purchasing indicators table

Dimension	Measurement aimed at	C/I*	Examples
Purchased materials prices and costs	Purchased materials cost control Purchased materials cost reduction	C C	Materials budgets, variance reports, price inflation, reports, purchasing turnover Purchasing cost saving and avoidances, impact on return and investment
Product / quality of purchased materials	Early purchasing involvement in design and development Incoming inspection quality control and assurance	I C	Time spent by purchasing on design and engineering projects, sampling reject rate (%) Reject rate (%), line reject rate (%), quality costs per supplier
Purchasing logistics and supply	Monitoring requisitioning Delivery reliability (quality and quantity)	I/C	Purchasing administration lead times, order backlog (per buyer), rush orders, delivery reliability index per supplier, materials shortages, inventory turnover ratio, JIT deliveries
Purchasing staff and organization	Training and motivation of purchasing staff Purchasing management quality Purchasing systems and procedures Purchasing research	I	Time and workload analysis of purchasing department, purchasing budget, purchasing and supply audit

Source: Van Weele, 2010, p303

BP 10: Define consequential performance indicators that are adapted to the partnership specificities in term of operational and relationship measures

In order to incentivize the supplier to outperform, a key practice is to not be afraid to communicate successful collaborations but also incentivize it. A clear example that can be given is during supplier's summit where the buying firm publicize the positive impact and involvement of the supplier. It is achieved in front of other partners but also other non-strategic suppliers. Indeed, other suppliers can be seduced by this successful partnership (Hartley & Choi, 1996). It is characterized through an important meeting gathering top management from suppliers and the buying firm under the initiative of the buying firm. It is an opportunity "*to demonstrate mutual commitment to the relationship, promote dialogue* […] *share future plans* […] *and present supplier awards* (Chenoweth et al., 2012, p14). Moreover, the cross-functional team involved in the supplier project must be in charge of defining the potential rewards related to a positive performance.

Indeed, these practices are not well defined in the literature but several firms apply it. It is generally materialized in meetings where a high number of suppliers are invited and several awards are allocated to success stories. It is also an opportunity to expose to all suppliers the strategic lines that will be followed. For instance, the car manufacturer Volkswagen gave 25 awards in five categories in "Excellence *in development, product quality, logistics, entrepreneurial performance and environmental awareness"* (Sanz, 2005, p36). Other firms do this such as the plane manufacturer Boeing that provide awards for their best performers.

For Krause et al. (1998, p52), there are other ways to recognize the performance of suppliers. It can also be done internally and externally through newsletters or more formally through supplier meetings. It is given to firms that had an important impact in value creation and collaborate very closely with the firm. It is generally dedicated to different areas. For instance, there was 13 winners in different categories like safety, environment, design, innovation, technology or risk management (Boeing, 2017).

BP 11: Recognize performance publically through internal and external communication such as supplier summits

Risk Management

Supply chain risk management is a critical issue to address because it can have a high impact on the financial situation of both companies but also on the final customer satisfaction. The sources of this risk are diverse. Generally, the majority are linked to prices, currency fluctuation, market changes, scarcity of materials, natural or geopolitical disasters (PWC, 2013). Another reason to address specifically this issue is that suppliers relationships remain important cause in supply chain disruptions (Wieteska, 2014). In order to address the potential risk related to a key supplier, firms must be equipped to deal with it before it encounters despite of managing it as a firefighter. A partner can be a valuable help. Indeed, he has a better knowledge of its own supplier. However, a majority of firms have not well-defined risk management plans (PWC, 2013). Indeed for, risk management entails to do frequent audit and inspections because he must address daily to prevent its occurrence (Mena, 2013, p7).

A first step is to identify different sources of risk. Indeed, a lot of organizations struggle to map all the risks related to their supply chain. It can come from the regulators, natural disasters, infrastructures destruction or from the demand (Srinivasan et al., 2011). They are also related to the environment such as the competition, technologies, market changes or consumer expectations changes. It can also come from the supplier such as delivery time variation or cancelled orders. The environment risk related to the demand such as new market changed can be also addressed with the key supplier thanks to a more intensive exchange of information (Srinivasan et al., 2011). However, the uncertainty cannot sometimes be addressed. There is also a distinction that can be done between the operational and the strategic risk where the second addresses the supplier relationship (Wieteska, 2014).

The managers of both parties must be aware of the dangers and implies that they must work together in order to evaluate it and create strategies to mitigate jointly its negative impact. They must do common audit of the risks and plan together. They must also be aware that their relationship is a way to deal with the environment risk (Srinivasan et al., 2011; Wieteska, 2014). Moreover, a segmentation following the Kraljic matrix will place a strategic supplier as being potential an important source of risk (Kraljic, 1983). Indeed, an issue with a strategic supplier will lead to a disastrous situation (Wieteska, 2014). They will also have an important impact on the operational risk. The main ways hedge against this danger are to build a long term partnership or to do multiple sourcing. However, this second strategy which is even used by Japanese manufactures in the partnering case (Liker & Choi, 2004) has a negative impact because the supplier will feel less trust in the relationship (Wieteska, 2014). However, they address it by using multiple sourcing with the involvement of their key suppliers rather than as a leverage to achieve better price (Liker & Choi, 2004). It can also be addressed by allocating to two firms that have the capabilities to do the same product two different projects. It will enable economy of scale and a competition remains because the buyer can easily switch to the other firm (Chenoweth et al., 2012, p13).

However, several processes already discussed can help to address these issues such as a governance structure with pre-defined processes (Srinivasan et al., 2011). There is also the use of partners as flexibility point, the tracking of performance indicator the share of information through information systems. Then, the prior alignment between all stakeholders can help it. Finally, it can also be addressed during the negotiation through intellectual property clauses (Mena, 2013). There is also the joint product development or safety stocks (Wieteska, 2014). However some firms fear of a partnership because they feel that in a changing environment, a partnership is seen as a burden rather than an opportunity (Liker & Choi, 2004).

BP 12: Create mitigation plans to manage key suppliers in which he can be involved

Continuous improvement

After achieving the different steps evoked in the supplier partnership, a key step consists in the improvement of the supplier capabilities. It generally consists in a fair discussion of both companies in order to improve their processes. It can also be the daily routine that involve an intensive share of plans for design. It involve every profile linked to a partnership but also requires an important mandate in order to discuss about possible plans for the future. Moreover, a key element to remind is that an organization can be described as "*dynamic and flexible" (*Fawcett et al., 2008, p104) because the environment changes very fast. It implies that a supply chain can be considered as a perpetual changing environment (p104). It implies that the different processes must be adapted to this reality continuously. With the required persons and organizational model. Indeed, even at the end of an improvement process, he must be monitored on a daily basis. Moreover, an intensive information exchange must occur to keep the project alive (Krause et al., 1999). It must be done through an update of the different activities which requires meetings to follow them. It must be done through an in depth analysis of the current existing processes and how they can evolve (Ford, 2010, p345).

Actually, the success of the supplier development will rely on the way it is managed. Indeed, buying firm must remind that this development must be done in two ways to enable long term commitment and strategic alignment but also a personal development of the buying firm (Rizza, 2016). Moreover, it is considered as a project where the category buyer generally manage it. However, he must ensure to keep it alive. It can be achieved through a constant monitoring of the supplier's performance and a continuous exchange of information. This follow-up will enable to see if the targets are reached and if it could be advantageous to readapt the strategic lines of the partnership (Handfield et al., 2000, p41).

Indeed, continuous improvement requires a presence but also an access to strategic question that a simple collaborator cannot achieve (p38). Moreover, it is sensibly linked to the concept is a learning process that is beneficial for the buying firm and its supplier (Revilla & Knoppen, 2015). It can be achieved only through the involvement of the cross-functional team but also all the persons involved from the operational workers to the top management (p1412). It can be achieved through meetings. The aim is to understand the objectives and to have the same vision through an alignment that will enable their improvement. It is achieved through concrete study of its realities (p1412).

In order to achieve a continuous improvement program, firms generally analyze detailed scorecards dedicated to the partner. Generally, it has several indicators (Liker & Choi, 2004, p9). On the basis of these results, the buying can directly advise the supplier what plans must achieve to improve its rating or to keep it. While this supplier will arrive in a target, the buying firm can decide to challenge him into a more rigorous step (p10). A constant monitoring can allow the firm to advise fast rather than waiting several months before seeing the bad performance. In a firm like Honda, the challenge comes from the fact that these scorecards are sent every months. The goal is to have an open communication but also that an increase of efficiency is rewarded through savings but also new volumes (p14). It can be achieved through reviews done twice a yeatr to discuss on the performance and give feedbacks Easton et al. (2014).

BP 13: Organize frequent meetings with suppliers at the different hierarchical levels to discuss strategic plans and continuous improvement activities

Table 8: Personal Best Practices Charter

Structure
BP 1: A unique and direct person must be selected to manage and coordinate the interactions with the partner.
BP2: A cross-functional team composed of the main departments affected by the partnership must be created to address different steps of the process.
Education
BP 3: Train your collaborators intensively on technical skills, Process management, soft skills, decision-making skills and strategic vision
Information Systems
BP 4: Define the level of information to share regarding the level of the partnership and deploy structured open systems
Preliminary Phase
BP 5: The strategic definition of a partnership must be sponsored by the top Management to ensure its alignment with the business strategy
Supplier Selection
BP 6: Firms must categorize their supplier base to focus only on the strategic one
BP7: Select final partners on the basis of multiple quantitative and qualitative indicators
Supplier Negotiation
BP 8: Design a complete contract with partners based on long term commitment and transparency
Governance
BP 9: Set up a dedicated strategic supplier's governance structure that is clearly written in a SRM Charter
Performance Assessment
BP 10: Define consequential performance indicators that are adapted to the partnership specificities in term of operational and relationship measures
BP 11: Recognize performance publically through internal and external communication such as supplier summits
Risk Management
BP 12: Create mitigation plans to manage key suppliers in which he can be involved
Continuous improvement
BP 13: Organize frequent meetings with suppliers at the different hierarchical levels to discuss strategic plans and continuous improvement activities

3. Methodology

3.1. Case Study

This part will treat the methodology used in order to have a complete gathering of a cross-case study analysis by designing, collecting, presenting and analyzing the interviews achieved (Yin, 2009, p3). To select the relevant methodology, an analyzing of the research question must be done. Indeed, these questions try to address how to enable a successfully SRM which enters in the frame of case studies (p4). Indeed, the selection of the case analysis is relevant because the question addressed is “Why” with a focus on contemporary events (p8). Indeed, it allows to have an “explanatory” variable (p8). This methodology is generally applied in several fields mainly related to human sciences (p4).

Actually, an element to remind is that case studies are “*only a preliminary research method and cannot be used to describe or test propositions*” (p6). In this study, Yin (2009) makes a distinction among the research methods on the basis of three elements. They consist first on the research question which consists in interrogating on which type of question is addressed. Secondly, the extent of control behavior and finally, the importance for current events a-or ancient on. (pp 8-12). Indeed, a case study will be used to describe a current event rather than ancient one (p11).

However, there are some lack concerning this methodology. Indeed, it can be considered as non-rigorous where several returns and non-respect of the methodology are possible (p14). A second issue addressed is that it is difficult to create a scientific generalization with this method (p15). . A third concern is that these study brings high number of reading materials. It can be defined as “an *empirical inquiry that investigates a contemporary phenomenon in depth and within its real life context especially when the boundaries between phenomenon and context are not clearly evident” (*Yin, 2009, p18).

3.2. Case Study Design

In order to design an effective research, its quality will be based on four criteria seen on Table 9.

