



**IMPROVING COLLABORATION IN BUYER-SUPPLIER PARTNERSHIP AS A
PART OF SUPPLIER RELATIONSHIP MANAGEMENT**

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ABSTRACT

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Improving collaboration in buyer-supplier partnership as a part of supplier relationship management

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In recent years, the industry has experienced major challenges in the availability of raw materials, spare-parts and components needed for maintenance, which are seen to be mainly due to the global pandemic and restrictions brought on by the war. For this reason, companies in the industry have started to invest in their supplier management, especially in supplier relationships, which can affect delivery reliability, more transparent communication, and fairness of transactions as prices rise upwards year after year. Continuous effective collaboration and information sharing between buyer and supplier companies are seen as ways to tackle these problems.

The purpose of this study is to investigate the buyer-supplier relationship and how collaboration could be improved to lead to a partnership. In addition, the study investigated the benefits of a partnership and how suppliers should be considered as individuals in a buyer-supplier relationship when developing a partnership.

The study was carried out as a qualitative individual case study for a case company providing maintenance services for rolling stock. The eight interviewees work in the purchasing and procurement departments of the case company, from whom the primary research material was collected through semi-structured interviews. The research data was analyzed using the content analysis method.

The empirical findings of the study show that partnership with suppliers is based on trust, transparency, information sharing and continuous development of collaboration. In addition, the management and development of supplier relationships should be seen as a continuous process that is influenced by the functionality of internal stakeholders and the performance of suppliers.

TIIVISTELMÄ

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Toimiala on kokenut lähivuosina suuria haasteita kunnossapitoon tarvittavien raaka-aineiden, vaihto-osien ja komponenttien saatavuudessa, mitkä nähdään johtuvan suurimmaksi osaksi globaalista pandemiasta ja sodan tuomasta rajoituksista. Tämän takia toimialan yritykset ovat alkaneet panostaa toimittajahallintaansa, erityisesti toimittajasuhteeseen, jolla voidaan vaikuttaa toimitusvarmuuksiin, läpinäkyvämpään kommunikointiin sekä transaktioiden reiluuteen, kun hinnat kohoavat ylöspäin vuosi vuodelta. Jatkuva tehokas yhteistyö ja informaation jakaminen ostaja- ja toimittajayrityksien välillä nähdään keinoina, joilla näitä ongelmia voidaan taklata.

Tämän tutkimuksen tarkoituksena on tutkia ostajatoimittajasuhdetta, miten yhteistyötä parantamalla voitaisiin pyrkiä kumppanuussuhteeseen. Lisäksi tutkimuksessa selvitettiin, mitkä ovat kumppanuussuhteen hyödyt sekä miten ostaja-toimittajasuhteessa toimittajat tulisi huomioida yksilöinä, kun kehitetään kumppanuussuhdetta.

Tutkimus toteutettiin laadullisena yksittäisenä tapaustutkimuksena, joka toteutettiin case yritykselle, joka tarjoaa kunnossapitopalveluita liikkuvalla kalustolle. Haastateltavina toimi kahdeksan case-yrityksessä oston- ja hankinnan osastoilla työskentelevää henkilöä, joilta ensisijainen tutkimusaineisto kerättiin puolistrukturoiduilla haastatteluilta. Tutkimusaineisto analysoitiin sisällönanalyysimenetelmällä.

Tutkimuksen empiiriset havainnot osoittavat, että kumppanuussuhde toimittajien kanssa perustuu luottamukseen, läpinäkyvyyteen, tiedon jakamiseen sekä jatkuvaan yhteistyön kehittämiseen. Lisäksi toimittajasuhteiden hallinta ja kehittäminen tulisi nähdä jatkuvana prosessina, johon vaikuttavat sisäisten sidosryhmien toimivuus sekä toimittajien suorituskyky.

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LIST OF ABBREVIATIONS

PP: Project Purchaser

PPM: Project Procurement Manager

CM: Category Manager

PSM: Purchasing and Supply Management

SRM: Supplier Relationship Management

SRD: Supplier Relationship Development

TCE Transactional Cost Economics

RDT: Resource Dependency Theory

OTD: On Time Delivery

BRM: Business Review Meeting

1 Introduction

In today's highly competitive and dynamic business environment, the importance of effective supplier relationship management cannot be overemphasized (Williamson, 2013). Companies are increasingly beginning to recognize that their success is not only due to internal efficiency, but also to a considerable impact found in external relationships, especially suppliers. The shift from a more common supplier to a strategic partnership is seen as a critical factor in enhancing performance and competitive advantage. (Pfeffer & Salancik, 1978) Supplier relationship management (SRM) aims to improve these interactions, fostering long-term relationships that involve trust, mutual benefit, and strategic collaboration. When companies are able and willing to turn their usual transaction relationships into partnerships, they can achieve cost savings, increase operational efficiency, and discover new innovations. (Miocevik & Crnjak-Karanovic, 2012) The aim of this thesis is to find clear areas for development in buyer-supplier relationships, and this is investigated by examining how by changing functions collaborative relationship can be improved towards partnership. At the same time, it examines how the suppliers could be seen as individuals when aiming for a partnership and find benefits that are essential in the partnership.

The case company has been found to have challenges with certain suppliers when supplier relationships do not work at the level that the case company would like them to be, which is why it was necessary to investigate this defect. In addition, the case company has stated that more should be invested in supplier relationship management, especially in supplier relationships in the future. This research is important since the goal is to find ways to improve relations between companies, but also, because by looking for those factors, many other aspects can be identified which could affect the supplier relationship. Different kind of industries with different kind of suppliers and with their relationships, there is always potential to develop partnerships. (Piercy, 2009) In a partnership, in addition to sharing information, costs can be shared, facilitating the area of one business, so that the other company has better capabilities and abilities to manage its activities (Anderson & Narus,

1991; Lambert & Schwieterman, 2001). In this study, development targets are approached from the buyer's point of view, in which case it is necessary to find out how case company see things, in which case it is only possible to think about common goals and some solutions in partnering where everyone wins. It was necessary to study how better collaboration would enable partnerships, what benefits are seen in partnership and how to consider suppliers as individuals when developing a partnership. This study will examine whether when the parties do not play in the same league, so to speak as a C class customer, is it possible to receive better treatment from class B or A in relationship with suppliers.

In recent years, there has been a lot of research on the dynamics of partnership in the buyer-supplier relationship, emphasizing various aspects such as collaboration, trust, and performance. For example, Sako (2019) and Morgan & Hunt (2020) showed that commitment and trust lay the foundation for the buyer-supplier relationship. Sako highlights "goodwill trust" and "competence trust", which contribute to bringing stability in the long term and also benefit both sides. Morgan & Hunt pointed out that strong relationships increase collaboration and thus improve the relationship. Cousins, Lawson & Petersen (2019) and Krause, Handfield & Tyler (2020) stated that effective collaboration leads to innovation when problems are solved, and knowledge is shared together. On performance improvement, Flynn, Huo & Zhao (2020) and Cao & Zhang (2021) concluded that a strong buyer-supplier relationship has a major impact on operational as well as financial performance. They believe that collaboration, planning, and forecasting improve efficiency and responsiveness.

The theoretical contribution of this study is to gain a greater understanding of supplier relationship management and development and to explain how strategic collaboration can be developed into a relationship at the partnership level. The risks related to supplier relationships have not been considered any more than just what challenges emerged in the empirical part and how they could be turned into an advantage in the supplier relationship.

1.1 Objective of the study and research questions

The aim of this thesis is to study how companies can improve actions and processes of collaboration in order to improve buyer-supplier partnerships. Even though supplier relations have been studied extensively over the years and analyzed in a variety of ways, there are still areas for development. Supplier relationships are not exactly the same to each other, so a small deviation in a relationship can completely change how it works.

One of the objectives of this study is to analyze suppliers how well their performance fits with case company. This study also focusses on how collaboration works between buyer and supplier in maintenance business. The study focuses on three key elements: reliability of delivery, quality of communication and fairness in transactions. These three elements will be examined from the perspective of collaboration and how to utilize those to develop the business constantly. The results from this study aim to show the main things where everyone in buyer – supplier relationship should pay attention. The company has found that collaboration with all suppliers does not work as well as it could. The purpose of this case study is to find out what could be done to benefit both parties in a long-term partnership. To achieve the objective of the study, this study includes one main research question and two sub-questions. Both sub-questions are supporting the answer to the main question.

The main research question is:

RQ: How can companies improve actions and processes of collaboration to improve buyer-supplier partnerships?

SQ1: What are the benefits of partnership?

SQ2: How to consider suppliers as individuals when developing a partnership?

1.2 Conceptual framework and the scope of the study

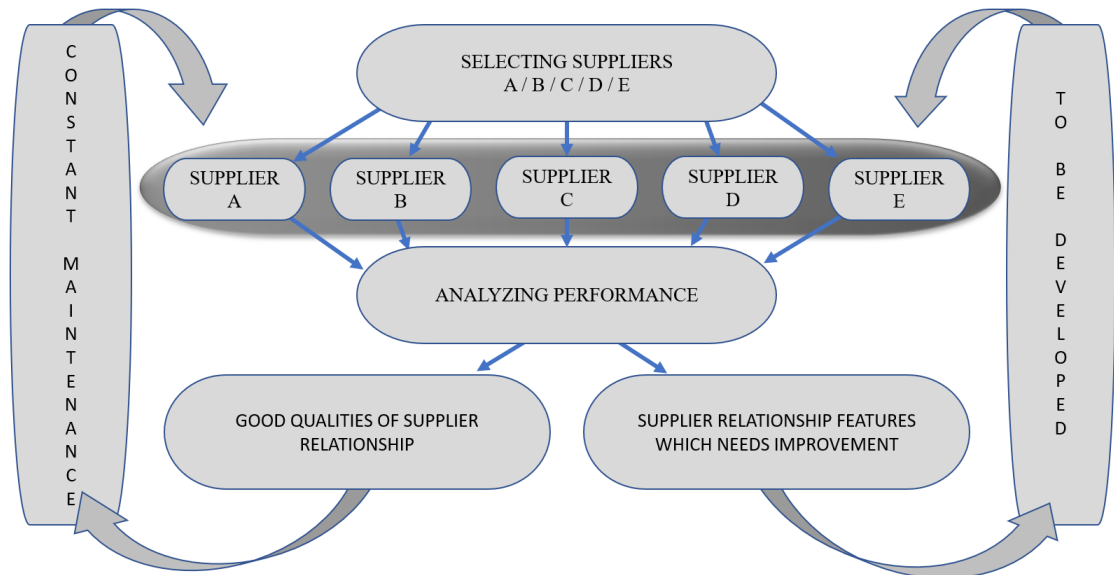


Figure 1: Conceptual framework

The aim of the study is to recognize the ways to improve partnership's processes and actions which requires constantly developing, improving, and renewing the quality of the buyer-supplier relationships. Aim is to recognize different suppliers' qualities, find similarities and differences from each other and try to find ones which needs improvement and think about possible options how to achieve jointly agreed and the company's own development targets. By making certain aspects of the processes more efficient, the quality of the whole relationship can be made more efficient, and that way the business of both companies.

1.3 Definitions of the key concepts

Four key concepts were selected for this thesis, which appear continuously during the literature review. These four concepts are: Collaboration, Partnership, Supplier relationship management and Supplier relationship development. So, what these concepts mean in this

study and in the taken perspective will be discussed next. Other essential concepts will be recognized in further steps of the research.

Collaboration: Concentrates on mutual benefit between buyer and supplier to achieve goals of both parties. Collaborative relationship can maximize profits in the long run with many functions through the relationship. Long-term collaboration between organizations can ensure stable flows of critical resources between exchange partners. Relationship includes power advantages and power asymmetry between partners which can affect long-term collaboration. (Wang, Y., Wang, N., Jiang, Yang, Cui, 2016, 5587-5588)

Partnership: Relationship between buyer and supplier. It is based on mutual trust and commitment to solve joint problems. Every partnership is unique, and no other can be exactly like another. With high-quality partnerships, companies aim for a better performance and results. The partnership is more strategic than collaboration, where the common interest is sought more precisely. (Srinivasan, Mukherjee, Gaur, 2011, 261-262)

Supplier relationship management: Management of the relationship between the buyer and the supplier, where in addition to the transaction, flexible and efficient collaboration and continuous development of processes are aimed at. Everything starts with goals and a plan for how to reach them. After that, with precise monitoring and measurement, company knows where they are going and identify areas where operations can be improved. (Piercy, 2009. 863-864) Miocevik & Crnjak-Karanovic (2012) state in their article that the management of supplier relationships is positively related to the organization's purchasing efficiency (Miocevik & Crnjak-Karanovic, 2012, 115-116).