Table 9: Case study tactics

TESTS	Case Study Tactic	Phase of research in which tactic occurs
Construct validity	♦ use multiple sources of evidence	data collection
	♦ establish chain of evidence	data collection
	♦ have key informants review draft case study report	composition
Internal validity	♦ do pattern matching	data analysis
	♦ do explanation building	data analysis
	♦ address rival explanations	data analysis
	♦ use logic models	data analysis
External validity	♦ use theory in single-case studies	research design
	♦ use replication logic in multiple-case studies	research design
Reliability	♦ use case study protocol	data collection
	♦ develop case study database	data collection

Figure 2.3 Case Study Tactics for Four Design Tests

Source: Yin (2009, p41)

A research design is "*a plan that guides the investigator in the process of collecting, analyzing, and interpreting observations. It is a logical model of proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation.*" (p26).

In order to assess the quality of the research design, three tests can were applied: the construct validity, external validity and reliability

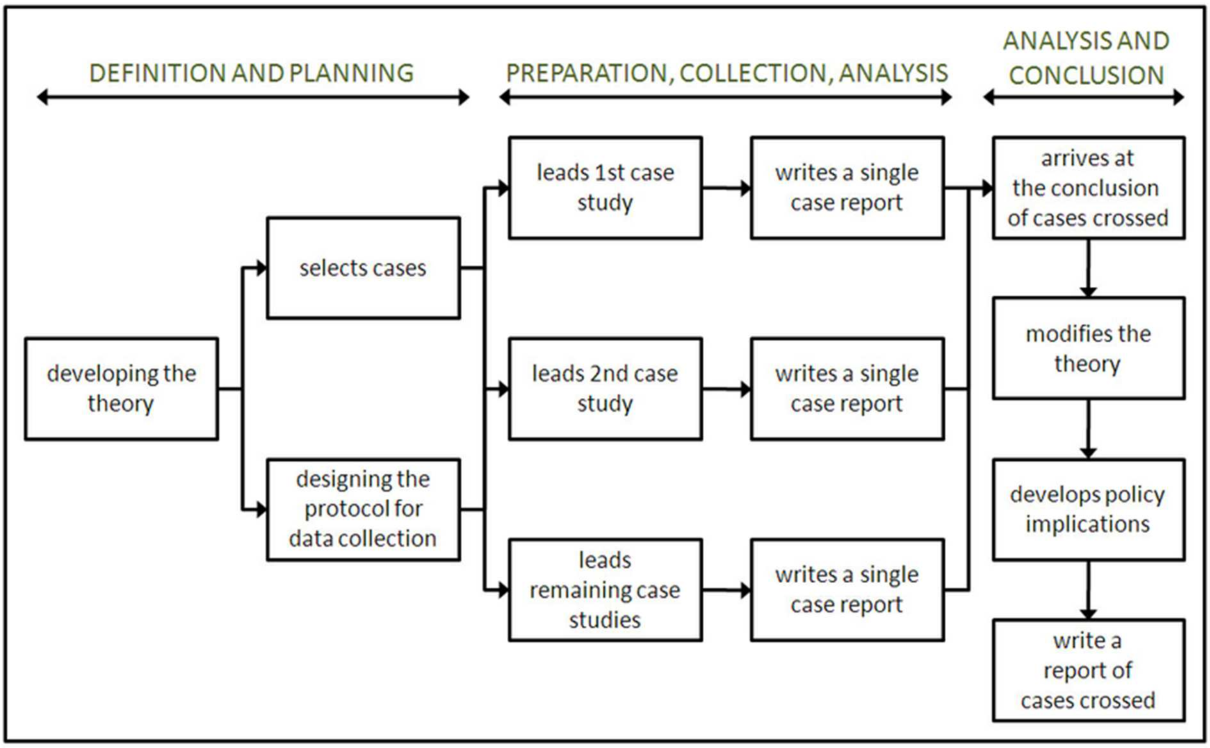
1) Construct validity: It consists in the creation of operational measurements. In this part, it is important to select the most relevant indicators by transforming a concept into features. These feature will preferably be in line with the concept studied. It can be done through the use of different sources (Yin, 2009, pp40-42)

2) External validity: It is aimed to find a scope where the study can be expanded (p40). Its difficulty consist in knowing how to generalize a concept that is based only in a few cases.

3) Reliability: it is defined as "*the demonstrating that the operations of a study can be repeated, with the same results".* (p41). The aim of this is that if another person reconduct the same case study with the same methodology,

A multiple case study was selected. In order to deal with it , a meaningful selection of the cases must be achieved. Indeed, two cases can provide exactly the same results or the opposite Here, each case is scrupulously selected (Yin, 2009, p54). The selcetion of a few cases such as two or three would lead to a repetition while four to six can lead to two different paths.

Figure 8: Multiple case study methodology



Source: Yin (2009, p57)

In the figure 8, it can be seen that the first step achieved was to develop theory and lorespecifically the partnership framework and the different Best Practices detailed. These different steps are considered as a whole and an interesting elemen,t is the loop that goes back. It is done to face a key finding done during the case studies

3.3. Analysis and Information gathering

The gathering of informations was done through interviews. These interviews were pushed with some documents sent and some general informations available online. Concerning the different interviews conducted, they were done in five companies from different sectors. Moreover, the different persons interviewed have a high hierarchical level in order to better map the situation of partnership project.

The first company interviewed is Volvo Construction Equipment. He is named Yann Teste and holds a position as Commodity director so that he is in charge of all the strategic management of Direct Sourcing. An interview of 1h45 was done through teleconference (Appendix E).

The second firm interviewed is Karim El Yahtiti at Carrefour Belgium. He is director in the commercial director and is in charge of projects related to different categories. The interviews lasted 1h45 and was done in the offices of the Retail group (Appendix F).

The third firm interviewed is Alpro. It was conducted with Filip Walraeve who is sourcing director. The interview was done by phone and lasted 1h15 (Appendix G).

The fourth firm interviewed is Emerson. It was conducted with Rodolphe El Khoury who is in charge of all entrant and outgoing flows. The interview lasted 1h45. (Appendix H). It was done by teleconferencing.

Finally, an interview was conducted at IBA with the sourcing director. We have proceeded at the headquarter in Louvain La neuve. It lasted 1h45. (Appendix I).

4. Case-study analysis

4.1. Case-Study 1: Volvo Construction Equipment

4.1.1. Company Presentation

Volvo Construction Equipment (VCE) is a leading international manufacturer of construction equipment. The company *"develops, manufactures and markets equipment for construction and related industries"* (Volvo Construction Equipment, 2017). They have 14.000 collaborators in several locations in the world (VCE, 2017). VCE provides services and products in more than 145 countries. The firm is headquartered in Brussels (Belgium) and has several factories in Europe (Sweden, France, and Germany), Asia (India, China, and Korea) and America (USA, Brazil). They produce also services and solutions for OEMs. The company was founded in the mid-1800s and has a global turnover of approximately 5.25 Bn. euros (Volvo, 2017). They are a subsidiary of Volvo Group and represent roughly 20% of the total sales (Interview VCE, 2017). The strategy of the company is to bring total solutions to their final customers in construction sites in terms of vehicles but also materials, communication solutions or spare parts. All these with the best cost structure and through innovation (Interview VCE, 2017).

SRM Program Context

The purchasing department is divided between the direct and indirect sourcing while the partnerships is managed in the first one. This department is split into seven categories represent each different parts of the vehicles (e.g.: Wheels category). The Sourcing department which takes care of the Strategic Sourcing (strategy definition and contract management) is composed of 20 persons allocated in different countries even if it is a centralized structure. There also exists operational buyers and a team dedicated to suppliers development.

The main goal that must achieve a partnership can be divided in two parts:

1) *"Right Supplier, Right Relationship"*: Given that VCE has not the same leverage power than other car manufacturers because they are not in a mass-production perspective. Volvo CE has to collaborate more deeply with suppliers and have a long-term vision.

2) *"Right first time":* There is an obligation for VCE to issue the best product with the adequate price and quality structure from the start. The partnership is reflected through a deep integration of suppliers in the different facets of product development. They need the partners to achieve their strategic goals (VCE interview, 2017).

A partnership can consist in asking to a supplier to follow them in a new market abroad. It also consists in shared-assets investments, co-design and development or annual meetings. Concerning the issues faced during the implementation of an SRM, there is firstly a bad strategic alignment. The fact that a supplier cannot meet the requirements of an internal customer. The problem will be even bigger if they are involved in different projects with different stakeholders and cannot find a solution. Secondly, VCE can be a hindrance itself. For instance in the co-design, it is not rare that they do not go even more far because they could disclose sensible information. Thirdly, partnerships need more resources and finally, multiple sourcing can also bring tensions.

4.1.2. Enablers

Structure

There exists a supplier development team which is dedicated to the supplier continuous improvements in their facilities. VCE also tries to build bridges between internal and external stakeholders. Between them, there is the "supplier host" that coordinates these relations. He is a Commodity buyer who is in charge of the contractual, commercial and relationship management. Every discussion transits through him because it can impact different stakeholders. In addition, there are also residential engineers working exceptionally for short term missions. The most common situation are supplier's engineers that come to VCE facilities for their product knowledge. In the supplier side, there is generally an account manager.

Education

People in the Supplier Development team are all engineers with operational purchasing background and quality engineers. They have very technical skills in order to understand their complex challenges. This applies for the commodity buyers too, they are indeed all mechanical or electromechanical engineers. Moreover, they receive several formations which are based on two meetings per year done with their managers in order to identify the needed skills to be developed. The formations available are for instance on leadership, communication skills, negotiation, conflict management, project management. The training aims to give the capabilities to a supplier host to communicate to a high number of stakeholders. The negotiation skills are also highly valuable but with an emphasis on value creation instead of price reduction. It is a field that is done internally with experience. The key skills needed are communication and leadership. They must also be resistant, tough and dynamic. They must disrupt continuously and so motivate suppliers and internal clients. (Interview VCE, 2017)

Information Systems

VCE uses EDI (Electronic Data Interchange) and a few VMI (Vendor Management Inventory). Moreover, they have an online platform where they give an entry access to some suppliers. It allows them to share information for co-development but also market, volumes, forecasting or planning informations. It is used only with Strategic Suppliers and selected only for the purpose of the project. Finally, there is no feelings that supplier possess more data. They also have an ERP called SAP that computes their needs

4.1.3. SRM Process

Preliminary Phase

Generally, it is the Commodity buyer that is in charge of the strategy definition and its management from A to Z. But he must validate his project in front of a high number of internal clients including top-management. A purchaser has not the mandate to sign a contract. When they start a collaboration, the Sourcing department gathers the needs of different stakeholders to make choices. Then, they discuss with suppliers. Finally, the Commodity buyer must defend the project alone in front of decisional committees with the help of the supplier himself. For instance, these committees can be composed of people from R&D, Quality or technics. So, he must validate the project by every person involved. In order to achieve these goals, he analyzes deeply the different categories and requirements of the internal clients. All these requests will be the inputs for the definition of a strategic sourcing. Following this strategy, Volvo CE searches which supplier can achieve it. Then, they see jointly if they can align together.

Supplier Selection

In order to identify the strategic suppliers, they analyze features such as the purchasing volume, the market positioning, their technology to meet VCE's strategic sourcing needs. They also look at their capabilities (factories, technologies, Long term capabilities, management fit, etc.). There look also to the performance history because VCE selects its partners within their current suppliers. The most important element is to meet the requirements of the internal client. There exists a defined selection process but they do not follow it. It is due to the corporate culture of VCE which requires Agility and high adaptability. However, VCE has a hard culture of Quality. There are roughly 200 partners out of 600 suppliers (VCE interview, 2017). This high number is explained by their strategy to select the right suppliers. Even if it is a big base, they spend more time with some key suppliers that have a higher impact on different internal customers.