Supplier relationship development: Focuses on developing the long-term relationship between buyer and supplier. It can be considered as a part of collaborative buyer-supplier relationship where the goal is to be as profitable as possible. In supplier relationship development, current market scenario needs to be identified, as well as companies' internal factors, so that in order to function as well as possible, they are ready to adapt to external

factors. Only after the supplier evaluation can the development targets be identified and the action plan made according to them. In the development of supplier relations, the purpose is to change and renew functions and processes in a better direction. (Joshi, Kharat, Raut, Kamble, Sa., Kamble, Sh. 2017, 1310-1312)

1.4 Limitations

This study focuses on the benefits of partnership, and the risks are excluded. The aim of the study is to approach the topic through academic literature and studies, and also with the help of existing theories - to reflect them on empirical data collected from employees of the purchasing and procurement department of case company and from the company's database. This empirical data concerns supplier data as well as the results of collaboration. This can have an impact on how supplier relationship management is perceived and considered in companies. Analyses may also vary due to differences between undertakings depending on their position, size, bargaining power, historical background (ownership structure and supply base), economic considerations and, above all, the fact that they are not all active in the same industry with each other. For this reason, the results cannot be directly generalized to all companies that have taken supplier relationship management into account in some way. It is also good to note here that empirical data is collected only from the employees of case company, which means that views on suppliers may vary based on their own experiences and thus also exacerbate and change the reality of the results. The results of this study will only be valid for now, as relationships with suppliers are constantly changing and evolving as new findings are made. In the future, the significance of the results of this study will most likely decrease, but this will also allow the case company to go back in time and examine in which direction the relationship with the supplier has changed.

1.5 Methodology of the study

The empirical part of the study was conducted as a qualitative single case study. Qualitative research aims to understand and clarify the topic in its natural context and to develop a holistic perspective on the research question. It emphasizes the descriptive nature and the perspective based on the experiences of the interviewees. (Creswell, 2009) So, a qualitative research approach is justified to support the purpose of the study and find answers to research questions. The single case study is good here because when looking for the perspective of the employees of a case company with the same suppliers, it is interesting to see how the employees see these suppliers, whether there are many of the same thoughts and ways of telling things about the supplier, whether there are greater differences and what causes them. As summarized by Voss, Tsiriktsis & Frohlich (2002), this research method makes it possible to answer the questions why, what, and how, when there is a desire to comprehensively understand the phenomenon under study. (Voss et. al. 2002) The case study method provides an opportunity to gather in-depth information for use in qualitative research. With the collected data, it is possible to conduct an in-depth analysis of a specific phenomenon that has been found useful, for example, in supplier relationship management. (Kähkönen 2011, 40)

The research data in the empirical part of this study was collected by conducting semi-structured theme interviews, which means that it included few themes gathers certain questions together, which was possible to answer openly. (Tuomi & Sarajärvi, 2018) In total, eight employees from maintenance company were interviewed. The data was analyzed by using the content analysis approach. The results of the study concern the case company's supplier relationships with certain pre-selected suppliers, but the results of the study can also be considered in the management and development of other supplier relationships.

1.6 Structure of the thesis

The thesis begins with an introduction part, which introduces objective of this study and the research questions. The introduction chapter also presents conceptual framework and the scope of the study, visualize the study's aim, and defines the key concepts and limitations of the study, and briefly also methodology and structure of the study. The second chapter provides the theoretical background of the study, and it covers the topics of global challenges in supply chains, strategy and strategical thinking, strategic procurement. The second chapter also contains theoretical background with topics: supplier relationship management, history of supplier relationships, theories of buyer-supplier relationships, collaboration versus partnership, relationship statuses in SRM, factors affecting supplier evaluation and supplier relationship development. The third chapter contains the research methodology, data collection and analysis methods. In addition, according to the results of the study, validity and reliability has been analyzed in this chapter too. The fourth chapter reviews the empirical findings of the study. The fifth and final chapter consists of discussion and conclusions parts of the study, where data is collected and analyzed through research questions, and summary of the main findings and suggestions for future research are presented.

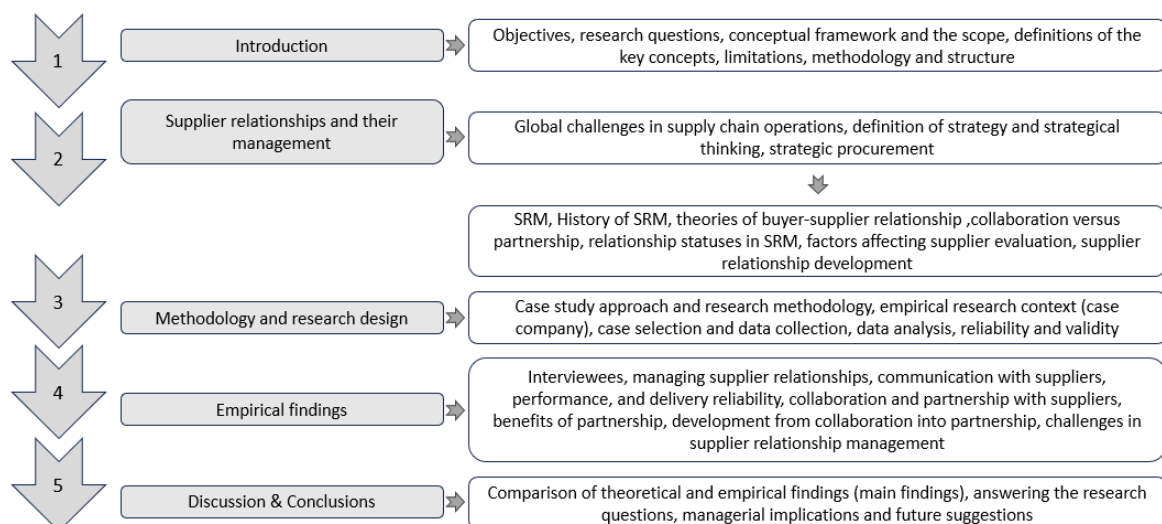


Figure 2: Structure of the thesis

2 Supplier relationships and their management

2.1 Global challenges in supply chain operations

The world is changing in the direction that there are more challenges than before with the availability of goods, which leads to the fact that warehouses must be optimized more precisely. Due to the rise in interest rates, companies must take a more critical look at what they have committed their capital to. In practice, companies want to be invested in productive asset classes, in which case they want to keep safety stocks to a minimum without having to deal with too much in terms of availability. This has been one of the company's top priorities, but then came Covid-19 pandemic, which changed everything.

When the Covid-19 started, the World's supply chains, and the availability of goods weakened significantly immediately (Graves, Tomlin, Willems, 2022). In particular, the delivery times of semiconductors and electronic components multiplied (Singh, Kumar, Panchal, Tiwari, 2020, 2). The pandemic caused the repair and maintenance cycles of subcontracted components to multiply, and they even stopped due to delayed spare parts deliveries. Right after the worst phase of the Covid pandemic was over and the world began to recover from the problems caused by it, Russia decided to start a war against Ukraine. This led to an energy crisis in Europe. The price of energy suddenly rose to unprecedented levels, and with inflation constantly increasing, large changes have also been seen in the price levels of materials used in manufacturing and supply chains. Companies must commit more capital when the prices of materials rise, which in turn means that costs increase. In uncertain times, companies also want to make safer choices. (Prohorovs. 2022, 3)

2.2 Definition of strategy and strategical thinking

The strategy aims at competitive advantage in a specific market or industry, which can be achieved by making the right choices. Strategy involves various activities that are unique

and valuable in some way for the company. In a competitive situation, it means doing some activities and not doing others. In practice, from the company's point of view, activities that are suitable for the company's operations that support gaining competitiveness. (Porter, 1996) However, this does not mean that the strategy is only about efficiency in operations, but about differentiating the company from others so that the company can perform better than others. A prerequisite for the success of the strategy is that the activities bring value to customers, and that it is difficult for other companies to replicate these activities. (Stonehouse & Snowdon, 2007, 259-260)

Porter (1996) describes two basic types of achieving competitive advantage through strategic functions and those are cost leadership and differentiation. Cost management means getting lower prices for products / services, but without compromising quality. Differentiation means that the product/service is unique enough to stand out positively from competitors' offerings, and customers also appreciate them as better than alternative options. In strategic operations, companies must make compromises in order to gain a competitive advantage, which also requires the company to adapt its operations to suit the situation. When creating a long-term strategy, it is also important to consider how operations can be done so that they are sustainable and profitable. (Porter, 1996)

Porter's five-force model is a broader way of looking at gaining competitiveness through a given action. This framework can be used to analyze competitive dynamics. The aim is to identify the factors that affect competition in the industry, which factors influence entry into the sector and which factors affect the attractiveness of the sector in question. (Dobbs, 2014, 32) These five forces are: competitive rivalry, powerful buyers, powerful suppliers, potential new entrants, and substitute products (Porter, 1980; Porter, 1985). These five forces shape the structure of the industries and, for the most part, determine the competition rules and find the root causes of the industry's profitability. Porter pointed out that this five-force model framework can be used to understand the strategic impact on individual companies in the industry. (Porter, 2008)

Kim & Mauborgne (2005) wrote a book called "Blue Ocean Strategy: How to create uncontested market space and make the competition irrelevant". The book talks about the market confrontation, which is described as the so-called "red oceans" and "blue oceans". The red oceans are existing markets where competition is fierce, and their boundaries are clearly defined. In the blue oceans, markets are still open and untapped markets where competition is irrelevant or limited. In the blue oceans, companies have room to create new market spaces with opportunities for growth as well as undeniable demand. Therefore, companies would do well to move from the Red Oceans to the Blue Oceans, where there is no similar competitive situation. In this way, they would get their activities out of the competition for market share in the industries, leaving room for innovation, differentiation into new market segments. This is called the Blue Ocean Strategy. (Carton, 2020; Kim & Mauborgne, 2015; Kim & Mauborgne, 2017) Below is a table that clarifies the differences between the red ocean and the blue ocean.

Table 1. Red Ocean Strategy versus Blue Ocean Strategy (Kim & Mauborgne, 2005, 18)

RED OCEAN STRATEGY	BLUE OCEAN STRATEGY
Compete in existing market space	Create uncontested market space
Beat the competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with its strategic choice of differentiation or low cost	Align the whole system of a firm's activities in the pursuit of differentiation and low cost

2.3 Strategic Procurement

Bäckstrand, Suurmond, van Raaij & Chen (2019) writes in their article about purchasing and supply management (PSM) and purchasing process model. They go through what the procurement process entails and what stages it consists of. Procurement involves a multi-stage process in which products and services are procured from external sources, such as suppliers, usually in the form of a purchase transaction or through contracts. The procurement process includes, first, recognizing the need for something. After that, the

search for goods or service providers is carried out (Bäckstrand et al. 2019). An essential part of procurement is the conclusion of a contract through negotiations, in which case the goal is to provide service and results in accordance with the company's requirements for the procurement to be efficient and profitable from the point of view of business. This also includes asking for more offers from different suppliers and comparing offers, according to which a purchase decision is made according to the most suitable offer for the company. After the purchase, the process also includes order tracking, delivery, logistics and inventory management, which are often also carried out by the procurement department with the people responsible for the inventory. After the goods or services received, it is time for invoicing, where after receiving the invoice, the invoice is submitted for processing, inspection, and payment. (Johnson, Leenders, Flynn, 2011; Kraljic, 1983)

Strategic procurement is an approach to purchasing goods, services or resources which focuses on making long-term decisions and achieving long-term goals and objectives (Dasci & Guler, 2019, 991-992). It involves much more than just typically buying at the lowest price (Ferrario, Humbert, Kanavos, Pedersen, 2017, 720). It includes, among other things, process management and analysis, planning, procurement, contract negotiations, bid evaluation, risk management and supplier relationship management. These strategic sourcing activities are designed to minimize risk, maximize value, and optimize performance. (Dasci & Guler, 2019, 991-992)

The following factors are considered as key factors in strategic procurement: Setting and aligning organizational goals, supplier relationship management, risk management, strategic sourcing and supplier sustainability and diversity (Oboloo team, 2024). Alignment of organization's objectives refers to matters that are cost reduction, innovation, quality improvement, sustainability, risk management and supplier relationship management. In addition to these, continuous observation and monitoring of performance must be considered in all areas: it is part of process management and their development. (Mikalef, Pateli, Batenburg, Wetering. 2015, 634-637) Strategic sourcing includes analyzing spend data and forecasts, market trends and changes globally, supplier capabilities to develop sourcing strategies that effects straightly to cost optimization, quality and delivery times and lead-

time accuracy. In this case, staying in touch with suppliers and finding discounts by leveraging volume could help getting strategical sourcing benefits from suppliers. Companies also need to explore and find other options which works as alternative sources providers. (Lin, Shi, Wu, Zhuo, Kuniya, Toshikazu, 2020, 2–3)

Supplier relationship management means building strong relationships and maintaining those with suppliers, concerning collaboration, innovation and trying to get mutual benefits. This could involve strategic partnerships, joint development programs and systems which measures performance. This starts with understanding the involvement of suppliers, what brings their importance and significance to the business, and what is their overall impact in the procurement process as part of supplier relationship management. (Piercy, 2009, 861) Risk management extends from internal risk management to external factors, such as working with suppliers and thus also supplier relationships. Risk management requires identifying and mitigating risks in companies' actions throughout the supply chain – disruptions, quality issues, geopolitical factors and changes in market conditions and regulations. When internal risk management is an integral part of the procurement process, external risks can also be better managed. (Xing, Ma, Zhao, Liu, 2022, 3233-3234)