Supplier negotiation

The collaborative aspect is highly discussed with the supplier. They discuss how they can have a long-term collaboration, market projections, common commercial plans in terms of pricing, marketing, etc. They also try to avoid future conflicts by building long term contracts of 3 to 5 years where every hot topics are well-defined such as quality and delivery issues, price and commercial productivity. Finally, they discuss the common objectives to improve their performance. It pushes the supplier to continuously improve in order to reach these pre-defined objectives.

After building strong foundations during the contracting, the firms must work in open-book where VCE advises the supplier on optimal price or production levels. This price is constructed and based on common analysis of both capacities instead of doing it alone. A good alignment will lead to less issues. The aim is to create a Win-Win situation between the players but it is not rare that one player has a better position at the end.

Governance

The Governance and processes exist but are managed very informally. There are no chart. A supplier development model exists which is divided between the quality and the development of the supplier. Both players know the existence of this plan. Indeed, there is no processes to manage key suppliers but their selection goes through a process. The communication channels are not well defined. Actually, it is done during the meetings. There is also an involvement of finance that come from the different departments and help to build Business cases with features such as ROI or TCO.

Performance assessment

Strategic suppliers are monitored on logistics (Delivery time, lead time, and flexibility), Quality (Part per Million, First time fail out, number of inspections reports) and cost indicators (payment terms, cost down or target cost). Moreover, VCE has shared scorecards with their key suppliers and they adapt it for the partner's industry. The feedbacks in the other way are informal. It is done during the meetings. As seen here, the supplier assessment takes into account two elements: Operational performance and the relationship itself. The goal is to continuously improve the place of the supplier on the 9+1 grid (Appendix D). The suppliers are ranked thanks to key indicators (Table 1) in four classes (underperforming, Acceptable, Good and Outstanding). The aim is that key suppliers reach the top but it is still not the case for the moment. It is in line with the strategy of *"Right Supplier, Right Relationship"*. These relationship indicators are done manually when the operational indicators are computed thanks to their ERP (VCE interview, 2017).

Table X: Key indicators from VCE (Adapted from VCE interview, 2017)

Partnership Assessment	Operational assessment
- Place of VCE for the supplier (How strategic is Volvo for the supplier) - Impact of the Business Reviews on firms actions - Level of commitment during contracting - The way the quotation was done (from none through strategic alignment) - Intensity level of problems resolution (if the supplier can manage alone) - Planned actions (Evaluation of supplier capabilities to achieve the objectives defined by the two parties) - Involvement of the supplier in the innovation process	- Quality (Non incident rate, APQP performance and Q&E certification) - Delivery (DP and ITO) - Cost (YoY and ToP) - Reliability (Capacity and flexibility performance)
Source: VCE interview (2017)	

There are no Global supplier's summits even if some countries do it locally. They foresee to do it with rewards to motivate them. It would be an occasion to meet key suppliers and to discuss and present them to internal stakeholders. However, there are already internal communications of partnerships.

Risk Management

There are no well-defined plans to manage risk. A part is managed thanks to the expertise of the different stakeholders. Multiple sourcing is a way to cover it. VCE is trying to implement a risk analysis system in order to better plan some risks. They are not as good in risk planning and mitigation However, VCE is outstanding in term of crisis management and adaptation to every challenge. Moreover, they also hear the supplier themselves when they have advice to manage risk because they have the expertise and give them advice too. The supplier is rewarded through higher volumes ordered.

Continuous improvement

The continuous improvement is mainly based on the evaluation assessment explained before. There are clear objectives that the supplier must continuously achieve and VCE can help them. For this purpose, meetings are organized on several levels of the hierarchy following its strategic importance. Each month, there are quality reviews where the cross functional teams are involved with the key suppliers. They discuss on the scorecards and how they achieved their objectives. The goal is that the supplier improve its score by improving each time its processes and its relationship. There are also meetings every 6 months with top management in order to discuss about the strategic objectives. It is also the best occasion for the supplier to give feedbacks to VCE.

4.1.4. Conclusion

In conclusion, key success factors identified are firstly the ability of the two players to identify their respective needs and to share them. An example of a successful partnership is in the wheel industry. They firstly identified the common needs. The supplier wanted to develop its product and collaborate with VCE to reuse the benefits for the same segment than VCE. It was formalized in a long term contract of 7 years in order to avoid conflicts every year.

Another example is a supplier that had no contract but was eager to build a long term relationship. The directors of the two companies met and realized that collaboration was the key success for both companies. VCE gave them more orders. In this case, a strategy was formed at the moment where they began to give clearly their needs. Relationship is also about people and a few persons who can have a high impact on the companies. A bad behavior of a purchaser or seller can break a relation. Finally, VCE has the ability to stay attractive to their main suppliers thanks to an excellent innovation image. It is a way for suppliers to challenge their technologies and improve their processes. Volvo developed values based on the collaboration with suppliers.

4.2. Case-Study 2: Carrefour Belgium

4.2.1. Company Presentation

Carrefour Belgium has a turnover of 4.95 Bn. euros in 2010 (Carrefour, a, 2017). It is ranked the TOP 3 retailer in Belgium and is a subsidiary of the French retailer Carrefour. This one is considered as the Second biggest retailer in the World with a total turnover of 85.7 Bn. euros in 2016 and a presence in more than 30 countries with 360.000 collaborators (Carrefour, b, 2017). This analysis will focus on the Belgian subsidiary of the group: Carrefour Belgium. It has 11.500 collaborators with more than 700 shops. They are divided in several channels from the biggest shops (Hyper) to the proximity shop (Express). Each of these channels have their own identity and their own strategy. They also invest a lot in digital retail. Its main focus is to have the broadest offer inside the same shop and fresh local products. It is done by offering large product assortments, best services for the best value for money. It is also to be the most preferred retailer for Belgians (Carrefour interview, 2017).

SRM Program Context

The purchasing strategy responds to the strategy of each channel. The whole purchasing department is linked to the concept of Category management. Indeed, the purchases are included in the commercial department which is in charge of purchases and sales of each category. The commercial department is divided between the fresh products (butchery, bakery, fruits & vegetables, catering), the FMCG and the Non-food products such electronics, textile and bazar.

There are no special partners at Carrefour Belgium. Indeed, when a supplier signs a contract with Carrefour, he becomes automatically a partner. The non-partner suppliers are those that sell products in Carrefour's shops without signing a contract with the purchasing central. The partnerships are generally complicated because the contracts are re-negotiated every year with the supplier's intent to increase the price while the Category manager has an objective to secure the margin.
The main objective to work with suppliers is the margin (price), the client satisfaction thanks to the best product (Best product at best price) and the quality requirements. The supplier and Carrefour have a common interest of pushing the sale of their products. It is done through promotion, pricing, distribution, etc. that are managed by the category manager. Another kind of partnership is to have an exclusivity. However, it is difficult because suppliers generally want to cover the whole market. There is also co-development in collaboration with suppliers, internal product manager and with the Carrefour's brand name. There are also VMI and cross-docking. The main partnership consists in forecasting which is fully managed by the suppliers.

The main issue encountered with big partners is that they want always more place on the shelves. For smaller suppliers, they have not the capabilities to respond to the demand of Carrefour which has a large network of shops. Another problem comes from the fact that suppliers want to develop their product while the Category manager has a global vision of its category. Its goal is to propose a coherent assortment in line with the strategy of Carrefour of variety of fresh products but also of profitability. Another problem is that big suppliers do a lot of recommendations even if they have their own interests. In conclusion, Carrefour will keep trying to maintain the best relationship he already has and at the same time looking for new opportunities to create new partnerships.

4.2.2. Enablers

Structure

The Category Manager is the one in charge of the key suppliers and the classical suppliers. He is responsible of his categories from A to Z. Indeed, he is in charge of the performance of his categories through the selection of the relevant products, promotion, positioning and best placement. The supplier has generally a key account manager who is in regular contact with Carrefour's purchaser. He must be the mediator of the supplier's recommendations. Above the Category Managers, there are Category directors in charge of several managers. Then, "universe" directors are in charge of category directors. Finally, the highest level is the commercial director who is the executive committee. The category director is here to ensure that the strategic lines taken by the category manager are good.

However, the structure is designed so that the category manager is in the center of the structure and is backed by category directors, pricing department, financial controller, marketing, logistic, etc.

Education

In order to evolve as Category Director, Carrefour asks to have an experience as supermarket director. It is the best place to learn the realities of the business, the impacts of the suppliers and to learn soft skills. Concerning the Category managers, they must not have an experience in the shops. There are several formations in negotiation but also in IT tools. The background is generally commercial and they have a minimum of a bachelor. The required skills are generally to be a good negotiator, flexible, ambitious, communicator but also to have a deep knowledge of its product is an asset.

Information Systems

Carrefour Belgium uses an ERP called SAP. It computes the needs in terms of logistics and purchasing but also the stocks. The forecasting are generally done by the key suppliers themselves. The VMI is highly developed (50% of the volumes) where the shops communicate their needs directly to the supplier. All the orders are done through EDI and they start to do SSCC (Serial Shipping Container Code) for a better traceability. These system also do very detailed scorecards with the performance of the supplier. There are very detailed reports of the categories. The data is a key element in the retail sector because it is a power source for the negotiation. However, the most developed data comes from rating firms such as GFK or Nielsen that are available for all the actors including Carrefour. Another source of information that Carrefour only has is the loyalty card. They must be very selective in the data shared because the price has a key importance for the contracting.

4.2.3. SRM Process

Preliminary Phase

First, a strategy is defined by the executive committee and then the S&OP defines the forecasts for the next three years. After that, the category managers translate first the business unit's strategies into his category strategy. It must be adapted to each Business Units. The alignment with the partners are included in the category strategy.

Then the Category director must approve it. After that, they must defend it through performance reviews to the “universe director” and themselves will defend it in front of the executive committee. However, the person in charge remains the Category manager and the directors or the internal stakeholders only check if his proposed strategy is coherent with the global view.

Supplier Selection

There is no segmentation of suppliers at Carrefour Belgium. There is a “natural selection” (Karim, 2017) based on the volumes sold by the suppliers in their stores. However, it is based on the products sold and not on the suppliers. When there is a need to improve the turnover, it is easier with the biggest suppliers because there is a high place of the VMI that is only managed by the big suppliers. It represents nearly a hundred of their suppliers. However, these partnerships can be threaten by the negotiations. However, Carrefour also select small producers or even start-ups in order to achieve their strategy. It implies more than 10.000 local products with 750 local producers that are considered as partners. However their management is also complicated because they do not have the capabilities in terms of forecasting and VMI of bigger suppliers. But Carrefour can help them to optimize their flows.

Concerning the fit of the supplier, it is only the market that will lead them to a partnership with a supplier. For instance, they invest in niches because even if it is less profitable than other segment, there are growing trend.

Supplier Negotiation

Generally, Carrefour is softer with new suppliers and small producers. It is the market situation that drive this negotiation. However, the negotiation are margin oriented. Every supplier also focus on having the best concessions in the shops. For big and well-established suppliers, it is very tough negotiation with no real focus on collaboration. It is a very short term vision because all contracts are also renewed every year and the supplier always negotiate a price rise. The main goal of the contract is to maximize the profit. Then Carrefour must negotiate to neutralize it and on the concessions that can be given aside. It brings a lot of tension and is very time-consuming.

Governance

The goal of a partnership is to gain more clients and market shares. The tools used are generally the turnover, margin, market shares and suppliers’ data. For Carrefour, the formalization of the partnership is the contract itself which defines all the policies to implement. It is considered as the charter of the supplier. All the communication channels or processes are defined and adapted per supplier into the contract which is signed by both parties. It is mainly done through the Category manager. It results in a difficulty to formalize long term relationship when the contracts are renewed every year. Moreover, Carrefour Belgium is challenged by a structure called Carrefour World Trade (CWT) which is in direct contact with the suppliers on an international scale and also do negotiation with them. The governance is also managed by the CWT but there is no charter. The contract also defines who is the main stakeholders, the communication channels or the different business reviews. There are also no supplier development program.

However, this lack of formalization is also beneficial because the sector evolves very fast and is very competitive which implies a high need of flexibility (Carrefour interview, 2017). It would be dangerous for both players to be stuck in a non-changing relationship and difficult to manage regarding the high number of suppliers. Finally, there is the financial controller that assist the category manager in order to assess the relevance of the partnership. He also must challenges the category manager and is present during the business reviews between the category manager and the category director.

Performance Assessment

The performance is evaluated in terms of margin through the Carrefour's data and agencies such as Nielsen that shows the performance to the competitors. Generally, Carrefour has a matrix that compares the products and not the suppliers in terms of price and quality. It helps Carrefour to develop their own products. There are no assessment of the partnership itself. It is more feedbacks from the field that are considered. Moreover, the assessment is difficult to give due to the important number of regulations coming from the authorities and the contract to not disclose information such as the price. However there exists an independent organism that completes surveys across all suppliers and distributors. It can help Carrefour to see how the partners in general see them. Moreover, the partner's scorecards are very developed in terms of operational statistics that are generated by the ERP monthly.

There exists supplier summit that are done twice a year. All the suppliers are gathered with 1 or 2 of their representatives. Carrefour explains them its strategy and the one of different Business units or strategic lines. Its goal is to align everybody to it. They also do promotion with prizes given and internal communication like for example the best performing companies, best promotion, etc. Carrefour also sends to the suppliers these initiatives on slides.

Risk Management

The key idea is that when a partner has an issue, he must manage it himself. Every responsibility is defined in the contract. On the other hand, when its products enters in the Carrefour's warehouse, it becomes the full-responsibility of Carrefour. There are mitigation plans but they include only Carrefour. When a supplier cannot source, Carrefour replaces its products by other brands including the Carrefour one. There are no shared visions for the risk management. The main reason is that nobody wants to share critical information that would have an impact on the price during negotiations.

Continuous Improvement

Several meetings with supplier's representatives occur all along the year, with the category manager, in order to discuss the performance of the products and new potential introductions. Some internal stakeholders can be invited by the category manager. For key suppliers, there are top-to-top business reviews twice a year where the supplier has a direct access to the top management of Carrefour and sends generally its director. However in practice, it is the occasion for them to criticize the work done by the Category manager. It is a very intense discussion with an occasion to share feedbacks informally.

4.2.4. Conclusion

In conclusion, the key success factor would be transparency but the high level of regulations and competition don't allow this opportunity. So another key factor is Trust in the Retail but it is also difficult in an industry where each player has an important profit maximization objective. An example of the most important collaborations in the industry remain VMI and cross-docking.

4.3. Case-Study 3: Alpro

4.3.1. Company Presentation

Alpro is a leading producer of alternative milk products based on vegetal ingredients with 43% of the market shares in the niche of plant-based products (Alpro, 2017). This market represent 4% of the European milk market. The firm was created in 1980 in Belgium and employs now 1.1000 collaborators. The headquarter is located in Ghent (Belgium) and has three production facilities in France, UK and Belgium. The consolidated turnover represents 522 Mn. euros in 2016 (Alpro, 2017). Alpro has two main brands in their portfolio: Alpro and Provamel. The company was bought by Deadn Foods, an American milk giant and then resold to WhiteWave, another American Giant.

Finally, this will normally merge this year with the French group Danone (WhiteWave, 2017).

The mission of Alpro is to improve the eating habits by creating innovative, delicious and healthy products (Alpro, 2017). Those are based on plants and planet respect. The aim of the company is to invest on sustainable projects from the sourcing of vegetable plants such as soya, nuts, rice or coconut but also to work with local sourcing or in environmental-protecting transportation to the last packaging with recyclable products.

SRM Program Context

The main strategy of the purchasing department is defined as "focus" (Alpro interview, 2017) because the small size of Alpro push them to be the best in their core business which is a niche. It is also explained by the retail channel that takes only the best products per shelve, where Alpro does everything to remain the best player in their category through sustainability and innovation. It implies a high work on R&D that goes through new processes and new ingredients that are selected through the purchasing department. The main focus of the purchasing department is on Innovation and product development (Alpro interview, 2017). The purchasing department is organized between operational sourcing on the factory level and strategic sourcing which is centralized in Belgium. SRM is considered in this second part. Partnership is a key element in the sourcing strategy of Alpro.

The main types of partnership done by Alpro are Continuous improvement, joint product development, data sharing or shared investment.

An element defining a partnership is transparency by sharing strategic plans together and to work together on innovation. For Alpro, a partner "provides a real extra-value added through collaboration, by working together and looking for the best solution" (Alpro interview, 2017). Partnership is for them an efficient way to reduce cost by avoiding increasing the supply base through a faster suppliers selection and by choosing the good one from the beginning. Indeed, they will directly have the needed know-how from the start. It is also done in order to reduce the lead time, develop new products and have an efficient cost structure. The aim is to achieve their strategy of Focus.

The main challenge for Alpro is to build trust in both sides because it can be lost very quickly. Another challenge is to educate all the stakeholders that are in contact with suppliers. Alpro can attract new partners thanks to their fast growing development and their ability to innovate. It ensures a high turnover coupled with more innovation in their own products.

4.3.2. Enablers

Structure

The Supplier partnership are centralized in Belgium in the Headquarter. A partnership need the work not only form a purchaser but also from all the stakeholders. The person in charge of strategic partners are the Category Buyers which are also in charge of a portfolio of other suppliers. In the selling side, they deal mostly with the director if it is a small supplier or with a Key account manager for bigger one. He also sent technician engineers that frequently go to Alpro's factories.

The specialists directly talk to each other and do not always go through the procurement department. The different processes generally gather teams composed of the main stakeholders involved such as R&D, engineers and the category buyer. However, the relationship itself is fully managed by the Category buyer. The Category manager is considered as a facilitator in this process. On the supplier side, there are technicians or engineers that frequently go to Alpro's factories.

Education

The Category buyers hold a master degree in engineering and business engineering. They have a deep training on supply chain and purchasing. Alpro has a continuous development program that develop the skills of the different employees. They are trained on soft skills (negotiation, project management, communication), and on technical subjects (understand the market, products features, production, quality, innovative processes). "*A good buyer must be hard inside and soft outside*" (interview Alpro, 2017). He must be structured, have a plan, be clear inside, have skills in finance and can be convincing to defend their case in front of the finance department. However, they must also be open and in an optic of outside relationship, have a long term and strategic vision.

Information Systems

They use an ERP called SAP with the Purchasing module. It allows them to include all the features of the contract (price, delivery time, etc.) which is done centrally. Then the operational facilities can order efficiently on the system. The system is done from the strategic procurement in order to facilitate the information to the final suppliers. Not a lot of information were gathered in this topic due to a lack of knowledge. The relationship does not lead to an open book situation. Indeed, critical information cannot be exchanged. Moreover following its experience, an information can be easily hidden by the supplier even with an open-book contract.

4.3.3. SRM Process

Preliminary Phase

Alpro forms cross-functional teams with the procurement. This initiative comes directly from the category buyer. He must defend its plan with the Sourcing director in front of the board. A prior element for Alpro to have a success in a partnership is to have the support of supplier's management. The CEO has the last word and can influence the existence of the partnership just by saying yes or no. The supplier are also generally waiting for the clear Alpro's management partnership commitment. It is thus a cross-functional decision. Even if the partners are managed by the category buyers, they must reports to the Sourcing director and the Vice President of the Supply chain. These persons are reporting then to the CEO of Alpro. Other elements coming from internal stakeholders such as R&D can lead to a partnership needs.

Supplier Selection

Alpro has a total of 6.000 suppliers whose 150 strategic ones. In those, 10 are considered to be partners. These partners are directly involved in the production process such as bulk materials or special ingredients. Before the beginning of the partnership, category buyers must map all the strategic suppliers on a Kraljic matrix (based on the risk and the financial impacts of the supplier). A crucial element for Alpro is to select the appropriate partners from the beginning in order to have the capabilities to innovate together. Alpro can directly ask and even impose their current key suppliers to take up the partnership challenge. It is explained by the fact that they have a very fast growth and want to be fast without increasing the supply base. Moreover, a new partner selection can be very time-consuming. Finally, they take care to keep a good tradeoff between small and big partners.

After the segmentation of the appropriate product, they select the final partner on basis of their capabilities and the difficulties that can imply for them a partnership. It is important to identify in advance which suppliers are "sales oriented" instead of partnership. A key indicators to identify if there is a commitment is to see who the key contact of the supplier is: a sales agent, key account manager or someone from the top management. A good fit of the management is highly important to consider. They also do visits to the supplier's factories to see their technical capabilities. There is also an involvement of the finance in order to see if it could be viable in long term.

Supplier Negotiation

Following the Alpro's sourcing director, the two sides must behave as real partner. A partnership implies that the key focus of the discussion is not the price but would be the quality securement, innovation or lead time. A long discussion on price can ruin all the transaction. The buying company must also be in the head of the supplier in order to understand its difficulties. The contract durations are not longer than for other types of suppliers. It has an indefinite time and can be stopped unilaterally with a waiting period of 3 to 6 months.

Governance

No official documents are available but more internal communication are presented on slides that gather all the relevant information for the key partners' management. It includes a RACI matrix (Responsible, Accountable, Consulted and Informed). The roles of each stakeholders and the communications channels are defined. There is also a clear statement of the strategy and the type of partnership definition. It is a roadmap in order to align both strategies. A high collaboration between internal and external stakeholders is pushed forward. The finance is not involved in the SRM but it assesses the balance and the final results at the end of the partnership.

No formalized processes in order to conduct a partnership are available. This is linked to the very limited number of partnership. The partnership is however seen as well integrated project even if it is not formalized with clear procedures. Only few slides exist on the partnership management because each project is different and requires different types of cross-functional teams. It is important in a partnership to not lose in the detailed and complicated processes. Concerning the communication channels, the supplier can suggest new ideas directly through the buyer. However, because Alpro works in teams, the information is directly transferred to all the concerned person. However, he can communicate to other members of the team but the category buyers manage these communication channels

Performance Assessment

Partners are assessed with the classical operation performance indicators such as Quality (number of complaints) and delivery reliability. The whole purchasing department is also evaluated in terms of cost performance, supplier security, quality or packaging damaged. However, there are other indicators specially used for partners and shared by both firms. They study if they meet the commonly agreed objectives in terms of speed of innovation, number of projects managed, on time delivery or new product development. There are measured every month. Alpro tries to do a two-ways assessment but it is difficult to formalize it because of the difficulty of implementation. There are done informally through an open communication. A rating given by the supplier to Alpro or in the other way will be too subjective and won't be taken into account. Reports are done on every partners and include the managerial meetings. Alpro staff writes inside the records but also the future plans

Risk Management

One of the main reason of the partnership is the lack of choice in the source. So, this partnership is seen as a way to reduce risk. Generally, Alpro gives a questionnaire to the supplier to see how they manage their own risk. The main way to deal with it is to have different production facilities in order to move if there are problems. Generally, after a screening of the risks related to the partners and their implication in the whole process, Alpro do a plan and ask the suppliers to carry out a risk analysis themselves. They also ask suppliers some advises for the safety plan. The risk is very structured at Alpro through open dialogue for planning and align the flexibility for forecast.