Supplier diversity and sustainability are visible in operations in such a way that with the current supplier base procurement decisions are dealt with from environmental, social and governance perspectives, in which the actions of both parties should be examined on these issues. Ethical and sustainable choices have an impact on long-term success, which also brings value to stakeholders, which in turn increases the competitiveness of both companies. (Niu, Chen, Zhang, 2017, 82-83) Green values also increase sustainability and responsibility, which can be considered at every stage of supply chain operations. Each company should consider these in its supplier selections and evaluations, sustainable sourcing, product design, innovation and manufacturing, energy use, consumption, and emissions. Increasing transparency in processes also helps minimize risks, as the steps are better identified and detectable. (Niu, Xie, Chen, 2024, 3)

Technology and data analytics in strategic procurement are in key positions because by utilizing technology effectively like e-procurement platforms supports data analytics, automatization in processes, enhance visibility and making data-driven decisions. Technology and e-procurement platforms can be utilized in all procurement processes to improve data storage, discovery, and transparency. It is also easier to manage supplier data, their documents, certificates, and KPIs, which in turn affect supplier selection, evaluations, and collaboration in deeper data analysis. With various data analysis tools, it is possible to obtain valuable information about company's spending patterns, and thus also about savings opportunities. Comparing forecasts with past consumption and current trends helps optimize purchases as accurately as possible. With these tools, it is also possible to find out supplier capabilities, industry and market trends, and pricing differences, which directly affects purchasing decisions. (Knudsen. 2003, 731-732)

Strategical procurement requires continuous improvement. This can be achieved by constantly monitoring how things have been done, what results have been achieved, how actions should be changed in order to achieve better results and constantly adapt to business needs, changes in the market and emerging trends. Otherwise, companies have tough time to remain effective and relevant in constantly changing and evolving environment. However, improvement requires that areas for improvement are identified in companies' own operations and that corrective measures are constantly taken for them. (Au, Ho, Law. 2014, 19-21)

Strategic procurement aims to create value for the organization. Procurement process optimization, supplier relationship development, risk management and organizational objectives support will lead to it. Companies can experience the value they receive in different ways, which means that it exists in many forms. The most common of these, of course, is reducing expenses and making savings, because it is easily recognizable, and the numbers speak for themselves. By doing them, it is also possible to financially enable other things in the company's operations, in which case value can also be created through other means. For example, other such value drivers may include successes related to risk

management, from the development of supplier relationships to new innovations, or even quality improvement. (Marinelli & Antoniou, 2019, 85-86)

An integral part of the company's operational planning includes procurement, which is processed in the processes of the supply chain, which includes production, deliveries, delivery flexibility, quality, and costs. Anticipating lead times is of paramount importance, which requires careful observation and decision-making, and for this it is useful to create procurement strategies on how, firstly, to avoid problems, but secondly, to be able to solve them if/when they arise. Demand forecasting and planning, selecting suppliers correctly for needs, the accuracy of contracts and their terms, as well as flexibilities and deviations from them, affect the allocation of delivery times to suit the company. These, in turn, affect how production and inventory can be managed, which in turn affects customer satisfaction, for better or for worse, as well as the company's performance and profitability. (Lin, 2016, 43-44)

Many companies have strategies for analyzing key supplier characteristics and lead times, as well as supplier development, which require investment and time from companies to get the maximum benefit. As part of the process, it is necessary to regularly review the accuracy of suppliers' delivery times and their impact on manufacturing performance and, if necessary, take corrective actions to correct the agreed operation delivered faulty. Supplier integration is an important part of strategic sourcing where manufacturing companies minimize the risk of raw material delays and improve lead time performance and speed to market. (Zhang, Nemhauser, Sokol, Cheon, Keha, 2018, 153)

Other terms such as supplier collaboration, supplier involvement and buyer-supplier relationships have been used in recent supplier integrations. These all have common goals which is based on manufactural issues, what suppliers' roles are in processes. Information sharing is one of the most essential elements of supplier integration. Continuous sharing of information between the buyer and supplier speeds up the purchasing and manufacturing process, making it easier to monitor the manufacturing process and at the same time reducing

the time, control and planning of the process. According to Chenini et al. the integration of strategic sourcing and suppliers has a direct impact on the speed of time to market, as well as procurement lead times and manufacturing performance indirectly (Chenini et al. 2021).

In strategic procurement, continuous long-term communication with suppliers and manufacturers, working together and relationships, the flow of information between organizations must be smooth, flexible, and sufficiently transparent. This contributes to better operations in organizations and with external stakeholders, because the flow of information through all parties efficiently improves procurement lead time, manufacturing performance and, from a competitive point of view, also increases the company's marketing position vis-à-vis competitors with its speed. (Chenini, Iqbal, Qurrahtulain, Husain Mahmood, Aldehayyat, 2021, 3)

Strategic procurement can be summed up by the fact that all areas in organizations processes affect each other and strategic procurement cannot be seen only as a purchasing process. So, that if one area works worse than it should, it weakens the functionality of the other areas as well. The importance of external factors in operations cannot be underestimated, in which case the importance of suppliers and relationships with them must be maintained and nurtured. (Chenini et al. 2021.) Now that we have discussed more extensively what strategic procurement is and understand what it entails, we can take a closer look at the main focus of the study - supplier relationship management.

2.4 Supplier relationship management

2.4.1 History of supplier relationship management

The most game-changing centuries related to supplier relationship management have been late 20th (1900-2000) and 21st (2000-present). During these, there have been major changes in how the significance of supplier relationships has changed in procurement, how it is seen and experienced, and how it is considered today. Compared today's situation to early 1900s, purchasing managers' logical and practical recommendations for ways of thinking and acting differ markedly from today's practices of most executives of large corporations. (Emiliani, 2010)

When it comes to buying, price is still considered the most important thing, although nowadays there are other factors to consider. Rindsfoos (1915) criticized only price-based thinking and decision-making, in his opinion, the most important thing should be the quality of the product being purchased, because if the quality does not meet expectations, it will not be useful. Quality problems, costly errors, and rework, as well as many other steps, increase administrative functions. (Rindsfoos, 1915) Twyford (1919) also argued that the quality of the material should be the most important thing, but the price should be as low as possible, but the quality of the product should meet the standards. A buyer whose purchasing behaviour is devoid of any rules, limits, or ability to cooperate with suppliers - with the sole aim of winning at the seller's expense, firstly reduces trust in the buyer and, secondly, reduces willingness to cooperate. (Twyford, 1919)

Hysell (1923) summed up that common sense and long-term intentions should be the driving factors in decision-making to achieve successful and desired results. If the aim is only short-term price reductions and thus costly benefits, it jeopardizes the buyer's ability to get the product and service later at reasonable prices. (Hysell, 1923) Harriman (1928) also wrote that one should not just focus on prices, because then less attention is paid to relevant factors such as quality and delivery times, which ultimately do not meet the requirements of the buying process (Harriman, 1928). In addition to price, a fair dealing must consider other functions and costs related to the product, which affect the purchasing process as a whole (Gushee and Boffey, 1928). Fairness between buyer and supplier comes from both parties

seeing the reason and need for both parties and finding a suitable and functional solution for both parties so that both parties benefit from the deal (Lewis, 1940).

Compared to today's supplier relationship management situation in the 2000s, people used to try to get the lowest possible prices from the supplier and hoped that they would respond to them. In addition, higher purchasing volumes attempted to reduce unit price costs and involved suppliers in the design phase in order to reduce manufacturing costs. Today, it is better understood that the purchasing process involves many different phases, each of which increases administrative shares, adds value to the product and service to be purchased, which in turn also affects pricing. (Emiliani, 2010) Of course, old ways of thinking are still visible, but over the years, new tools have emerged to support, first, strategic procurement, but also supplier relationship management itself. As technology develops, new systems are created, and their operation improved to further facilitate processes. With these systems, keeping in touch with suppliers, communicating and sharing information has become an everyday activity. In addition, these technologies make it possible to continuously measure the performance of suppliers, which in turn guides the acquiring company to certain actions with suppliers, such as development needs. (Jenkins & Holcomb, 2021)

2.4.2 Theories of buyer-supplier relationships

Supplier relationship management is guided by many different theories, each with its own main factor from which the relationship should be examined. These theories make it easier to understand the complexity of supplier relationship management, the dynamics between organizations and suppliers. Theories help in the management process, which must consider relationships, dynamics, and various factors. In supplier relationship management, there are models between variables relationships that can be proactively identified, with an understanding of principles and mechanisms to anticipate the effects of changes in strategies or the environment on supplier relationships. All of these help SRM to make decisions aimed at optimizing processes, promoting knowledge, and creating standards to make SRM

effective and consistent with the achievement of strategic goals. (Kraljic, 1983; Monczka, 2009; Weele, 2014)

Williamson's theory of transaction cost economics (TCE) has greatly influenced the understanding of supplier relationships and their management. According to Williamson, when companies engage in economic exchange, they face transaction costs consisting of various phases, such as finding suppliers, negotiating contracts and monitoring performance. With the help of this TCE theory, first of all, it is aimed not only at reducing costs, but also at improving efficiency. When managing supplier relationships, companies always end up with a solution where they have to choose between manufacturing or purchasing. (Williamson, 2013) This is referred to as a make or buy decision - is it smarter for the company's strategy to manufacture in-house or to purchase from an external source. (Ahtonen & Virolainen, 2009, 266) Administrative structures and contractual regulations with suppliers determine the long-term operation of the relationship. Specific investments make a company dependent on another company, making it necessary to weigh the pros and cons whether the relationship and activities between companies are too close. With continuous monitoring, the company can keep track of what is going on and how operations could be changed and improved, and risk management can hopefully avoid, but at least reduce risks related to supplier relationships, such as delivery and quality problems and supplier dependence. The better companies recognize the dynamics of their supplier relationships, they can make wiser strategic decisions in supplier relationship management to improve their performance. (Williamson, 2013)

Supplier relationship management can also be viewed from a perspective that is so-called resource dependence. This resource dependence theory (RDT) was developed by Pferrer & Salancik. In their view, organizations depend on certain resources, and these are controlled by external parties such as suppliers. This theory allows organizations to look at how they manage their relationships with suppliers to reduce and minimize dependency risks, as well as how they can maintain certainty about the availability of resources from suppliers whenever they need them. (Lintukangas. 2009, 38) This requires the company to conduct an all-encompassing resource dependency analysis, as the company needs to be aware of which

resources are critical to them in order to make strategic decisions to manage dependencies as efficiently as possible. The company should also understand and identify power dynamics with suppliers, allowing the supplier to easily have more leverage in contract negotiations as they can have a greater amount of control over the resources that depend on the company. This makes it easier for the supplier to raise prices, to be flexible in terms of quality and delivery times, because, for example, the buying company has no choice but to agree to the supplier's terms, as long as the required resources are reasonable in terms of quality and price and meet the needs of the acquiring company. Therefore, companies should maintain safety stocks so that in the event of supply disruptions, business operations can still be continued. These examples are used to understand that companies should create a large supplier base from which the same resources can be obtained, and they can be put out to tender at regular intervals in order to improve the efficiency of their own operations. At the same time, dependence on a single supplier is reduced, as resources are also available from others. Strategic partnerships provide both parties with security for trading that aligns interests, better understands each other's operations, and reduces dependency risks. This will be helped by maximum transparency in the sharing of information between companies, which concerns issues they have in common, such as common communication channel management, forecasting and sharing performance data. Security through operations also creates long-term contracts, so that both parties know the continuity of operations at least for a certain period of time and are able to plan and adjust their strategy accordingly. (Pfeffer & Salancik, 1978)

2.4.3 Collaboration versus partnership

When a buying company chooses a relationship between its company and a supplier, it has already been known that collaboration is worthwhile, and the supplier could also be suitable as a partner. A prerequisite for a partnership is that it typically simultaneously pursues economies of scope. The collaboration relationship established with the supplier remains in an intermediate model, where instead of a market-based relationship, the aim is to create a more permanent and mutually beneficial relationship, but not yet to the point of partnership. (Ahtonen & Virolainen, 2008, 268-269) One of the most important strategy decisions in

companies is to take care of their relationships with other organizations and its company's supply management responsibility for managing supplier relationships. The company must decide for itself what kind of relationship it wants with the other companies and accordingly promote operations and processes to correct direction. When a company makes strategic decisions in the long run, it is more likely that collaboration with suppliers will also be invested in. (Kähkönen & Lintukangas, 2011, 69-70) As the economy moves forward, companies must be able to respond to changes faster. Partnerships between companies make it possible to share information between the parties, which helps the business of both companies. Anderson & Narus (1991) mentioned that in partnership, at least two or more parties share business operations together, sharing both profits and liabilities (Anderson & Narus, 1991). The common goal is to achieve added value for all partners, bringing new opportunities, but downside is that it also brings new risks. In such a partnership, the sharing of knowledge capital requires mutual trust from the parties. In a partnership, the values of the companies must be met with each other, their collaboration must be a flexible and mutually beneficial activity. Together, companies should agree on how to act and make it clear for both what the company's goals are. In addition to these, goals can be reached with continuous monitoring and changing operating methods. (Cha & Kim, 2018)

In partnerships, it cannot be assumed that everything will work perfectly from the start. It first requires experience and time to identify different processes that require change. With that, companies can make strategic long-term decisions on how to act. Only when development targets are noticed and effort is put into things and change is desired, can collaboration be improved. (Chenini et. al. 2021.) Effective partnerships' communication is based on real-time communication, standardized processes, and effective communication. This means that the contact has some reason and meaning in which information is transmitted to the other party and it is cost-effective in terms of time use. In order to solve problems in joint operations, it is important that there are no differences and challenges in the communication of information between the parties that would slow down the process. Partnerships allow for more space and opportunities for new innovations, which is why many organizations have wanted to move from transactional relationships to strategic partnerships. (Anon, 2023)

2.4.4 Relationship statuses in SRM

An effective SRM takes a long-term look at joint business operations, sets common goals with suppliers, and maintain a win-win approach (Kähkönen & Lintukangas, 2011, 70). Supplier relationship management is one of the various processes as a part of the supply chain management (Rezaei et al., 2015, 9152). Companies that are able to manage their supplier relationships holistically within their organization are committed to developing their supplier relationships on a collaborative basis, striving for a trusting relationship where there is active communication (Lintukangas, 2009, 62). In supplier relationship management, four different so-called relationship statuses can be used, with which they put the buyer and supplier in different positions in relation to each other. Those four relationship types are adversarial- and non-adversarial arm's length, adversarial- and non-adversarial collaborative relationship. (Park, Ji., Shin, Chang, Park, Jo, 2010, 501)

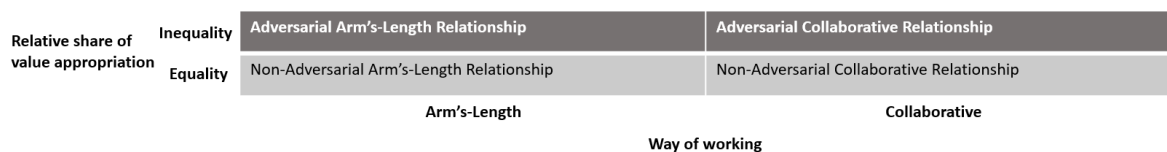


Figure 3: Relationship portfolio analysis (CBSP University of Birmingham, 2002; Cox, 2003, 5)

Adversarial arm's length focuses on value share maximization by a trading partner that commonly tests short-term markets. Non-adversarial arm's-length markets are also often tested by it, but the trading partner accepts the current market price without challenging it. Adversarial collaboration aims to maximize value appropriation and requires a trading partner to establish operational links and make relationship-specific adjustments. The situation is different when talking about non-adversarial collaboration because the parties are involved in a long-term partnership and equally share the results, commitments, and commercial value. (Cox, 2004, 349.) The most common relationship-approaches of these four is non-collaborative relationship (Kähkönen & Lintukangas, 2012, 69).

Each of these four approaches to establishing relationships has its own place and time, and the one that benefits both the supplier and the buyer in a trading transaction will rely on that particular strategy. But even when they stick to their strategic plans, suppliers and buyers don't always accomplish their objectives. (Cox and others, 2004, 349) Numerous studies continue to prove the significant influence supplier relationship management has on the business and operational performance of the organization (Prajogo, Chowdhury, Yeung, Cheng, 2012, 124). Value creation for the economy is one of the effects of supplier relationship management. It is possible when manufacturing processes, plant productivity, order fill rates, and product quality are all increased. Achieving economic value includes concentrating on overall costs, enhancing efficiency, and cutting costs in order management, information systems, human resources, freight, and indirect labor / warehousing, and general overhead. (Lambert & Schwieterman, 2001, 345)

2.4.5 Factors affecting supplier evaluation

There are several measures by which suppliers can be evaluated. To name a couple, their technological abilities or financial situation may be taken into consideration while assessing them. Delivery, price, and quality are other important factors to monitor and manage. (Park et al., 2010, 501.) Key suppliers and standard suppliers can be kept apart through supplier integration, allowing for more organized and customized supplier collaboration. (Oghazi, Zaefarian, Beheshti, Mortazavi. 2016, 4808) Maintaining a healthy relationship with suppliers can be achieved in many of ways, such as by continually assessing current and potential suppliers, adding new ones to the pool, and assigning them a performance rating. This makes choosing the ideal supplier for a particular collaborative assignment simpler. (Park et al., 2010, 501)

Three impacts of sustainability are environmental, social, and economic. When all the questions cover all these three areas, there must be variation between suppliers' responses. (Sancha, Wong, Gimenez, 2019, 2) When buyer company sets the assessments, those results can be misleading if those are not required from supplier before or should not be even

required from them, because those do not concern collaboration actions. Companies should set required sustainability assessments together, which are specifically targeted to each supplier and measure how they act according to those requirements. (Sancha et al., 2019, 3)

From the standpoint of the buyer, a long-term partnership is another crucial factor. Buyers and suppliers can leverage their businesses by offering value-adding functions and managing purchasing procedures far more efficiently when they identify a consistent tone for their activities and both sides commit to business operations with full drive. Being able to rely on and trust one another is important in a long-term relationship. A long-term relationship requires regular evaluations and process measurements since relevant operational data is necessary to provide suitable suggestions for improving activities. When the goal is to establish and preserve valuable collaboration and pursue sustainable competitive advantage, proactiveness plays a major role. (Miocevic & Crnjak- Karanovic, 2012, 117) As Lintukangas (2009) sums up, “effective SRM is essential” (Lintukangas, 2009, 3).

2.4.6 Supplier relationship development

According to study by Cox (2004), the buyer must take proactive measures to achieve the supplier development goals of lowering ownership costs and expanding functionality (Cox, 2004, 349). Relational linkages and suppliers’ early absorptive capacity are critical elements of the supplier growth process, particularly in emerging markets, according to Khan & Nicholson (2014). If buyers only communicate in one direction, suppliers find it difficult to increase their capacity for absorption. (Khan & Nicholson, 2014, 1212) According to Krause & Ellram (1997), supplier development refers to any collaborative effort between buyers and suppliers to improve the performance of the supplier. Additionally, to fulfil the demands of buyers for supplies, both instant and long-term. (Krause & Ellram, 1997, 21) As the supplier development process advances to a new stage, the buyer-supplier connection grows. (Khan et al., 2014, 1219). Regardless of the subject area, companies must collaborate in order to increase performance (Blome et al. 2014, 33). How often the parties’ relationship is updated, or whether regular evaluations and relationship terminations take place, are following

indicators of the importance of information sharing during the initial phase (Khan et al. 2014, 1219).

According to Piercy (2009), one term best describes the need for new fresh approach when organization needs change and that is partnership (Piercy, 2009, 858). The term refers to the Supplier Development Program (SDP), also known as Chartered institute of procurement and supply (CIPS), as supply-chain related strategies and activities (CIPS, 2023). According to its definition, supplier development is the process of working with specific suppliers to enhance their performance while also benefiting the purchasing organization. It is closely related to supplier relationship management. (Kodiak Hub, 2022) The foundational variables for supplier developments include trust, buyers' impressions suppliers' strategic targets, long-term commitment, top management support, strategic goals, and effective communication (Humphreys, Li & Chan, 2004, 133-134). It is possible to concentrate on specific areas that are thought to be the most crucial for development by using different supplier development plans. An essential element of supplier relationship management is these programs. (Nagati & Rebelledo, 2013, 185)

3 Methodology and research design

3.1 Case study approach and research methodology

Qualitative research starts from one or more research questions, which are quite broad. Generally, qualitative research has one main question, which can then be supported by sub-questions. In qualitative research, research questions can be checked and changed as the research progresses, when the purpose or goal needs to be narrowed down. There are different methods to use in qualitative research. The three main options are interviewing, semi-structured interviewing and unstructured interviewing. Interviewing is the most used method, in which simply one asks questions, and the other one answers them. Semi-structured consist of pre-set, open-ended questions and later discussions. Unstructured interviews focus on deeply in few issues, and it can be utilized in life history research for example. (Denny & Weckesser, 2022, 1166) The nature of data collection is based on the characteristics of the question and the availability of existing qualitative data. Experts in the field have recommended conducting qualitative research when it comes to developing a feature. (Coast, Al-Janami, Sutton, Horrocks, Vosper, Swancutt, Flynn, 2012, 730–731)

With qualitative research, the reader can get closer to the phenomenon under study and see it through the eyes of the researcher, while in quantitative research it is not so easy. Most qualitative research derives its information from some combination of archival sources, interviews, and observations. One of the strengths of qualitative work is that, with the help of detailed descriptions, a good understanding of the phenomenon under study should be obtained. This requires that the researcher can demonstrate a clear connection between the obtained knowledge and the theory. (Pratima & Corley, 2011, 234–236)

Qualitative method will be used in the empirical research. According to Denny & Weckesser (2022) qualitative research is more flexible than quantitative research, where experiences and perspectives outweigh quantitative results. Qualitative research provides data that requires an arrangement for analysis, which means that there is usually considerably less

data than in quantitative studies. (Denny & Weckesser, 2022, 1166) This research method helps with more in-depth content qualitatively, as it is a more free-form way of answering questions that can be seen and experienced in a different way. Qualitative approach will be the main way to collect data, and specifically with semi-structured interviews with the employees of case company who have been in touch with pre-selected suppliers. This method was selected based on research questions.

The topic of this study is based on how both buyer company and supplier company can improve their own actions to benefit from each other better. It requires that the parties are able to work openly together. It also requires that both parties come against the other in some matters. As an example, how the supplier could improve delivery time / delivery guarantees, from the buyer's point of view. Then, from the supplier's point of view, how do they feel that the buying company could improve their operations, for example with forecasts of order quantities/times. The research is approached from the point of view that the concepts of collaboration and partnership do not completely mean the same thing, even though both contain the same things. Both terms should be understood when talking about supplier relationship management and development, because when dealing with supplier relationships, it includes collaboration with suppliers, but the partnership requires significantly more input. Therefore, the aim is to find out the benefits of the partnership relationship, what should be changed in the operation of the relationship, so that by improving collaboration, the partnership could be achieved in the buyer-supplier relationship.

3.2 Empirical research context (case company)

Due to the company's obligation of confidentiality, the company's identifiable information cannot be shared in this thesis. The thesis is done for a company that is specialized in the maintenance of rolling stock equipment. Case company offers maintenance and certain type of modernization services using the latest technology in the field. Case company develop the competitiveness of their customers by combining innovative technology and strong know-

how in their industry into a customer-oriented service. Maintenance activities have a long tradition, as the activity has already been practiced more than a hundred years. The whole operation is based on systematic safety work and a quality culture. Customer service is provided by competent and motivated personnel. Competitiveness is improved with modern operating models, maintenance, and service system development, which also utilizes customers. By reducing the maintenance commitment, equipment investments are also reduced, thereby maximizing the use of existing resources and operating the equipment. Turnover outside of case company covers costs, which creates positive pressure for the development of competitiveness. In addition, there is an optimized maintenance network according to customer needs, where selected partnerships help case company to succeed. (Case company data, 2023)

The goal of the work is to find clear areas for development in partnership with some of the case company's largest suppliers. During the past year, case company has had an operating model project for the entire organization, where a new enterprise resource planning system was just put into use. This project alone has brought additional costs, as well as increased inflation and interest hikes, which led case company wanting to improve their cost efficiency. When reviewing previous studies, there was a need to study supplier relationship management from more perspectives and related benefits. Here we examined the benefits of supplier relationship management from the perspective of the purchasing company. The study focused on how these shortcomings and development areas related to supplier relationship management are identified, changed, and integrated into practice. Many studies highlight value creation, for which there are many ways, how companies experience and receive it from different processes.

Global events in recent years, such as the COVID-19 virus and the challenges and problems in raw materials, components and supply in general brought about by the war in Russia, have increased the need to manage and develop supplier relationships. As a result, security of supply and communication have become more important as a factor under study. So, these global challenges and crises in supply chains have had its impact on case company's

operations, reasons why procurement costs have risen considerably in the past few years. Lack of spare parts is one of case company's most critical factors, which is why, with these global crises, case company has wanted to start improving its supplier relations even more, with the aim of having a closer relationship with them. Improvements are needed especially in procurement matters, such as cost efficiency and delivery reliability. There might be some obstacles when case company tries to improve their partnerships with supplier, because they are such a small customer for some suppliers that they don't want to put any more resources into developing the partnership.

3.3 Case selection and data collection

This case study was chosen because it is very topical and important for the case company and its importance will increase even more in the future. The research data used in the empirical part of this study were compiled interviews which were held for the different managers and employees of the company who have been in contact with the selected suppliers in question. So, a total of eight employees were invited to be interviewed for the thesis and all of them were interviewed for this study. In data collection, purpose was first to have a pilot interview for one of the employees and see, how these questions work, is there reason to change or modify any questions and how well interviewers can give answers. After the pilot interview, it was decided to keep in results as an any other interview answer. This was ensured by first interviewing was a person in a position who should not have as much insight in more strategic matters as, for example, those in a managerial position. Case company's five suppliers were selected to be examined in this research. These suppliers are different sizes, both domestic and foreign, whose industries also vary, and these suppliers were selected on behalf of several employees, including the Purchasing Director, Senior Purchasing Manager, Category Manager and Project Procurement Manager. These suppliers were selected because of the perceived difficulties in collaboration with them, the identified challenges and problems, and the potential development opportunities that could be found in the current buyer-supplier relationship.