Continuous Improvement

Alpro put a high emphasis on continuously improving their common processes. Generally, the firm do not send engineers to the supplier's site but it is the opposite. There are meetings that are organized between the buyer and the supplier several time a year to discuss on the performance and have feedbacks for the improvement of the processes. There are also meetings involving the sourcing director and the Vice President Supply Chain to discuss the strategic topics. All these discussions are based on trust and all feedbacks are taken seriously even if there are no ratings at the end.

4.3.4. Conclusion

For Alpro, the key success factors is to understand each other's and create an open dialogue to work efficiently and innovatively. There is also a long term vision where cost and quality is managed efficiently. Other elements important are also technology for efficiency resources, to select the right supplier and a management commitment. An example of success is a relationship that they have for Soy beans for 20 years. The key success is a long term step by step work on the whole supply chain to decrease lead time. It finally reduces cost and increased quality by improving the cleaning process and dying of some suppliers. Finally, an important advice is to clearly explain to the supplier that they are partners (Alpro interview, 2017).

4.4. Case-Study 4: Emerson Process Management – Cerney Factory

4.4.1. Company Presentation

Emerson Process management is an industrial engineering company that offers engineering solutions. The whole group had a consolidated turnover 16 Bn. dollars with about 90.000 collaborators (Emerson interview, 2017). The group is divided in two main fields: Process Automation and Commercial & Residential solution. The Cerney factory is integrated in Process Automation. There are 350 employees with a total turnover of 100 Mn. dollars per year. It produces valve controls (industrial plumbing) and must manage the regulation flows of their clients. They also produce the measurement tools. For instance in the Gas industry, they finds solutions to transport this fluid in the best conditions from one place to another one. This factory is mainly dedicated for industrial or nuclear sectors. They are implanted in Alsace (France) and each product are specific to the customer. The production is done in ETO (Engineer-to-order) and each orders are considered as project. (Emerson interview, 2017).

The Strategy of the site is to be a world excellence center for valves of high dimensions to deliver the best performance. The goal of the group is to have the broadest portfolio and be leaders in their segments with high profitability ratios. The Sourcing strategy is to achieve the best cost coupled with best delivery time and the high level of quality. The purchasing strategy is centralized in the European Headquarter (HQ) and is in charge of strategy definition, supplier performance management and supplier's selection. There is an operational purchasing team in Cernay.

SRM Program Context

A partnership can be defined as a business relation that allows the partners to maximize the market growth between the client and the supplier. It is a worldwide supplier and can have an impact on different Emerson sites. There are dozens of partners on a regional or worldwide base. The second type of partnership is about the technological know-how that he has and will oblige Emerson to build a relationship. They are directly managed in the HQ. But sites such as Cernay use these suppliers and have direct contacts. The main objectives for a company that works in ETO is lead time reduction. It takes 5 months to produce a valve and the delivery time is a real competitive advantage because the client can afford it. There are several types of partnerships. The first one is to ensure a sufficient production capacity. The second one is the Vendor Management Inventory where a supplier provide them materials when they need it in a very short delay. The third partnership is on technology through co-design or tools transfer. There are also the supply chain coordination done by their ERP. The main issues encountered for an operational factory such as Cernay is the "Ramp-up". It is the first period of qualification of the supplier that can be long and rejected by the Quality. The resistance from the management of both firms has to be considered in the process too. The main objectives are to reach the market demand, to secure the procurement but also having the best quality and innovate through co-design.

4.4.2. Enablers

Structure

There are shared responsibilities at different levels. The category managers who are centralized in the HQ are responsible to define the strategic relationship, volumes negotiations, prices and the market intelligence. Then, the operational buyers in Cerney factory are responsible for the operational management of these partners such as compliance. Moreover, the commodity manager cannot do everything and delegates to the operational buyers that must: 1) Translate the strategy into concrete actions and 2) inform the performance to the Category manager. Moreover, the operational buyers are the point of contact with the suppliers and are responsible of a pre-defined category. He must ensures the sourcing of the required volumes with the defined level of quality on time. The supplier has also a key account manager in charge of them

Even if the category buyer manages the partners, the ETO model implies that each orders are managed as a project. So there are project teams that define all the plans, sourcing strategy, etc. They are composed of engineers, purchasers, commodity managers, etc. There is finally the Supplier Performance Engineer (SPE) that focuses on the supplier performance and the quality engineers that visit their partners. However, the contacts must always go through the category buyer in order to ensure a traceability.

Education

The Category Manager and the operational buyers in charge of key suppliers are engineers because they must have the abilities to adapt the strategy on their factory level. They have a specific training related to operational purchases that is very technical and combines theory with practice. However, there are no training plans. A key skill remains the technical knowledge but also project management skills.

Information Systems

They use an ERP called Oracle which is linked to their MRP and assess their needs. They put all the parameters such as the price, time, payment term and it manages all the purchasing. Emerson at Cernay level has not integrated interfaces with suppliers such as web portals. However, the ERP of the supplier is generally connected to the Emerson factory's one. The non-developed shared systems is explained by the business model in ETO which can be dangerous for them. The main exchanges with partners are documentations for forecasting or plans for co-sourcing. The most delicate information to share remain the ordering previsions. There are clauses of non-disclosure on technological know-how.

4.4.3. SRM Process

Preliminary Phase

Category buyers are responsible of the operational management of their category. They report to the material manager that informs directly the factory director. The Category manager that have high hierarchical level in the HQ defines his category strategy because a supplier can have an impact on several facilities. The Purchasing director of the group can be involved and even the Vice president of Emerson for highly strategic suppliers. The prior need of a partnership can come from market change or a new technology that interest Emerson's R&D. The Category manager will translate this need and how the factories will use this new technology. So, there are several departments that are concerned and the strategy comes from the HQ. Then, the purchaser can also analyze and translate the needs of the supply chain. However, it is not the purchaser that will see a new technology and convince the board of its potential. It is not their job. Generally for each project, there is a project manager that comes from the HQ. It is not the board but has an important hierarchical level.

Supplier Selection

Emerson Process Management uses a Kraljic matrix by segmenting through the risk and volume. There is also the technological capabilities of the supplier that is very important. The selection process is formalized but not specific to the key suppliers. He must be chosen and accepted by the HQ in order to have an access to all the Emerson factories. It takes into account several factors such as financial or quality. There are only a dozen of suppliers that are considered as strategic.

To select the last partners, the group will analyze three main pillars. Firstly, they its ability to achieve the pre-defined performance. Secondly, they see if the partner has the operational capabilities to work with a giant like Emerson such as their IT infrastructures. Thirdly, they analyze the financial health such as the cost structure but also their financial ability to address the orders of Emerson.

Supplier Negotiation

Several aspects are discussed during the negotiations. They are done every year between the Commodity manager and the supplier in the HQ. However, there are reverse auctions in the negotiation and Emerson does a new quotation every 2-3 years which can be a threat for the partnership but also a way to challenge them. Some suppliers are partners for decades even if he is challenged every 2-3 years.

Governance

There is a person in charge of the Governance that is generally the Commodity

Manager. Her creates a tool called the *"sourcing matrix"* (Emerson interview, 2017) that will impose the purchasing behavior of factories category buyers. There is a continuous search to align strategic suppliers and Emerson process and objectives. However, no clear charter is dedicated to the partnerships. Generally, it is a blend of different documents addressing the governance line of the partnership. For instance, the objectives are quoted in visions charters with the strategic lines for all the suppliers. The communication channels are pre-defined in the internal processes and in the contract. Generally, the partnership policy comes from the purchasing direction in the HQ. There are persons that ensure the achievement of the objectives and the governance respect such as the Supplier Quality Engineer (SQE). However, there are no financial person involved in it. He will only be involved during the negotiation. It is the purchasing management in the HQ that is in charge of this. Finally, there exist a supplier development model in order to improve the suppliers' processes. It is done by the SQE who will analyze their performance and then will do valuable recommendations. There is also an agenda that Emerson respects in the beginning of all new partnerships.

Performance Assessment

There are the classical operational indicators based on the objectives in terms of quality, cost and delivery time. There are also innovation indicators to evaluate the supplier's ability to find solution to new problems that are used for all suppliers. However, Emerson will be tougher with partners because they have higher expectations. The indicators are not designed to be in two-ways. The supplier's feedbacks are generally given during the QBR which is a way to evaluate their satisfaction. They are developed monthly on automated scorecards. Finally, there exist suppliers days but they are less common and it is more the opportunity to expose the strategic lines without focus on Awards or publicize to partners' performance.

Risk Management

It is important to consider that partners have generally an impact on different Emerson's factories. It is the reason why it is managed in the HQ. The main strategy is to do multiple sourcing. When the only source is the partner, there are intensive discussions to manage several risks. The mitigation plans are done for a whole continent. They analyze deeply the financial, traceability and compliance of the supplier for instance. The flexibility is highly important for a model in ETO.

Continuous Improvement

There are Business Reviews organized that gathers the management of the supplier with the Category manager, the quality, the commodity buyer and sometimes the Purchasing director or the Vice president from the HQ if it is an important issue. It is aimed to discuss on the strategic lines. Then, there are the Quarterly Business Reviews (QBR) which are meetings done every semester with key suppliers where they discuss on price, performance or quality for instance. There is also the presence of the category buyer where he must represent the supplier. The supplier meets Emerson and gives advises that are taken in consideration. It is important for Emerson because new technologies are highly strategic and suppliers are an important source that can advise on changes. There are also surveys that are done. They discuss about the global visions but also if their positioning concerning the performance objectives

4.4.4. Conclusion

In conclusion, the key success factors for Emerson Process Management are firstly a good communication by defining clearly the needs. Secondly, a good monitoring is highly important. Finally, giving visibility to the project though a good management of the project with an agenda, a bill of specifications, etc.

4.5. Case-Study 5: IBA

4.5.1. Company Presentation

Ion Beam Applications (IBA) is headquartered in Louvain La Neuve (Belgium). It celebrates its 30 years this year as a spin-off of the UCL (Université Catholique de Louvain) and was founded by a researcher from the university. The firm is specialized in the production of machines to cure the cancer illness. The main machine is the "Rhodotron" which is a cyclotron. The total turnover is 329 Mn. euros and the group has offices in USA, Germany, China and Russia. There are more than 1.500 workers worldwide. The main activities are Proton therapy, Dosimetry, Radiopharmacy solutions and industrial solutions (IBA, 2017). It implies that their product have a high quality and have the cutting-edge technologies. The mission of the company is to "*Protect, Enhance and Save lives"* (IBA, 2017). It is done through the development of innovative solutions to diagnosis and cancer treatment. The key elements of IBA's strategy are to be highly innovative but in having the lowest cost possible and the highest quality. The production is done through an Engineer to order model (ETO) where only a few machines are produced every year. The specificity of IBA comes from the fact that the firm has not production facilities. They are only involved in the design in the beginning and the assembling at the end of the process. The high majority of the process is outsourced.

SRM Program Context

The strategy of the sourcing department and so the partnership is to achieve the company's strategy. It implies to have the best cost structure, to find the most innovative products and at the highest quality. The partners are mainly suppliers that can offer to IBA a specific technology that the company does not have or when the supplier is unique. They are mainly locally based and have a long-lasting prior experience with IBA. Partners come mainly from direct sourcing but they have a logistic and a software one. Their proximity enables cost reduction and lower lead time. It is achieved thanks to a high collaboration and a strategy that is a mix between cost leadership and differentiation strategy (IBA interview, 2017). The main goals identified by IBA for partnership are the access a specific technology but also to secure ordering volumes for the future. Another reason is to optimize the cost structure and to improve continuously production processes. Moreover, it increases flexibility and rapidity. A last reason is to become preferred customer of their suppliers.