Table 2: Table of interviewees

Interviewees	The interviewee's role	Duration of the interview
Interviewee 1	Project Purchaser	43 min
Interviewee 2	Project Procurement Manager	39 min
Interviewee 3	Category Manager	55 min
Interviewee 4	Project Procurement Manager	49 min
Interviewee 5	Project Purchaser	29 min
Interviewee 6	Category Manager	55 min
Interviewee 7	Category Manager	42 min
Interviewee 8	Project Procurement Manager	30 min

Project procurement and operations are handled by project procurement managers and their purchasers, while category managers are responsible for procurement in a specific category where there are products and items that are more critical to case company's own operations. The categories are divided into different segments in terms of properties, where, for example, raw materials, components, and products are divided into metal parts, electrical parts, or chemicals. For these eight employees, positions and roles in the organization's purchasing and procurement departments varied, some as project purchasers, project purchasing managers, and category managers. The roles of those in the same position may partly vary, below is a more detailed description of each employee's role what came up in the interviews and how they described their job description.

The interviewee's 1 role consists of project purchases, master data processing and indirect procurement. Interviewee's 2 role includes growth projects, sales-, tender- and delivery projects. Interviewee's 3 role includes more expensive and strategic components, continues to perform the duties of project procurement manager which was the former role. Interviewee 4 is responsible for project procurement, also previous role as purchasing manager left certain category purchases in charge of purchasing products and items. Interviewee 5 works as a project purchaser, with responsibility focused on external projects, mainly material purchases, and subcontracted purchases. Interviewee's 6 responsibilities include strategic procurement, strategic supplier selection in their category and the search for new suppliers, negotiations on contracts and pricing. Interviewee 7 works as a category

manager, whose category includes the procurement of components and raw materials with the assistance of its purchasers, as well as other responsibilities of the category manager in relation to suppliers. Interviewee's 8 role is to work as a procurement manager for external growth projects and at the same time to be responsible for various internal projects.

The interview questions in the study were based on previously studied questions and the questions in this study, to which answers were sought. There was a total of 20 interview questions. Questions to be clarified were asked at that point if it was noticed that the interviewee did not fully understand what was being searched for or if it was noticed that more relevant information was available on this topic. The interview questions consisted of different themes, according to which the empirical part is examined. In the interview, the questions were mixed into different compartments, which were: background information, supplier relations - collaboration and integration, and development of supplier relationships. This was done because the assumption was that questions on the same theme that were asked in a row would not easily provoke new thoughts and perspectives in the interviewee. When the theme changes at regular intervals, the interview makes the interviewee think and give more diverse answers.

The empirical data was collected during April-May 2024 in a two week-period. The interviews were held via the Teams, where the interviewee could always see the questions one by one from a PowerPoint presentation. This was done so that the question did not have to be repeated to the interviewee and spent time on it, and it was also easy for the interviewee to look at the question repeatedly when thinking about the answer, to give the most comprehensive answer possible. The interviews were recorded so that the answers could be written after the interview. The answers were written verbally, question by question, with notes, either bullet points or almost completely transcribed, depending on the respondent's way of answering. Word's dictation feature was used as a help to this. The interviews lasted from 29 minutes to 55 minutes, preceded by an introductory presentation of about 5 minutes, in which the purpose of the study, the progress of the study, what information is collected from the interview, and the concepts of collaboration and partnership were clarified so that the questions would be understood as similarly as possible between the interviewers. The

interviews were also held entirely in Finnish because the aim was to minimize the risk of misunderstanding the questions and answers, and also because the interviewees were all Finnish, which made it more likely that the answers were as comprehensive as possible, as there was no need to put additional input into articulation.

3.4 Data analysis

The data was analyzed in such a way that the answers of each interviewee were reviewed question by question, similarities and differences were found from them, and according to this, those are reviewed in the empirical section. In the analysis, the similarities and differences were compared. The interviewees provided diverse and relevant answers, which offered a comprehensive view of the subject matter. Their insights were crucial in shaping the research's direction and ensuring that all necessary content was included. In this way, a more realistic picture of the compilation of empirical data was obtained when the views of the interviewees were reviewed from each other.

The purpose was to get the interviewees' views on these suppliers out and thus identify what should be done with each supplier and what to focus on. For this reason, the analysis of the data had to consider, first, the themes that arose, which are constantly repeated in the responses. Secondly, the factors influencing the main themes. Thirdly, whether it is a benefit or a disadvantage, what should be done with that knowledge in order to improve operations? There is no reason to make a supplier-specific comparison because the aim was to find answers to common research questions so that the answers obtained can be used to consider how they are considered and how they should be considered in the management and development of supplier relationships from a collaborative relationship to a partnership. In addition, the comparison would be challenging because the interviewees did not have experience of all the selected suppliers, so the accuracy of the information in terms of the number and content of the answers leaves room for interpretation. The table below illustrates the interviewee's relationship with the supplier in question and indicates whether or not they are interacting.

Table 3: Interviewees – suppliers relationship interaction level

Green - dealing with Yellow - little or some Red - not or no mention

Interviewees - suppliers relationship	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
Interviewee 1	Green	Green	Yellow	Green	Red
Interviewee 2	Green	Red	Green	Green	Red
Interviewee 3	Green	Yellow	Yellow	Yellow	Red
Interviewee 4	Green	Green	Yellow	Green	Red
Interviewee 5	Green	Green	Green	Yellow	Red
Interviewee 6	Yellow	Green	Green	Yellow	Green
Interviewee 7	Green	Red	Green	Yellow	Red
Interviewee 8	Yellow	Red	Yellow	Green	Green

3.5 Reliability and validity of the study

The validity and reliability of the research can be affected by how accurately the questions can be answered and how accurately the answers can be analysed. The challenge of qualitative research is that if the interviewees are given the opportunity to answer questions openly, the results will be affected firstly by how the question is understood, how reliably questions are answered, and secondly by how the analyst interprets the answers. The validity of the study was increased by utilizing several informants. (Kähkönen, 2011) In this study was interviewed employees at different levels to gain a broader picture of how certain issues are perceived between subordinates and managers. However, the answers of each interviewee are based on their experiences and thoughts about the suppliers in question, making it impossible to obtain absolute truth about how relationships work. So, relationships are largely based on how each party perceives the other, so the answers given by the interviewees should be treated as their truth from case company's point of view. The so-called validity of the answer's lives in the present, as supplier relationships are constantly changing, so the discussion section and summary formed in the study can be said to be valid for a while. (Creswell, 2009)

4 Empirical findings

This chapter goes through research findings, and these are compared to already been reviewed literature findings. The results of this study are based on the answers given by interviewed eight employees, which were formed from questions made in the interview section of the study to find answers to the research questions. In this chapter, the responses to the interviews have been compiled into their own topics, which are examined from the perspective of the employee of the acquiring company.

4.1 Managing supplier relationships

To gain perspective on how supplier relationships are considered in different positions, the management of supplier relations were covered first. In this case, interviewees 1 & 5 (project purchasers), stated that supplier relations are basically handled by category managers, project purchasing managers and purchasing managers, through whom contracts and the like go, whatever kind of relationship they want to maintain with suppliers. Purchasers maintain supplier relationships only a little, answered interviewee 1. In addition, it was mentioned that without a contract, it is difficult to challenge the supplier, for example, over prices. Interviewee 2, the PPM replied that on a general level, certain supplier responsibilities belong to category managers, where larger entities are viewed, development meetings are held, and at the point when larger projects are linked to these suppliers, project procurement managers come on board and are involved in collaboration. Category managers have certain responsibilities, they must monitor the up-to-date status of supplier certificates, monitor the spend, monitor the status of case company's frame agreements, how they are implemented, how many complaints there are. In general, how things go with the supplier - at the project level, it is also done. In supplier relationships, supplier management and interaction go according to the situation, when there is something topical, both sides are in contact quite ad hoc. Case company keep in touch even closely, if there are a lot of things going on and a lot of follow-ups what to proceed. Sometimes there are longer periods when buyer and supplier

are not in close contact, depending on the current need, what kind of projects are going on, and the role of the supplier in it also affects the matter.

The interviewee 4 believes that top management probably has clearer procedures than other personnel, how supplier relationships are managed, and hopes that there could be some common measures, one should know at what level one can influence and what can be managed. Interviewee 4 mentioned that has not seen at what level and how suppliers' relations are managed. Interviewee 4 believes that relations are handled well, but whether those are handled in the same way and on the same side and whether the same issues are advocated, because people have their own ways of expressing things. In addition to this, interviewee 4 has been on the operational side for a long time, so interviewee sees and feels that good and well-functioning supplier relationships are extremely important.

"There is collaboration, but if case company wants to move more towards partnership, it would have to look at the situation from both perspectives, looking for a win-win position."

- Interviewee 4

In meetings with suppliers, everyday life is also discussed, so that everyday life runs smoothly, and people can be found on the operational side, contracts and price lists are touched upon in these discussions. In addition, the issue arises that it would be important for the buyer to know how to behave towards the supplier, to give limits on what can be discussed with them in practice. Interviewee 8 mentions that with a well-established supplier relationship and operations, the aim is to maintain the relationship in projects from the tender stage onwards. In interviewee 8's opinion, there is reportedly no supplier relationship activity in case company, the ball has been thrown more at suppliers' side, to manage their customer relationship rather than for case company to be more proactive towards them.

Interviewees representing category managers pointed out that supplier relations are managed through regular contact with these most important suppliers, maintaining good relations,

monitoring the status of collaboration regularly, giving feedback communicating in one direction and another, successes and failures, regular contact. For example, participating in events with the most important suppliers in different ways, keeping in touch on a personal level and building relationships that way. The interviewee 3 pointed out that performance and technical issues are discussed with suppliers - everything involves a lot of technical issues, procurement has to interfere heavily with the technical side, even though the technical staff would be responsible for these in principle. According to the interviewee 6, interaction meetings with suppliers should be held even more than at present. Interviewee 6 mentions that the challenge is that there is not just one person dealing with and being responsible for these suppliers, but several categories are in contact, which is why it would be important to look at it across categories. In interviewee 7's opinion, the activities are not yet so systematic with strategic suppliers, but they are constantly developing, and case company wants to go in the direction of going through certain issues in a certain cycle.

Questions about case company's supplier relations collaboration and integration practices divide opinions between interviewees. According to the interviewee 1, some platforms, share points and online store could be classified as a collaboration practice, for example the online store of supplier B, because products image numbers can be used to retrieve information from there. Interviewee 8 said that there are no collaboration practices, although the interviewee 8 mentions separately about regular meetings with supplier D, with whom there are weekly contract negotiations, where the emphasis has initially been on the technical side and later only on the business side. Interviewee 5 states that collaboration practices are not part of the operative purchasing, which the interviewee 4 supports by saying that this is more at the category manager level, where PPM is involved related to its own categories and subcategories, supplier meetings and quarterly meetings when discussing contracts, price increases.

There is a practice that they are kept, the party to strategic procurement is more responsible for collaboration practices, says the interviewee 4. This is also agreed by the interviewee 2, because in the role of PPM, it was mentioned that there is a frame agreement with supplier A as a basis for collaboration. It involves regularly scheduled follow-up meetings, updating

price lists, certificate updates, complaints, ad hoc meetings on a project-specific basis, as well as necessary products that are removed from the assortment or replaced by others. Interviewee 2 said that case company is starting collaboration practices with supplier C, regular meetings about projects that are coming up, and supplier C would like to be actively involved in product development and get their own products to case company's maintenance. The category managers, interviewees 3, 6 and 7, also brought up the meetings held with the most important suppliers, whether they are monthly, quarterly, half-yearly or annual meetings. These are called business review meetings. In these, a wider group of people look at things, such as with technical people and top management, in addition, the supplier is visited, or they visit case company. The more frequent meetings are held, the more closely the status of the short-term project / collaboration is monitored. For example, regular monthly meetings are held with supplier A, while with suppliers B and C are not. Part of the reason for this is that there is another company between case company and supplier C that acts as a representative of Finland. Although they are contacted a lot, there is no regular meeting practice, states the interviewee 3.

Supplier relationship integration practices divided interviewees opinions, similar to collaborative practices, and this turned out to be the most difficult question for almost all interviewees. Interviewee 2 pointed out that delivery times are monitored and whether orders are delivered on time, these are discussed a lot with suppliers, but nevertheless go more strongly as a continuation to the job description of category managers. The interviewee 4 agrees that going on the side of strategic procurement, contracts are also made in project procurement, but perhaps a little project-specific anyway, supplier relationship integration practices would be more of a long-term framework agreement matter. There is a shared team's space with supplier D, where discussions are held, as much information as possible is shared about where things are going, who is responsible for what, technical implementation and the matters of the contracts, said 8. interviewee.

The interviewees 4, 6 and 7 brought up audits in which when deviations, deficiencies and defects occur, issues are highlighted, and attempts are made on both sides to change them in order to develop and move in a better direction when operating methods are changed. Audits

should be carried out already in the supplier selection phase, but also in the management phase, said the interviewee 6. Case company is still practicing collaboration within its organization, because for example, when an audit is coordinated by procurement, it requires approvals from a quality organization, for example. Procurement strategy collaboration has started to be practiced with such a category matrix team, where things are reviewed once a month, and in addition to procurement, quality, equipment engineers and other system experts are involved. Interviewee 6 heard interesting observations when the Quality Department was asked to present the results and findings of the audits. From this, the interviewee 6 would like more analysis, whether all suppliers have problems or challenges in a certain area, and how development should be started when problems and shortcomings are noticed in the supplier, for example, in quality assurance or ethical matters. What is the input, what drives case company to act differently in practice, what drives it to change suppliers and thereby change the supplier base. More information should be communicated about what information is obtained from these audits, and how well the supplier and collaboration are then developed.

Interviewee 6 raised the questions of what responsibility for operational development the purchasing organization should take, what is the buyer's responsibility and how company case company's departments could work better as a team. There does not seem to be a clear procurement development role with clear goals, such as "now we want to shorten delivery times, etc., of course it should be mentioned, case company has had a new development project for updating systems for a long time. In addition, the automation of invoicing has been a process change in the works for some time now, which can be done with the help of references, as the price is always the same, especially in subcontracting.

Table 4: Supplier management practices cited by interviewees

Interviewees	Supplier management practices
Interviewee 1	<ul style="list-style-type: none"> • Follow-up meetings regarding the delivery times of orders and unoffered products related to projects.
Interviewee 2	<ul style="list-style-type: none"> • Extensive collaboration with suppliers all the time, in quotation and delivery projects constantly discussing with suppliers. • Trying to find the right materials and material codes. • Negotiates contract terms, coordinates orders, delivery scheduling, timeliness and correctness of deliveries, continuous interaction with suppliers.
Interviewee 3	<ul style="list-style-type: none"> • Regular contact maintaining with the most important suppliers, regular monthly follow-up meetings to see what model the collaboration is on, how successful the deliveries have been, how many purchases there have been and whether there are any technical issues that should be addressed, and whether there are any complaints. In addition, to separate project-related meetings and technical meetings are kept which provides close contact. • Technical meetings and ad hoc communication related to projects.
Interviewee 4	<ul style="list-style-type: none"> • Maintaining catalogs, approving price increases and ERP updating, encouraging people to make complaints, claims and their execution. • Asking for tenders, parts and indicative prices are needed for the project. • Reminding to speed up operations, when it takes constant time to submit tenders. • Constant contact concerning serviced critical components.
Interviewees 5 & 6	<ul style="list-style-type: none"> • Contracts negotiations and projects
Interviewees 7 & 8	<ul style="list-style-type: none"> • Visible in daily interaction, collaboration, discussions, email exchanges, telephone conversations, price negotiations, contract negotiations. • In projects purpose is to get a functional partner to supply it to those projects, building contracts (prices and contract terms have been approved.) • Mainly strategic suppliers with whom they seek to find benefits for them, as well as savings for case company. • Communication may need to be sharpened even after the contract has been concluded, when operational activities do not go as desired and agreed.

4.2 Communication with suppliers, performance, and delivery reliability

Communication came up in the interviews for almost in every question. The importance of communication is highlighted in many phases where supplier relationships could be improved. The interviewees were asked how they communicated with suppliers. As a rule, communication via email, telephone and meetings via teams came up, face-to-face meetings have rarely been held anymore. For example, in the case of suppliers A and B, there is constant contact by phone when answers need to be received quickly. Written answers are requested, even if things are sorted out by telephone, so that this remains black and white, so to speak. Some suppliers are contacted weekly, others monthly, depending on how much contact you need to have with each other. Thanks to the coronavirus pandemic and even for cost reasons, people rarely travel to supplier meetings anymore, but there have at least been more of these kinds of activities before, says the interviewee 8. For example, there are various fairs and events where suppliers participate, where it is possible to go and smell new

winds and contacts. Interviewee 6 mentions that supplier E is a new contact with whom there have been many negotiations and those will increase.

The interviewees were asked how they measure supplier performance, what practices case company has for measuring performance, and whether these performances are communicated to suppliers. reliability of delivery and delivery times were issues that came up at some level for all interviewees. When talking about measuring delivery reliability, that means monitoring deliveries, when and what kind of delivery time confirmations are received from suppliers, their accuracy, delays in confirmed delivery times, and up-to-date delivery development. There are automated reports created with Power BI to track them to get an idea of how each vendor has behaved. By monitoring these, deficiencies are then communicated to the supplier if they have not kept their deliveries on schedule. Interviewee 7 said that purchasers inform category managers if something has not worked as agreed, and the interviewee 8 also said that category managers focus more on these than project procurement managers. Each role, whether buyer or manager, is connected to suppliers at some level about delivery times. Communication is also affected by whether the supplier is passive and difficult to get in touch, as supplier D is, said the interviewee 2. The interviewee 3 also said that supplier A plays a major role due to the large amount of spend, which means that the reliability of deliveries is examined more closely, whether it is a question of, for example, acute material shortages. Interviewee 4 pointed out that it is important to be able to trust the given lead times, because the rotation time of components can be short and dimensioned so that the promised schedules must be met. In addition, price development and complaints are considered when measuring performance. Price enquiries often consider the original suppliers and suppliers that have been in operation for a long time, and this shows their importance when investigating price information and conducting competitive tendering. The price level should be monitored regularly, and they are also compared with the supplier's performance.

The interviewee 4 highlighted complaints as one of the indicators and mentions that they should be sharpened, that they are marked correctly so that they are official and valid, because the way in which they are recorded can also affect how suppliers view them. In the

case of more critical items and components, interest on late payments and penalties should be levied more easily in relation to the supplier, which indicates the weight of the given confirmations and delivery times in the direction of the supplier as well, said the interviewee 7. In addition to these, the interviewees 4 and 7 also raise the level of service as one of the things that should be measured how quickly answers are received when, for example, it takes time to answer with supplier B. As part of case company's policy, the responsible category is who has the most activity with the supplier in question, even if the supplier supplies products in several categories. In this case, the responsible category takes care of the contract's affairs as well as performance measurements.

For the most part, the interviewees replied that performance is communicated to suppliers. Lists and indicators made by case company are presented to suppliers on reliability of deliveries, and price increases are also asked about the reasons, said the interviewee 1. Performance is discussed in supplier meetings, challenges and problems are brought up in order to find ways to change and develop them. Interviewees 2 and 4 reported that, at least with suppliers A and B, these discussions are reviewed at regular intervals, while neither of can say whether there are any discussions with supplier D about performance at all. Interviewee 7 participates purchasers in their category to talk about the performance of the supplier in question at the operational level, how they have acted and whether there are any special issues that should be brought up with them, be it related to invoices, delivery times or of the whole ordering process. At the same time, the interviewee 7 also said that both sides go through what has gone well and what has gone badly, while the interviewee 1 does not believe that positive things should be communicated, in favor of successful delivery times or suitable prices, they are mainly considered to be the default that these things should happen and therefore communication about them is not realized. In the opinion of interviewee 6, as a rule, the performance of suppliers is not communicated to them. There is no clear policy on who should communicate, how and how often. When it comes to operational matters, who should take responsibility for these to improve operational performance?

According to the interviewee 6, meetings with the most important suppliers should be held at least once a month, talking about what has gone well and where problems have arisen. At the same time, it is stated that officially these are not disclosed since the requirements and wishes of case company are not so great that it would not be seen that the suppliers could handle them. Interviewee 6 also raised the issue that case company should start developing preferred supplier measurements, which measure cost capacity, how prices develop, whether case company has contracts in order, whether it has operational performance, lead time and OTD, quality indicators. In addition, interviewee 6 emphasizes that case company must now consider which internal stakeholders would do what, so it would not be left on the shoulders of one stakeholder, because otherwise it will not work.

Next, the interviewees describe ways to improve communication with suppliers. Several internal challenges within case company were raised, which it would be good to familiarize with as well as just examine the supplier's operating methods. These were raised, for example, from interviewee 1, if there is an inquiry from a supplier, they would be reacted to as quickly as possible, because it also helps the supplier to react faster. Interviewees 2 and 4 mentioned that a common line could speed things up, and that it would be agreed at the organizational level what would be communicated to suppliers at each level. For example, the interviewee 2 thinks that the offer model of supplier A is laborious to dismantle, because it does not work out automatically, so communication could be improved to solve such an issue better for both parties. The supplier may also have their own wishes on how case company should send them quotation requests in a certain standard format, in which case it would also be faster for them to enter into their own system, through which they would get faster answers. Here it is often talked about large numbers of items with these suppliers, and such tinkering and data transfer can take a surprisingly long time. Both sides should make it easier for both parties to work, there should be willingness and readiness on both sides to develop and share information within their own organization that this is how things are done with them.

Interviewee 3 said that regular meetings with supplier A work well and relatively quickly he can also reach the contact person if necessary. Supplier A would like case company to attend

technical information sessions, in which case information would go directly to the technical staff. In the case of critical materials, Interviewee 5 mentions the importance of more regular contact. Interviewee 6 emphasized more interactive activities, which again comes through BRM interviewee 7 stated that on-site visits can be eye-opening in a completely different way, such as a case where it was identified that the supplier had a product for sale that was usually ordered through several intermediaries, whereby orders were agreed directly with the supplier in order to achieve various savings. In addition, working with suppliers requires an eye for how to deal with whom, and getting to know them is a continuous activity, when dealing with many suppliers with whom it would be good to deepen the relationship, said interviewee 7. Interviewee 8 mentioned that more regular communication, whether the situation is good or bad, would provide progress reports on what is going on and what possible new projects are in store - in practice keeping the supplier in a constant loop.

The interviewees were asked how reliability of delivery could be improved, and there were several things and ways to do this, which can then be paid attention to within the company, but also what should be communicated to the supplier in order to improve the reliability of delivery. First, as mentioned few times before, regular meetings and communication that came up. This was an example by interviewee 7 in the event of strikes and other disruptions, the supplier's announcement of stock review and the need for orders, so that delivery reliability would not take a hit. Secondly, delivery times and their accuracy, monitoring them and addressing delivery challenges. In general, the estimates of delivery times have been good for the supplier, for supplier A only a few days, while for supplier B, the delivery estimate has been plucked from the wind or shaken by the sleeve, so to speak, which in turn can throw by months, said the 1. interviewee. Adding to this, from supplier D it takes a long time to get confirmations, but once one does, it's pretty accurate.

For each interviewed manager, the keyword "forecasting" came up. Interviewee 4 mentioned material forecasting for suppliers, even if it is a rolling forecast (flexibility in forecasting) and repatriating goods from there according to the forecast, if the supplier can only prepare for it, it would also make their operations easier. Unfortunately, this is not possible with these target suppliers, said the 4. interviewee, because supplier A has its own subcontractors

and is waiting for parts, they work on the offer until the very end. Case company should have more replacement parts in circulation, the supplier could have one in the works at the same time as supplier D have. They have to book a slot for maintenance and if they don't know what's coming from and when, it's hard to book an appointment already. The better case company can predict their sales to suppliers, the better they will be able to prepare and plan their production, which would improve the reliability of delivery, said the interviewee 7. In addition, price negotiations would push the price down, basic collaboration in which both sides develop. Interviewee 7 further added that possibly in the future there will be better prospects for the future due to the system change. In interviewee 8's opinion, case company should have a better understanding of what is going on according to the needs of its own products and suppliers should be able to talk about their capabilities and capacity, possible problems and situations, such as an example of strikes. In addition, suppliers should know how case company can improve capacity, case company's own production versus supplier production bottlenecks. In interviewee 8's opinion, one should not start ordering unnecessarily, in any case, when striving for the operation of the lean world, one tries to understand the reason for ordering products - only when needed. To achieve this, it requires Case company to have a completely different relationship with suppliers, "a shockingly good and deep channel of communication," as the interviewee 8 put it.

Adding to forecasting topic, interviewee 6 pondered where it is worth predicting and transparency about it – whether they want to predict at all. It is not worth trying to predict everything, especially if it is difficult, for example, it is pointless to predict a very long-term need when the accuracy is very unlikely to be wrong in reality. Interviewee 6 also pondered the important question of changing the process to improve delivery times and reliability of delivery, who would be the driver, at what point strategy and tactical acquisition meet. Who would be the driver of operational development because the operative should define their own goals and then also monitor whether they are met. The interesting aspect of how forecasting is integrated into case company's systems, because what would be done with that forecast, what happens if it is predicted, do case company have to start preparing for something and do case company have to commit to preparing for it, these kinds of questions arose from the interviewee 6. Min - max or safety stock models could be agreed with the supplier, and the supplier could be openly informed about what and when to order, and at

what stage when a stock amount goes below certain limit in stock. Interviewee 6 added to the conversation the famous phrase: "What you measure is what you get". Transparency would improve reliability of delivery when both parties talk to each other.

"Predictive accuracy is one indicator that should be measured, and if you don't hit any accuracy then you should just look in the mirror."