There are four types of partnerships at IBA: Co-creation, joint ventures, open book contracts and shared investments. The main threats are generally the lack of maturity of IBA and the same lack from the supplier's side in terms of partnership. Moreover, the ordering volume are small and uncertain every year. Finally, IBA has other competitors that deal with these suppliers and sometimes the supplier cannot create a partnership. However, the firm has certain seniority with long lasting relations. Moreover, the fact that cancer machine are the core business IBA reassure partners while it is not the case of the competitors. There is a Sourcing department and a Procurement department that are centralized in Louvain la Neuve. The first one manages the strategic selection and management of suppliers while the second apply the strategies elaborated in the Sourcing department.

4.5.2. Enablers

Structure

The person in charge of the strategic partners is the Category Manager who comes from the Sourcing department. He must control the partnership interactions and processes but also challenge the suppliers because they are an important source of innovation. The supplier can contact directly the internal stakeholder but the category manager will always be informed. All the partnerships have an impact on several departments of IBA. It implies that there are teams formed in order to address them. The main persons involved comes from the purchasing, R&D and Supply Chain departments. There are also engineers from IBA that go frequently to the supplier facility.

Education

The Category buyers have mostly a master in engineering and some a commercial engineering background. They receive a special training to increase their skills in terms of leadership, negotiation, market analysis, risk analysis, etc. Indeed, the management of specific requirements including R&D explains this technical background in order to be able to understand the different stakeholder's interactions. There is a special track for category managers in order to have the skills in terms of people or project management following the need. They also develop communication skills. The needed skills are discussed twice a year during the reviews with their superior.

Information Systems

The company uses an ERP called SAP. However, the low quantity produced implies that the procurement module is not well developed. It only computes the internal needs and create the Purchasing orders that is later sent manually. They are not interconnected with the supplier and VMI is rather not used. However, a platform exists on the cloud allowing the R&D to exchange confidential informations for the machines design. Concerning the operations data, they are recorded to be reused later to evaluate the partnership. The two main types of data exchanged are firstly bill of materials that are plans for design and requirement documents from stakeholders. Secondly, the data needed for traceability in order to have operational data if a problem occurs.

4.5.3. SRM Process

Preliminary Phase

The initiative generally comes from the category manager based on the internal stakeholders requirements. The partnership objectives are defined by the cross functional teams. They are translated by the category manager but the initiatives also comes from analysis conducted by them. For instance, a risk analysis that requires to secure a source can lead to a partnership. This process is generally supervised by the Sourcing Director and the executive committee but their involvement relies on the importance of the deal. However, the directors generally only approve or help if needed while the buyer manage everything. From the supplier side, it is generally the director that is involved because these partnerships have a strategic importance for them.

Supplier Selection

They visualize their supplier's base in terms of financial and risk importance. There are no formalized categorization process at IBA. Partners are mainly chosen because they have a specific technology that could give a competitive advantage or because this supplier is the sole that can reach the IBA's requirements. So they do not use this segmentation to choose future partners. Concerning the classical supplier selection process, the category manager must first conduct a Request for Information (RfI) after the identification of the internal needs and the market analysis. Then, there is an "Award" that consists in price discussions on. Thirdly, there is the qualification where they analyze the quality of their products. After these steps, there is a prior relationship of several years in order to build trust. After that, they can select an ancient supplier in order go to the final step which is partnership. However, the process can be different following the situation in order to increase the flexibility and because both players have not the maturity to have well-defined templates. There are also financial and compliance audits, long term capabilities analysis, company culture, the involvement of the management and the most important remains their technological capabilities. Some examples of criteria taken into account are also the quality of the final treatment of the patients or also the replacement cost and time.

Supplier Negotiation

Some negotiations are done in open-book but not all. There exist strategic contract but also "trust contracts" which are more informal. For partnership's negotiation, they discuss on operational element but also long term visions. There is a clear commitment for the future. There have generally a long term duration (3-4 years) and can be renewed. However, they have partnerships that lasted 20 years.

Governance

Some partnerships are very operational and well-integrated and some not. Other also receive European subsidies which imply more developed governance structures. IBA has not formalized processes and tools such as templates or charts which implies no real partnership governance models. It is the cross-functional team that has a high freedom to manage it as they want. However, the processes that do not include suppliers are generally managed with well-defined processes. It is due to the lack of experience in partnership and the business model based on ETO that prevent generalization. However, the communication channels were formalized recently. It is a document signed by the partner with the name of the category manager. Even if they do not have a governance system, they are certified ISO which obliges formalization as seen in supplier selection. There is always the involvement of the finance in the cross-functional teams in order to ensure the budget. However, this team is deciding the need of the finance. However, he is present in order to evaluate the project in the beginning. The supplier development model are not well formalized but it consists in objectives to achieve.

Performance Assessment

There are no Key performance indicators but there are indicators (willingness to know the positioning without having result objectives). These indicators assess the delivery time (and lead time), the quality (breakdown rate) and the cost savings. They also have one indicator that measure a whole project and so involve several different indicators to see if they achieved the objectives defined with the supplier. They are assessed manually on a supplier dashboard integrated in a PowerPoint and not automatically by a system. There is also a new relationship indicator called "Dependency rate" that evaluates IBA's weight for the supplier in terms of turnover. However these indicators are not specific to the partners. Moreover, all they are only addressed in one way. It is generally suppliers that do "satisfaction surveys" IBA do not do that. However, scorecards take also into account more soft elements such as the intensity of the relationship or the recording of it. Finally, IBA organizes supplier summits in order to be closer of their suppliers. It is the opportunity to present all the strategic lines and invite them. However they do not communicate performance of partners such as awards.

Risk Management

An important threat to manage is that the partners are generally difficult to replace or it can take several years due to the projects length. So a key partnership reasons is to secure their supply but they do multiple sourcing when they can. It can be dangerous to rely only on suppliers because *« externalizing the problem do not resolve the problem »* (IBA interview, 2017). It also enables to challenge the supplier but if there are planned issues, IBA and the supplier have to prevent two year in advance. Moreover, IBA includes in their contracts that they have the possibility to not ensure a delivery if they have no orders in their side. Moreover, they create mitigation plans with partners. The supplier has the obligation to do one and both players can give advises. It can also be a financial help from IBA to the supplier. They ensure to gather data, analyze it and if the supplier do not respect mitigation plan, they can look for the other sources.

Continuous Improvement

There are operational meetings every months with partners where they discuss the performance and how to improve it if needed. Every year, there are management meetings to ensure strategic alignment. They discuss there about their common future.

4.5.4. Conclusion

In conclusion, several key success factors were identified to succeed a partnership. Firstly, a company must not forget that it is about humans. The relational dimension is crucial. So it is important to transfer the good persons, values, guidelines. People must be aligned with structures. Secondly, it needs resources and to take the right decisions at the right time. Thirdly, trust is important. Finally, it is crucial that both firms have clear objectives that they must define from the beginning. It is not an easy task while a partnership is about development in uncertainty and firefighting.

5. Cross-case study analysis

5.1. Enablers

Structure

BP 1: A unique and direct person must be selected to manage and coordinate the interactions with the partner.

The five cases respect this assumption. They all have a category manager in charge of the coordination and interaction with the supplier. On the supplier side, they all have a key account manager. They are also generally in charge of the strategy definition. Indeed, VCE has a "supplier host" that manages the relationship and all the contacts with the supplier. For Alpro, the category buyer is considered as a facilitator. For IBA, the Category Manager comes from the Sourcing department and must control the partnership interactions and processes but also challenge the suppliers because they are an important source of innovation. The supplier can contact directly the internal stakeholder but the category manager will always be informed.

At Carrefour Belgium, the role of the Category Manager is stronger than the other firms. Indeed, he is custody of all the commercial management of its category while the other are only in charge of sourcing. So the category manager is the internal stakeholder.

At Emerson Process Management, the role is shared between the Category manager in the HQ that manages globally the partner and the factory commodity buyer. He must translate the strategy of the Category manager into concrete actions and inform him the performance of the supplier.

In conclusion, BP1 is respected by the five firms. A new element discovered is that the person in charge of the coordination is always a category manager. It is a strategic position for a buyer but at the same time, they are not fully dedicated for the partnership. Finally, it was found that this role can be share with an operational buyer.

BP2: A cross-functional team composed of the main departments affected by the partnership must be created to address different steps of the process.

This assumption is respected at VCE, IBA, Alpro, and Emerson where the category manager remains the project manager. There are also dedicated to continuous improvement management teams composed of R&D, engineers, supply chain or purchasers. A specificities from Emerson and IBA is that they have a highly customized demand (Engineer to order). It implies that each order is managed as a project. This team defines plans, sourcing strategy, etc. There is finally the Supplier Performance Engineer (SPE) that focuses on supplier's performance and quality engineers that visit their partners. At IBA, the partnerships have an impact on several departments. It requires the formation of teams to address them. There are also engineers from IBA that go frequently to the supplier's facility.

At Carrefour, it is mainly the category manager that manages the project himself because he is the internal client. However, he can invite other persons with specific knowledge. It is due to the fact that the Category manager has a strong position in the company where he has a direct impact on business development

In conclusion, BP2 is respected but at different extends. The most integrated team are IBA and Emerson which is due to their production approach based on Engineer to order (ETO) that imply that new machines developed are considered as projects involving the different members including the purchaser. At the other extend, Carrefour is the firm that manage the highest volumes and have the less integrated team. As a conclusion, the creation of cross functional teams increases with the project specificity.

Education

BP 3: Train your collaborators intensively on technical skills, Process management, soft skills, decision-making skills and strategic vision

The skills and backgrounds developed at VCE, Alpro, Emerson and IBA are similar and advanced. They are all engineers with an operational or quality background. So, they have strong technical skills to understand complex projects. They also have a formation plan (except Emerson in the factory) with a follow up with their manager twice a year. They also develop soft skills (leadership, communication), technical (negotiation, market analysis, quality), and process management (conflict and project management). However, there are no strategic vision formations for all of them.

For Carrefour, the category director must have a field experience as supermarket director. It is seen as the best school to learn soft and hard skills. The category managers must not have a prior shop experience. They have formations program in decision making tools (IT), negotiation and minimum a bachelor. He must be flexible, good communicator and a deep knowledge of the product.

Other personal behaviors that are not enumerated in the theory and that can be useful are: resistance, to be tough, dynamic and must continuously disrupt. Moreover, it is a field that requires to develop experience internally. He must be structured, have a plan, be clear inside, have finance skills and can convince to defend their case in front of the finance department. However, they must also be open-minded.

Finally, different skills emerge for the five cases in terms of technical, soft skills, process management and decision-making. They must also have a prior operational experience. However, a first finding is that none of these firms educates their purchasers in terms of strategic vision. Moreover, the background is different between Carrefour that requires a minimum of a bachelor while it is an engineering master for the others. They also have a formation program excepting the operational buyer of Emerson.

In conclusion, the assumption is validated excepting for the strategic vision. Moreover, the highest the complexity of the project, the highest the technical skills and background will be. Finally, a training program will be dedicated to purchasers that have an impact on the level of the Headquarter.

Information Systems

BP 4: Define the level of information to share regarding the level of the partnership and deploy structured open systems

VCE uses EDI and a few VMI. They also have the ERP called SAP which computes their needs and communicate it to the supplier. There is an online platform with a specific access depending on the nature of the relationship. It is generally used for co-development but also to share informations on the market, forecasting or planning. There are no feeling that the supplier has more data.

At Carrefour, they use EDI and SAP that compute the needs in terms of logistics, purchasing and stocks. They have a highly developed VMI where stocks are managed by the supplier. They receive very detailed informations for each category that is assessed by an independent agency. Data is the key element in the Retail industry because it is a strong negotiation tool. Carrefour has also valuable data thanks to their loyalty card that interest a lot suppliers. They choose very selectively the data shared

Alpro has only SAP. It computes the needs and then the operational site can order directly on it. It is designed in order to select only the required information.