- Interviewee 6

Interviewee 3 also stated that forecasting could improve reliability of delivery if only the forecasts were in order (a challenging situation due to an ERP update). Due to indirect reasons, many people are stuck in the ERP update and case company has not been able to invest in this. With the ERP update, forecasting accuracy may improve, if case company can better predict material consumption for suppliers, then they would be able to place orders in the front field for the suppliers. Then it would certainly be possible to influence the reliability of delivery and acute material shortages. Of course, there are always some problems caused by the supplier, and on both sides, this is the partnership, said interviewee 3. Interviewee 3 adds that both the buyer and the supplier would be more responsible for their own affairs and then look openly at what causes the problems, case company must also bear its own responsibility to help the supplier deliver on time, for example, if it could be known, an 18-month view of material consumption, it would be a big help for many problems.

Nothing is permanent, as has been stated in recent years, COVID and the war in Ukraine have also had an impact on security of supply, stated the interviewee 3. For example, supplier A has a lot of challenges in keeping to delivery times and delivery reliability is very low, not just for those two reasons, but because of the new staff in their new logistics center because it didn't work as it should have. As a result, case company began to monitor acute material shortages more closely, the task of purchasing is to monitor the current situation, try to intervene in time, and try to predict more strictly which materials and items are seen as risk factors.

4.3 Collaboration and partnership with suppliers

There is a blurred difference between collaboration and partnership, how it is perceived and understood as a concept. How they differ from each other may be due to the fact that each emphasizes different issues and therefore opinions can be shared, as at this stage when the interviewees were asked about case company's relationship with these target suppliers, and whether there is a partnership with these suppliers. There were different answers, either directly that there is no partnership or at least not yet, more like collaborative relationship and answers that there is partnership, but also that the relationship was described as "a marriage".

As a rule, there is no partnership with case company with suppliers A-E, answered the interviewees 1, 2, 6 and 8. Interviewee 3 can also be included in this same caste, because "being married" meant that the relationship is complex, there is no alternative supplier to replace supplier A, for example, in which case company is forced to use their components in practice. Interviewees 4, 5 and 7 were of the opinion that there is partnership with these suppliers. The reasons for finding a partnership with suppliers A and B, for example, were to see and feel that there is partnership, for meetings held by the management, an important supplier and some strategies have certainly been created, said the interviewee 4. In addition, believes that strategies have been created with supplier D, because their software is utilized throughout case company's operations, which allows to see partnership in that direction as well. The intention would be to sign a multi-year contract with the new supplier E, in which it would be necessary to carefully consider how to proceed, how the contract would work - to think about the goal, how to get there. 7. interviewee feels that there is a partnership with these suppliers, justifying by saying that collaboration has continued year after year. Interviewees 7 and 8 mention that suppliers A-D are so big in the global aspect of the supplier that case company's role as a customer is so small for them that they practically dictate the terms, determine the ways and times of reaction and action. The partnership would require larger purchasing volumes, integration from case company towards suppliers, some kind of synergy would be created in addition to purchasing, such as product design, said interviewee 8. As an example, supplier E has been involved in the bidding project for a long time and there have been intensive discussions with them. Here is the customer as a third party whose

needs should be met, interviewee 8 wondered how to build the concept so that the customer would accept it, it could be seen more as a partnership-like activity. Supplier E has the potential to develop into a partner, said the interviewee 6.

"Suppliers A-D are not partners because dealing with them is a bit of a must-have. Maybe someone else could call them as partners, but for me doesn't meet the criteria of a partner."

- Interviewee 6

Interviewee 1 stated that it cannot be said that the relationship bends to partnership with these suppliers, more likely collaboration only because, for example, suppliers A and B set the steps, even though they are pressured. They easily ignore the urgency of case company and put the needs of other companies first. In the case of supplier D, there is no internal map of how the contacts between buyers and managers differ, which should be reviewed in the first place. In addition, communication with supplier D is poor, it may take months for case company to receive answers, which was also mentioned by interviewee 2. Interviewee 2 stated that case company is not yet in partnership, but that there is continuous and active activity with these suppliers. The arguments raised were the same as the previous ones, such as the customer relationship being too small and the dependency relationship, which means that there is no pressure on suppliers to work more closely together. The idea of a partnership has been raised with supplier C, they would clearly have some interest, but due to their rigidity and lack of reciprocity when case company needs something from them, has not yet led to a partnership. Finally, interviewee 2 states that there is room for improvement with all these suppliers, how to implement and coordinate collaboration.

4.4 Benefits of partnership

The partnership seeks benefits on both sides, both for the buyer organization and for the supplier. The partnership has some common business goals – seeking for the win-win

scenario which was mentioned earlier. According to several interviewees, trust is a big factor in partnership, as the interviewee 8 commented, trust in the long run, being able to find operating methods and models, tried and tested practices that speed up and facilitate operations is financially beneficial, deepening the relationship at a different level than simply buy-selling transactions. The openness of the discussion and finding common ground, it does not have to be profit and loss shared, but the view that companies want to do business together, said the interviewee 6. As mentioned by the interviewee 4, partnership as a concept is quite slightly identified in case company:

"a good partnership must not involve case company paying more for it than the supplier does."

- Interviewee 4

and this already shows that partnership is not fully understood. In addition to trust, interviewee 5 highlighted the deepening of everything else, such as collaboration, price negotiations and reliability of delivery. Interviewee 1 stated that if there were strong partnerships, for example, with suppliers A and B, because they are one of the largest players in Europe, it would certainly create more opportunities in projects. Especially if case company got better prices, more reliable delivery times and could talk openly. According to interviewee 3, there is good communication with supplier A, project business has been stimulated in that direction, and tender projects are constantly being worked on. It would be especially important to make the partnership work well when case company receives bidding projects, so that they can get relevant quotes for materials so that they can do their projects. In addition to material deliveries, supplier A also provides maintenance services to case company. If the partnerships are good, operations can be scaled up as needed, if case company wins tenders, there should be an opportunity to expand the operations also for suppliers, stated the interviewee 3. Interviewee 2 pointed out that when the working relationship is closer, dialogue is easier, the right contacts are found with whom to ask questions, things progress faster, and comes the desire to help another. When talking about these suppliers, these are very large organizations, it may take time to find answers in-house, but when it comes to a strong partnership and a clear partner, it shows in the desire to help

and serve the other. As an example of this, quotation enquiries would not be left as an email, but answers and solutions would be sought, and better alternatives would be considered. This applies to all suppliers, how could they develop collaboration through partnership, said the interviewee 2.

“When feedback is given openly and properly, both parties can develop their operations.”

- Interviewee 7

In the interviews it was explored what could be done for the benefit of both parties in a long-term partnership. Interviewee 1 mentioned the conclusion of contracts with suppliers, openness to consumption and possible future maintenance, forecasts, and transparency of operations. Interviewee 2 also raised the issue of frame agreements, and mentioned a minimum workload to the bidding process, as it is a sunk cost for both parties, and by facilitating it, for example by harmonizing and clarifying, could reduce the amount of investigation work, streamline the process, thereby saving time and money on a practical level. In growth projects, offering projects in collaboration and cost-effective pricing could give both parties more service sales said interviewee 2. Interviewees 3, 7 and 8 reintroduced communications, which can never be overemphasized. In addition, forecasts could also be mutually beneficial in a long-term partnership. Interviewee 8 also mentioned that the management of the supplier relationship has remained the responsibility of the suppliers of case company, in which case the suppliers have taken care of their customer relationship. Interviewee 3 also highlighted measures that need to be managed internally, such as more cost-effective solutions for basic operations, price reductions, development of own production and changes in delivery batches. Interviewee 6's example of supplier E, if they become the preferred supplier for case company, then a framework agreement would be made with them, and then they would become one of the first choice for external projects. If case company wins the modernization project, then it will be won together with them. These have also been negotiated with suppliers B, C and D, but either they have taken time, they would have to go completely on the supplier's terms, which in turn does not serve case company, or if the value of the contract is what is used in the case company, then the supplier is not interested. Suppliers A-D in long-term partnering should understand what they want

from this partnership, whether they have any keywords from which case company could take a cue and utilize. Supplier E is a smaller player, that's why it makes sense, said the interviewee 6.

4.5 Development from collaboration into partnership

The interviewees consider openness, communication, honesty, and reliability, as well as transparency, important in developing effective collaboration with suppliers. Regarding internal collaboration development, interviewee 2 mentions that it should be coordinated, with lots of people doing it and on a practical level taking it forward and implementing, but sometimes it would be good to go through together where the company is going and how it would be appropriate to start developing systematically. This is helped, for example, by having regular interaction and contacts, meetings, and developing collaboration through auditing. Case company would lay the foundation for keeping quarterly meetings what is on the agenda and monitoring that not only things are going through, but that something is also done about them, said the 4. interviewee. For example, with supplier B, this has remained on hold, but if case company wants things to move forward, it would need to be put on fire again, it would be regular and there would be more common vision, said the interviewee 4. Interviewee 6 pointed out that case company has diverse ways of operating in internal and external projects for maintenance, servicing, and repairs, which means that operating models should also be run differently. If there is room for development with the supplier, case company has the opportunity to change its operating model, if necessary. Interviewee 7 brought up the sharing of information, continuous learning takes place through interaction, and when information is shared with the supplier on both sides, the knowledge of both parties develops at the same time. Interviewee 3 brought up understanding the state of collaboration and perceiving the company's own environment, in addition to understanding the current situation, the future outlook of the life cycle of one's own equipment and possible external projects, as well as what kind of projects are coming up. Then case company would be able to develop the collaboration in a sensible direction.

The interviewees were asked whether they were developing partnerships with these suppliers and, if so, by what means. To this, the answer was mostly that there is no partnership, and those who replied that there is, they described the same practices of collaboration, such as collaboration meetings, dialogues, and other phases of the operational purchasing process. Interviewee 5's opinion was that buyers should be more involved in the discussions, since they are the ones who see that activity in operational work on a daily basis. Interviewee 1 pointed out that some way should be found with supplier A to identify case company as a partner, if they do not currently see case company as such a large partner, if there were project wins and closer collaboration. Case company's activities are expanding abroad, which may enable case company to collaborate more closely with supplier A, also in terms of language, and because market shares are also increasing. Interviewee 4 said that supplier A is more of a managerial responsibility to manage, with ongoing activities and management meetings to promote partnership building. Interviewee 4 stated that there should be development with supplier B but cannot say whether what is going on now. In terms of strategic procurement, the last time Interviewee 4 was in contract negotiations with supplier B, it was over a year ago, when the category manager was negotiating a new contract and the parties had different intentions, for example, there were different views on the prices of tenders. Interviewee 4 took a booth from this - To get a better outcome in terms of prices, case company could give for the supplier forecasts, which is perhaps what case company should be capable of. To make predictions without committing anyway because they can't. It could develop a partnership with a common vision for a few years ahead. Of course, there are anticipated planned maintenance, more should be invested in getting forecasts given to strengthen the partnership, at least committing to giving a forecast for suppliers, noted interviewee 4.

"Maintaining old equipment is a bit like an art form, it's based on looking more or less in the rearview mirror at what has happened in previous years."

- Interviewee 4

Interviewee 6 said that no partnership is being developed with suppliers A-D, but perhaps a partnership should be developed with suppliers A and C. When it comes to external projects,

for example, suppliers A and C are both market leaders in a particular industry, and when case company wants certain systems or other components from either, then they are in a competitive situation where it is not possible to win customers at spare part prices when they compete against case company. This raised the question of whether it would be possible to develop the partnership in such a way that, where case company had synergies with suppliers A and C, case company could work better together, whether either supplier would have an interest in it. At this point, the case company should find some new aspects that it could offer/give to the supplier, because until now, suppliers have had more to give to case company than case company has to give them. Suppliers should first be asked what they expect from the partnership and whether they see it as possible with case company. Interviewee 8 mentioned that has not directly developed and is not developing partnerships. For example, there had been challenges with supplier E in the past, which became so-called mental chafing, and that is why wouldn't start building a partnership with them right away. Interviewee 6 disagreed, mentioning that supplier E sees synergy with case company and wants to operate according to case company's operating methods in principle. Focus should be placed on this, because if they want to develop a partnership from the direction of case company, it is smarter to collaborate with companies that are open to this development path and then develop operations with them so that case company would be strong with them. Interviewee 6 thinks that it is not good idea to put too much developing resources on supplier A or B, because it won't lead to anything. There must be some consideration of their interests. Therefore, it would be good to be able to hear what they want, whether they just want to constantly maximize the price and constantly sell on their own terms and restrict competition, as is currently the case, for example. This is illegal at EU level, but it is very difficult to prove, said the interviewee 6.

Case company's purchasers focus on goods and services purchased for maintenance, scheduled maintenance and fault repairs, and the volume of these can be found from suppliers A-D. They know that they have a seller's market. Interviewee 6 said that in the case of suppliers A, B and C, competition with certain products could be created by finding a substitute product elsewhere, but it would require a great technical effort, firstly, to get one from somewhere and approved, and then to carry out an assessment of the significance of the change and a risk analysis. However, it is possible, and when there is desire to create that

competition, then suppliers may start to be interested in how big a customer case company is for them, how much price credit they want to give in order to keep case company in the picture. This raises the question of how a so-called C-class customer could receive a B- or A-class service. This will be discussed in the discussion and conclusions section.