IBA and Emerson have similar technological capabilities. They both use an ERP (Oracle for Emerson, SAP for IBA). Emerson at Cernay factory has no integrated interfaces with suppliers such as web portals. However, the ERP of the supplier is generally connected to the Emerson's factory. The non-developed shared systems is explained by the business model in ETO which can be dangerous and unadapted for small volume. Main exchanges with partners are forecasting or plans for co-sourcing. It is generally done on a secured web platform. The most delicate information to share remains the ordering previsions. There are clauses against technological know-how disclosure. Concerning the operations data, they are recorded to be reused later to evaluate the partnership. The two main types of data shared by IBA are bill of materials that are plans for design and requirement documents from stakeholders. Then, the data needed for traceability in order to have operational data if a problem occurs.

Finally, BP4 is validated concerning the selective share of data for all firms. However, the deployment of open systems are more reserved. Even if all firms use an ERP, all of them have not efficient open systems. The most developed are used by Volvo and Carrefour (Biggest firms) while IBA and Emerson use only a disconnected ERP and a cloud only for the exchange of documents.

In conclusion, the maturity of open systems deployed depend on the size of the firm. Moreover, its maturity relies on the production model (here an ETO requires less orderings and real-time data sharing).

5.2. SRM Process

Preliminary Phase

BP 5: The strategic definition of a partnership must be sponsored by the top Management to ensure its alignment with the business strategy

The definition of the partnership strategy is done by the category manager or commodity buyer for all firms. For VCE, the whole project must then be validated by the top management but also internal customers. The buyer has not the mandate to sign a contract. It is the commodity buyer that must translate the strategic lines and then defend it as a project in front of internal stakeholders and top management. So the top management only sign at the end to ensure the alignment and participate to meetings with supplier's top management. It is similar for Alpro and IBA, the initiative comes from the category buyer. The management support is important here and the CEO is involved. But it is remains a cross-functional decision. The project must report to the sourcing director and the supply chain vice president.

At Carrefour, category managers have more responsibilities because they are in charge of the writing of all the commercial strategic lines of his products for the different supermarkets format. It is based on the global strategy which is defined by the executive committee. Then the category director approve it and finally the commercial director.

At Emerson, Category buyers are responsible of the operational management of their category. They report to the material manager of their factory that informs directly the factory director. The Category manager that have high hierarchical level in the HQ defines his category strategy because a supplier can have an impact on several facilities. The Purchasing director of the group can be involved and even the Vice president of Emerson for highly strategic suppliers. The Category manager will translate this need and how the factories will use this new technology. Generally for each project, there is a project manager that comes from the HQ. It is not the board but has an important hierarchical level.

In conclusion, an alignment between the business and the purchasing strategy is ensured. The assumption is validated. In the five cases, the category managers creates a strategy for the partnership based on the business strategy. Then, it musts be accepted by its director and even top management. However, the scope of this strategy will be broader if the authority of the purchaser is higher. For instance, the strategy defined by the category manager of Carrefour will have a direct impact on other departments because their function is also sales oriented. For Emerson, the strategy in the HQ by the Category manager will be implemented and followed by sever all factories.

Supplier Selection

BP 6: Firms must categorize their supplier base to focus only on the strategic one

At VCE, there is a categorization in terms of purchasing volume, market positioning, and technology. However, the strategic suppliers are defined as partners representing 1/3rd of the whole supply base. It is explained by a high emphasis to have a small supplier base and to focus on valuable relationships.

For Carrefour, there are no existing segmentation process in terms of strategic importance. The only categorization is done on product types. However they are aware that biggest supplier of each category can brings more capabilities such as VMI. But big like small supplier are gathered in the same category.

Alpro, Emerson and IBA categorize their suppliers following a Kraljic matrix. For Alpro, there is a clear segmentation of a small group of strategic suppliers and a very few number of partners At Emerson, they use a Kraljic matrix by segmenting through the risk and volume. However, they are not stuck on this technique. Indeed, IBA chooses its future partners because they have a specific technology that could give a competitive advantage or because this supplier is the sole that can reach the IBA's requirements. Moreover, Alpro wants to select the best partner from the beginning. So they can choose him among their current suppliers base. Indeed, they face a fast growth and want to achieve it without growing their supply base. Moreover, a new partner selection can be very time-consuming. Finally, they want a good tradeoff between big and small partners.

In conclusion, the BP 6 is assumed by Alpro, Emerson, IBA and VCE. However, they do not always chose their strategic supplier among the Kraljic portfolio. They can be attracted by other valuable features such as the technology. Sometimes, they can also select directly in their current supply base without looking for new sources. Carrefour is lone to not classify their suppliers following their strategic importance. A reason found is that while the other firm transform their raw materials into a final product, Carrefour sells directly the material purchased to the supply in their shops. So Carrefour must segment their product with a certain coherence in terms of consumer preference. Moreover, it allows a higher leverage on the suppliers because a product can be replaced by the same category manager to another without sensibly changing the assortment.

BP7: Select final partners on the basis of multiple quantitative and qualitative indicators

VCE and Alpro, assess supplier's capabilities audits such as factories, technologies, long term commitment, management fit, etc. The high number of partners is explained by their strategy to select the right supplier from the beginning. However, some partners have more attention in terms of time because they involve more people.

For Carrefour, There are no pre-defined selection features. Suppliers must just respect basic requirement such as quality and price. After, they deal with all types of suppliers. It is the market that drives the supply.

For Emerson, partner's selection is based on three pillars. Firstly, their ability to achieve a pre-defined performance. Secondly, their operational capabilities to work with a giant like Emerson such as their IT tools. Thirdly, a financial health analysis such as the cost structure but also their financial ability to address the orders of Emerson.

At IBA, they use a classical supplier selection process where the category manager must first conduct a Request for Information (RfI) after the identification of the internal needs and the market analysis. Then, there is an "Award" where they discuss on prices. Thirdly, they analyze the quality of their products. After these steps, there is a prior relationship of several years in order to build trust. After that, they can select an ancient supplier in order go to the final step which is partnership. However, the process can be different following the situation in order to increase the flexibility. There are also financial and compliance audits, long term capabilities analysis, company culture, the involvement of the management and the most important remains their technological capabilities. Some examples of criteria taken into account are also the quality of the final treatment of the patients or also the replacement cost and time.

In conclusion, firms generally have indicators or framework to help them to select suppliers. However, they adapt it to the situation as Carrefour does by analyzing the market trends. Other rely on seniority such as IBA but do not used clear indicators. Finally, the BP 7 is respected because firms use generally prior performance or financial health analysis as quantitative indicators. Then they use qualitative features such management fit, long term commitment, on site audits, etc.

Supplier Negotiation

BP 8: Design a complete contract with partners based on long term commitment and transparency

VCE and IBA have similarities in terms of collaboration. There is an important discussion of the collaborative aspect, on their long-term collaboration, projections or common commercial plans. They avoid conflict with long-term contracts of 3 to 5 years and complete contracts where all hot topics are discussed such as price, quality or delivery. They discuss of the common objectives and how to reach them. They work on open-book with a strong contract where the price is constructed and based on common analysis where they try be well aligned. At IBA, these lines are translated into renewed “trust contracts” which are more informal. They have a long term duration (3-4 years)

At Carrefour Belgium, the negotiations are softer with new entrants but the market drives it which is high adversarial and price focus. There are no long term commitment because they are renegotiated every year on price. There are no open-book contracts because data is source of power in the sector which is highly regulated.

At Alpro, there are no open-book contracts but an information could be hidden even with it. There is a commitment to partnership with a discussion not based on price but on quality, innovation and lead time. A long discussion of price can destroy the relationship. The contract has the same duration than classical be stopped some months.

At Emerson, several aspects are discussed during the negotiations. They are done every year between the Commodity manager and the supplier in the HQ. However, there are reverse auctions in the negotiation and Emerson does a new quotation every 2-3 years which is a threat but also a challenge for the partnership. Some suppliers are partners for decades even if he is challenged every 2-3 years.

In conclusion, BP 8 is especially respected at VCE and IBA but also less for Alpro and Emerson. Carrefour is its opposite. Indeed, this assertion is negatively impacted if the contract duration is lower and there is a high emphasis on price. Indeed, a positive contract is linked to the strategic objectives that want to achieve a firm. For instance, Carrefour purchasing is cost focus while IBA also emphasizes on quality and innovation.

Governance

BP 9: Set up a dedicated strategic supplier's governance structure that is clearly written in a SRM Charter

At VCE, there exist developed processes but they are not followed because they want to achieve agility and adaptability. Generally, they build strong foundation to be well-aligned. There exist a supplier development plan which is communicated to him. Finally, there are not well defined communication structure that are very informal. Finance is involved to create a business case such as ROI and TCO.

At Carrefour Belgium, the tool used is the turnover, market share or margin. The key formalization of the partnership is the contract itself which defines the policies to implement. All these elements are adapted for each supplier with new contracts. It is explained by the short term scope that won't enable to define standardized processes. They are also managed by an international structure belonging to the group. The contract defines the main stakeholders, communication channels and business reviews. There are no supplier development plans. However, a lack of formalization is beneficial because it brings more flexibility in a changing environment. Finally, there is a financial controller that assist the category manager to assess the relevance of the project.

At Alpro, there is the involvement of finance to see the viability of a project in the long term but is not involved in the SRM. There are no official documentations but there is an informal presentation on slides. The stakeholders are managed in such as a partnership with for instance the role of each person and communication channels defined. Several documents gather all these data where there is a definition of the relationship, there is a roadmap to align the different strategies. It is due to the limited number of partnerships. However, it is well-integrated in the whole sourcing process. The partnership must not be lost in detailed and complicated processes. There are no real communication channel because when they communicate to one member of the team, everybody knows it. But the category buyer manages these communications.

At Emerson, there are formalized processes is but it is not specific to the key suppliers. He must be chosen and accepted by the HQ in order to have an access to all the Emerson factories. There are only a dozen of suppliers that are considered as strategic. There is a person in charge of the Governance that is generally the Commodity Manager. Her creates a tool called the *"sourcing matrix"* (Emerson interview, 2017) that will impose the purchasing behavior of factories category buyers. There is a continuous search to align strategic suppliers and Emerson process and objectives. However, no clear charter is dedicated to the partnerships. Generally, it is a blend of different documents addressing the governance line of the partnership. The communication channels are pre-defined in the internal processes and in the contract.

At IBA, Some partnerships are very operational and well-integrated and some not. Other also receive European subsidies which impose governance structures. IBA has not formalized processes and tools such as templates or charts which implies no real partnership governance models. It is the cross-functional team that has a high freedom to manage it as they want. However, the processes do not include suppliers are generally managed with well-defined processes. It is due to the lack of experience in partnership and the business model based on ETO that prevent generalization. However, the communication channels were formalized recently with a document signed by the partner with the name of the category manager. There is always the finance involvement in the cross-functional teams in order to ensure the budget and to evaluate the project in the beginning. However, they decide the needs. The supplier development model are not well formalized but it consists in objectives to achieve.

In conclusion, firms are aware of the importance to have well-defined processes but none of them has a governance structure specially dedicated to the partnership. However, a key finding is that generally, big structures such as Emerson or VCE have formalized processes. A reason envoqued for Carrefour is the short period that last a partnership avoid creating long-term processes. Alpro and IBA do not have clear processes due to a lack of maturity. A last reason found is the fear to be locked and avoid flexibility. The BP 9 is ensured but not through a charter. It is generally through different documents such as slides, job descriptions, contract, etc.

Performance Assessment

BP 10: Define consequential performance indicators that are adapted to the partnership specificities in term of operational and relationship measures

VCE has the most developed assessment structure of the group. They develop operational indicators in terms of logistics, quality and cost. They have scorecards that are shared with their partners and can be adapted following its sector. Feedbacks are done informally during meetings. They take also into account relationship indicators to improve the partner continuously. The partnership is assessed in terms of place of VCE for the supplier, impact of the business reviews on him, intensity of alignment, capabilities to achieve the common objectives, involvement in terms of innovation. It can be explained by their maturity and the important place of partnership in their strategy.

At Carrefour Belgium, they have very developed scorecards and external studies. It is assessed in terms of price and quality. There are no assessment of the partnership or 2 ways feedbacks because of the high regulations. They receive survey from an independent agency that rates all the retailers and suppliers.

Alpro, Emerson and IBA follow BP 10 by having a tradeoff between operational and partnership indicators. Suppliers are assessed with classical operational indicators such as quality, delivery reliability, cost There exist partnership indicators that see if the objectives are reached in terms of innovation, the place of the supplier, number of project managed, on time delivery or new product development. There is also the measurement of a project as a whole. They are measured every months through automated scorecards. The two-way assessment is difficult for implementation. It is done through feedback sin meetings but a rating is considered as subjective. There is a dedicated scorecards where there is written all the records of the meetings too. They must be automated. Feedbacks are generally done during Business Reviews.

In conclusion, VCE has the most developed partnership assessment tool which can be explained by its maturity but also the important place of partnership in its strategy. Alpro, IBA and Emerson measure the partnership but they are not fully mature as VCE. Finally, Carrefour focuses only on operational indicators because their relationship with suppliers is highly competitive and attracted by the turnover. So BP 10 is confirmed and improved following the level of maturity of the firm in terms of supplier management.

BP 11: Recognize performance publically through internal and external communication such as supplier summits

VCE do not organize global summits even if local initiative exist. It is their plan but not nowadays. However, they communicate internally of successful partnerships.

Carrefour Belgium and IBA organize supplier summit where 1 or 2 representatives of each suppliers are invited in order to align the strategies. There is the presence of the director and Awards are given. They also provide an important internal communication of positive partnership such as on their performance or originality. However, IBA do not provide Awards

No information were found at Alpro and Emerson.

In conclusion, the recognition to external and internal stakeholders is lacking. The most concerned Carrefour and IBA. However, it is mainly use to align strategic visions rather than communicate positive performance.

Risk Management

BP 12: Create mitigation plans to manage key suppliers in which he can be involved

There are no well-defined plans to manage risk at VCE. They generally cover it through multiple sourcing but they try to introduce a risk analysis system. They are not good in risk mitigation and planning but good in crisis management and adaptation to every challenge. The supplier are listened to face risk because they have the expertise.

At Carrefour Belgium, when a supplier has an issue, he must manage it alone. The responsibilities are clearly defined in the contract. Carrefour has mitigation plans that are not communicated to the supplier to not share critical information during the negotiations. Carrefour replaces directly a product that a supplier cannot send.

At Alpro, the partnership is seen as a way to reduce risk. The risk management is very structured. They analyze how their partners manage it through a questionnaire. On this basis, Alpro does a plan and ask to the supplier to do a risk analysis.

At Emerson, it is important to consider that partners have generally an impact on different Emerson's factories. It is the reason why it is managed in the HQ. The main strategy is to do multiple sourcing. When the only source is the partner, there are intensive discussions to manage several risks. The mitigation plans are done for a whole continent. They analyze deeply the financial, traceability and compliance of the supplier for instance. The flexibility is highly important for a model in ETO.

For IBA, An important threat to manage risk is that partners are generally difficult to replace or it can take several years due to the projects length. So a key partnership reason is to secure their supply but they do multiple sourcing when they can. It can be dangerous to rely only on suppliers because *« externalizing the problem do not resolve the problem »* (IBA interview, 2017). It also enables to challenge the supplier but if there are planned issues, IBA and the supplier have to prevent two year in advance. Moreover, IBA includes in their contracts that they have the possibility to not ensure a delivery if they have no orders in their side. Moreover, they create mitigation plans with partners. The supplier has the obligation to do one and both players can give advises. It can also be a financial help from IBA to the supplier. They ensure to gather data, analyze it and look for multiple sourcing.

In conclusion, BP 12 is confirmed for some cases. Indeed, IBA, Emerson and Alpro apply it while VCE and Carrefour do not. A negative correlation could be found between the size of a firm and its involvement in mitigation plans. However, the real reason that Carrefour do not manage it with the supplier is due to the high suspicion and regulations that exist in the Retail industry. On the other hand, VCE do not mitigate it because evolves in an Agile culture that require more improvisations.

Continuous improvement

BP 13: Organize frequent meetings with suppliers at the different hierarchical levels to discuss strategic plans and continuous improvement activities

At VCE, feedbacks of performance indicators are done. The continuous improvement is based on an assessment with clear objectives. The supplier is rewarded through more volumes. There are several meetings at different levels such as quality reviews every month where the cross-functional team is involved with partners. They discuss their scorecards. The goal is to improve the score of the partner and improve the processes and the relationship each time. There are meetings every 6 months with top management to discuss strategic objectives. It is the place to give feedbacks.

At Carrefour Belgium, there are several meetings with Carrefour representatives during the year that are managed. The category manager discusses on performance and new introductions. There are also top-to-top meetings twice a year to discuss the strategic lines and give feedbacks.

At Alpro, They work a lot on improving their processes. Meetings are organized between the buyer and supplier several time a year to discuss on the performance and give feedbacks for improvement. There are meetings with the sourcing director and the supply chain vice president to discuss on strategic topics. They give feedbacks.

At Emerson, organizes Business Reviews organized that gathers the management of the supplier with the Category manager, the quality, the commodity buyer and sometimes the Purchasing director or the Vice president from the HQ if it is an important issue. It is aimed to discuss on the strategic lines. Then, there are the Quarterly Business Reviews (QBR) which are meetings done every semester with key suppliers where they discuss on price, performance or quality for instance. There is also the presence of the category buyer where he must represent the supplier. He meets Emerson and gives advises that are considered because the supplier has the expertise.

At IBA, There are operational meetings every months with partners where they discuss the performance and how to improve it if needed. Every year, there are management meetings to ensure strategic alignment. They discuss there about their common future.

In conclusion, meetings are highly organized for all suppliers. They confirm the assumption because every firm uses these meetings at two levels. The strategic where top management is involved to ensure an effective partnership with shared idea. Then, there are the meetings with the field engineers to better map the environment.

6. Conclusion

6.1. Summary

The aim of this study was to create a guideline that includes several best practices easy to understand and implement that could be applicable to different type of firms by their size but also by their industry. To respond to the research question consisting in how companies must manage partnership processes in order to leverage all the capabilities of their supplier. There were also other sub-questions consisting in a definition of the scope of SRM, the creation of a SRM process and finally the best practices that can cover this concept.

To achieve it, a clear description of the existing literature on this subject in order to get a real image of the scope studied by also incorporating an important case of the car manufacturing industry. Then a SRM framework was created on the basis of several studies. There is the creation of best practices that are in line with the different process created. The theory was tested through a well-defined study. This first theoretical study was done on the supplier relationship management topic and more specifically the management of key partners through an analysis of the processes needed to transform it into a success. In each of these steps, one or two best practices were found. The second part, analyses how do Belgian companies deal with these project through the analysis of five different cases that are later compared through a cross case study where Key finding were found.

6.2. Findings and Recommendations

Even if this study aims to cover the broadest possible scope while finding new Best Practices, the field is so important that the task remains complicated. Indeed, the different enablers and processes founded have a high importance but other elements must be taken into account. Indeed, a crucial element highly evoked in the supplier-partnering hierarchy (Liker & Choi, 2004) is the need to adapt and understand the supplier that will be considered as partners. The same work must be done on the other way to better understand the reality of each firm that cannot be formatted in pre-defined processes that do not take into account their realities.

Indeed, a first appealing element is the notion of partnership itself that differ from all firms. This same vision that is seen as influencing the targets set for the partnership. For instance, VCE sees a partnership as having a long term common vision and a high involvement of the partner in the whole project which is done by extending the partnership among a high number of its supplier by involving them from the beginning. On the opposite, Carrefour do not segment real partners because they become any supplier becomes a partner when a contract is signed where the same attention is provided to all suppliers

Then, an important finding is that the different persons interviewed provided valuable new success factors that could be a source for new Best Practices. Indeed, the model developed tried to create a broader scope by integrating the notion of enablers that would have an impact of the different steps of the process as a whole. Several practices that must be taken into account when building a partnership is discussed below:

- The importance for the buying and selling firm to identify their needs and then, to communicate them (Interview Emerson, 2017; Interview, IBA, 2017; Interview VCE, 2017). It can be achieved through a clear statement of the needs that will lead to common strategies beneficial for both parties. This process is generally done by gathering the top management of both firms.
- Having a long term vision can have a clear impact on a partnership (Interview Alpro, 2017) while a short term scope will bring tensions (Interview Carrefour, 2017).
- Create an open dialogue based on an intensive work to understand the other's realities (Interview Alpro, 2017).
- Do not underestimate the impact of people on firm's relationship. Indeed, a bad relationship between a buyer and seller as persons can have a direct negative impact on their company relationship (Interview VCE, 2017). So it is important to transfer the good persons, values, guidelines where people must be aligned with structures (Interview IBA, 2017).
- Trust is a keyword that comes several times in all the interviews and in the literature but not evoked as best practices. Actually, it is even more important for instance at Carrefour where the share of information and the intensive competition must push retailers and buyers to trust the other to take actions (Interview Carrefour, 2017).
- The importance to select the best supplier for any new project and involve him from the beginning to innovate on every steps from the design to the launch (Interview Alpro, 2017; Interview VCE, 2017).

- Technologies are a real enabler of a partnership because it has a clear impact on several steps of the partnership such as supplier performance measurement, selection, efficient allocation of resources, etc. (Interview Alpro, 2017).
- Give to the partnership project a high visibility through a good management with an agenda, resources, a bill of specifications, etc. (Interview Emerson, 2017; Interview, IBA, 2017)

6.2. Limitations and Future Researches

This master thesis must face some issues. An enumeration of several limitations are enounced below and must be taken into account.

Firstly, a limitation was encountered during the interviews themselves. Indeed, they were done generally with people that are directors in purchasing. It enables to have a global vision of their strategic purchasing activities. However, supplier partnership is so broad and involve cross-functional teams that some questions could not be more detailed because of a lack of expertise. It concerns for instance the continuous improvement activities but also information systems or in terms of Governance.

Secondly, the restrained number of firm analyzed in order to bring a generalization. Yin (2009) advises between 6 to 10 cases to have a clear generalization study. However the requirement to build a case study that can provide clear conclusions were respected because it is between 4-6 cases.

Thirdly, a key element to take into account are the limits of the buying firm itself. Indeed, these solutions found remain useless if the firm do not dedicate the needed resources on it. These same firms that are aware of restricted capabilities of their supplier must also be conscious of their own boundaries where they cannot work efficiently on their different targets in terms of price, delivery time, etc. (Watts et al., 1995).

In order to expand the analysis, it was founded that each step could be analyzed in detail in order to reach a partnership. Moreover, a few literature were found that dedicates only on one aspect such as supplier selection, risk management, information systems, etc. only dedicated to SRM and more specifically partnership. A gathering of these different studies related in going in the detail of each step could be used at the end as a complete guideline that is adaptable following the different firm's realities.

Finally, it could be interesting to apply this study in new market realities in order to assess if some trends can be viewed in a certain sector or in a certain region.

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