Table 5: Supplier-specific focus areas

SUPPLIERS	SUPPLIER-SPECIFIC FOCUS AREAS
Supplier A	<ul style="list-style-type: none"> • Efficient, high-quality and regular communication • Delivery reliability • The price level compared previous prices – fairness in transactions • Reliability and accuracy of answers concerning to invitations to tender and delivery times • Forecasts • Reducing dependency • Performance measurement → development suggestions → implementation
Supplier B	<ul style="list-style-type: none"> • Efficient, high-quality and regular communication • Delivery reliability • The price level compared previous prices – fairness in transactions • Reliability and accuracy of answers concerning to invitations to tender and delivery times • Forecasts • Reducing dependency • Performance measurement → development suggestions → implementation
Supplier C	<ul style="list-style-type: none"> • Efficient, high-quality and regular communication • The price level compared previous prices – fairness in transactions • Forecasts • Reducing dependency • Performance measurement → development suggestions → implementation
Supplier D	<ul style="list-style-type: none"> • Efficient and high-quality communication • Reducing dependency • Performance measurement → development suggestions → implementation
Supplier E	<ul style="list-style-type: none"> • Efficient, high-quality and regular communication • Forecasts • Negotiation of contract • Performance measurement → development suggestions → implementation

4.6 Challenges in supplier relationship management

The interviewees were asked which works between these suppliers and case company. With this question, the interviewees were able to remember not only what works with them, but also presumably they have in mind what doesn't work with these suppliers. The purpose of identifying shortcomings is to identify potential areas for development. At this point, the answers on functionality and problems are discussed together and, by-supplier basis, because

the interviewees did not agree with the actions of all suppliers. At the same time, let's go through the positive aspects that came up in the answers.

Interviewee 1 began by explaining that the basic operations with supplier A work, such as price inquiries and confirmations, although some may sometimes take time. This is helped by the fact that the item code information allows the supplier to easily access the product in question. Interviewee 3 said that supplier A is quite good at getting the materials they need from there, they also keep case company up to date on such end-of-life issues, if a product is about to leave the warehouse, they will be informed about it in time, and in that sense that makes it a reliable supplier. Interviewee 4 agrees with this by saying that supplier A gives good answers and quickly, as a rule.

However, the same cannot be said about supplier B, the supplier does reply, but there is no substance, the message is basically just reported as received. Interviewee 1 said that there are so many old codes with supplier B that it is more difficult to find the desired title and thus the original supplier. Of course, their online store has a good level of basic information about the titles and what they look like. Interviewee 6 mentioned about supplier B that it is difficult, does not want to use case company's purchase orders, but wants to push to use their web-based ordering system. From this, the interviewee 3 mentioned, with supplier B, big problems in obtaining tenders, it takes an unacceptably long time to complete. Interviewee 6 stated about supplier C that it has been very difficult. Supplier C is trying to take case company to its representative in Finland and all activities through its business representative. In general, communication is difficult, prices are what happens and the link in between lengthens the connection from there factory.

Interviewee 1 said that with supplier D, the maintenance works on the grounds that there have been no more complaints about what has been serviced there. Interviewee 2, on the other hand, took a different view, by saying that nothing seems to be working right in the direction of supplier D. This depends on who for case company is the person responsible for the customer relationship for the counterparty, what the other person's resources are like and

their control there. The problem is that intermediaries are used from country organizations that are far away from that headquarters, they may have insanely poor influence within their own organization, and they do not know with whom to deal with what. Of this, interviewee 6 said that communication with supplier D is difficult through an intermediary, but it has been sent to improve with them.

The way case company has also attracted these larger suppliers is when they have held meetings between higher-level managers, they have engaged in discussion and communication, and thus gained interest in developing the supplier relationship, said interviewee 2. Regarding other suppliers, the interviewee 2 stated that collaboration has been going on for a long time and that case company has been developing supplier collaboration and interaction all the time, and that many things are also developing at a good level, for example. Concrete actions and changes have been made in the monitoring of reliability of deliveries and the collection of penalties for delays, and resources have been clearly improved at manager level. Instead, communication with supplier E has begun to work, it was difficult with supplier E (AB), but communication with (Oy) worked well. Interviewee 6 said that they hope to get their first big project off the ground with them. According to interviewee 8, supplier E has been a challenging partner, but they have the know-how and understanding of their field, which is a valuable asset to case company's situation, they have good relationships with certain common end customers, which facilitates the whole conceptualization.

Logically, once it is figured out what works with suppliers and what doesn't, it is possible think about the fairness of trading, whether it is fair for both parties with these suppliers. Interviewee 7 mentioned that the primary aim is to ensure fair trade, but in practice this means that case company can only influence its own actions. Several interviewees stated that most of these suppliers have a monopoly position in their respective territories, which in turn has a direct impact on the fairness of trade, as they are allowed to dictate prices and trading conditions in practice. Supplier A is open to reviewing orders, but reliability regarding the delivery date and confirmation date is not full credit, sometimes comes when agreed and sometimes several days late. This is probably because the ordered products may come from

elsewhere and the supplier himself is not sure when they will arrive. Otherwise, supplier A is okay, they give good answers, and they are not exactly blackmailers and exploiters in prices, said the interviewee 1. Supplier A is more reasonable in pricing, they can be trusted to receive quotes for all inquiries, there has been no outright blocking, even though they are also a big player, and the pricing policy is very rigid, said interviewee 2. Case company has been able to discuss to some extent, but supplier still keeps high prices for case company. For example, the supplier wants case company to switch to a newer product line by increasing the prices of the previous series by more than 50%, switching to newer generation components would bring life cycle costs, if case company could not service itself, then there would be components of two different models in the fleet. In this way, there is pressure on the price at times, stated the interviewee 2. Interviewee 4 again mentioned that the prices are shocking, and this is where the problem lies, if case company had a good partnership with supplier A for example, they would price their products differently so that it was fair.

The same thing happens with supplier B, if the partnership went to such a level that the supplier understood the situation of case company, that they could not take from elsewhere, then they could lower the unreasonable prices due to their volume preferences. Until now, case company has been the one who has had to accept the situation. With supplier B, there may be completely cheeky prices for some items, access to information is exceedingly difficult, questions after orders are answered with "let's see and try our best", and it is not concrete what the situation really is and why, said the interviewee 1. There is an agreement with supplier B that case company may purchase certain materials from other suppliers, but for technical reasons it is not always possible and there are no other alternatives. Suppliers exploit their market position, power over the pricing of parts, sometimes very arbitrary - suppliers C and D in particular block case company's bids. They know that Case company's capabilities are weaker to participate in certain tenders, and there is no way to say that the operations are fair, said the interviewee 2. Interviewees 6 and 8 stated the same as the others, that suppliers A-D have a seller's market, so there is no way to make trading fair, and their relationship with them is different from their relationship with case company. Suppliers know the Finnish market and know that there should be no radical change in the next few years, said the interviewee 8.

"Suppliers' A-D market part where they play is so large that it is difficult for such a smaller player to find a partnership with them, sometimes it feels unfair when it is not possible to find any other supplier for product/component, or can find it, but through big twists and turns, which in turn drives to be in forced marriage with those suppliers."

- Interviewee 8

Case company does not have much bargaining edge, affordability, or strength towards these suppliers, said the interviewee 8. The problem is whether case company even wants to deepen the relationship with these big suppliers, for example on the design side, because if you could then gain leverage in negotiations, on the other hand, you may have to give up certain design issues and aspects, which would make case company even more committed to these suppliers, pondered the interviewee 8. The contract with supplier E should be reasonably fair considering the circumstances, said the interviewee 4. A sensible discussion about this is now opening with supplier E and Interviewee 6 thinks it is fairer for both parties.

The last section discusses challenges and problems related to supplier relationship management that were not yet raised in the previous sections. They are used to try to find possible remedies and areas for development that case company could focus on in the future. Messages received through the suppliers' Finnish unit, the so-called intermediary, are often vague, the messages do not get through, but are easily left in the intermediary. Supplier should somehow get to acknowledge if they do not know how to solve the problem, then they should inform about it right away. Regarding delivery reliability, the Interviewee 1 pointed out that their orders receive reconfirmations simply fine, but the reason for them could be told, not to just send a new confirmation. It would be important to know why and whether there is a permanent solution, so that case company can prepared in the future. Supplier D should be instilled with the idea that orders should be answered in time so that there is no need to constantly remind them of them.

"Problems culminate in the factors and their ability to develop that collaboration."

- Interviewee 2

Case company should first define above the common intent to which it would like to take the issue and how, so that everyone has clear ways to promote them, said the interviewee 2. Seeing others face to face and thus advancing things could also move things forward faster. Getting to know each other, nicer and easier to work together, would not be so rigid and formal, pondered the interviewee 2. In order to promote collaboration, it would be useful to occasionally involve a wider range of people who collaborate with the supplier, in a development position to participate in meetings, and to understand who's who and does what, and who can be asked about certain type of issues. Interviewee 3 pointed out that, considering the division into categories, responsible persons for each supplier, even if they would otherwise be in contact with them. Interviewee 4 pointed out that the management of a supplier is always based on facts, even from Power BI, agreeing on one's own rules of the game, how to contact the supplier at which level, if a complaint is made, and financial compensation in who handles it. In addition, the issue of delivery reliability is whether it is the CM's responsibility to take these into account in meetings, because clarification in supplier management easily culminates in CM's responsibility. In interviewee 6's opinion, the responsibilities of internal stakeholders are one thing which should be clarified. In addition, the results obtained from the measurements should be shared with suppliers in the feedback process. It should also be clarified which suppliers are even willing to develop the activities together. The same was said by interviewee 7 that the challenge is predictability, it should be improved – there is talk of wanting to grow so and how much, but concretely does case company top management know the region and suppliers with whom to grow.

Price changes by target suppliers are also seen as a problem, as they can dictate terms and make increases, in these cases alternative products from other suppliers will be considered. It should also be possible to find alternative suppliers for critical parts when they have high bankruptcy potential due to the challenges faced by smaller suppliers. According to interviewee 8, the problem is that the suppliers are only contacted, when necessary, more should be done to deepen the supplier relationship – with regular meeting practices, quarterly with certain suppliers, interest would remain on the supplier's side, give offers, and think about pricing for case company point of view. According to interviewee 6, it is difficult to establish a rational partnership under the terms of case company with suppliers A-D.

Interviewee 2 mentioned that suppliers A, C and D are challenging because in many maintenance activities they are direct competitors. When case company participates in tenders, for example when talking about component maintenance, suppliers C and D have a comprehensive capability to take certain services as broader entities and start offering them, and in these it is case company that acts as a direct competitor, so that is why suppliers of their collaboration is at varying levels.

Interviewee 3 gave an example of how case company has been forced to work together with supplier A, forced to use supplier A's components in practice in certain matters. It would be too big a project to replace components with something else. If supplier A wants to raise prices, it is difficult to fight against them, there will be so-called end-of-life events – this can happen if the supplier leaves the production of items, putting case company in an awkward position because they cannot switch to another supplier just like that. Replacing components requires a heavy approval process and technical approval and test runs. The same situation is with supplier C, sometimes it was possible to change, but in these cases also required a bigger technical evaluation and testing, which has lasted again for a few years, where the end result has been that they have been able to use both products. This is continued by interviewee 2 by saying that there are a lot of collaboration practices, but the next step could be to secure life cycle maintenance. The supplier A is they have launched a new generation of products on the market and then aggressively limited maintenance activities to old ones, so now it is no longer possible to access documentation in the same way because supplier A keeps it so strongly for itself. This means that case company should also buy maintenance from them in the future, and this is expensive in the long run from the perspective of case company's own equipment. Interviewee 4 stated that with suppliers, both must know and understand why they want a long-term relationship.

"Money is always the deciding factor, and it's what case company does and how the supplier works."

- Interviewee 4

Interviewee 4 adds that case company would like goodwill from suppliers, because even though volume is not always the highest, there could still be a lot to give into a long-term partnership, because case company's line of business and business in maintenance is going to last long and is not going to run out right away. Interviewee 3 stated that this is where the place to look in the mirror comes in – understanding the life cycle of case company's equipment is not at the best level, more than 5 years already has been challenging, the fleet owner has tried to make a lifecycle plan for the equipment but is not fully committed to it. This comes from the role of suppliers and government guidance that it is not really known how the equipment is to be maintained, how long certain equipment will be in use and when it should be scrapped, it would be important to know when technology and materials purchased change. There may be discontinuities in the life cycle of the equipment, the new equipment may have warranties for a certain period of time, and the availability possibilities of the old equipment may decrease.

5 Discussion and conclusions

This final chapter of the thesis discusses the main results of the study by comparing theoretical and empirical observations. The aim of the study was to find answers to how companies should change their operations collaboratively in order to improve partnership. The aim was to examine the situation of suppliers that are difficult for the case company, what is the current situation of case company's supplier relationships and how they could be improved. This section answers research questions, after which the managerial implications and future suggestions are presented.

5.1 Comparison of theoretical and empirical findings

This study aimed to identify how buyer-supplier collaborative relationship could be improved in partnership, find the benefits of partnership, and recognize relevant elements of concerning the suppliers as individuals. The study revealed that collaborative relationship and partnership are sum of many factors, in which different elements affect the quality and functionality of relationships. Like Graves et. al. (2022) mentioned that COVID-19 brought significant challenges to material procurement, which were also evident from the results obtained in this study.

The study revealed that the line between collaboration and partnership is blurred. Different issues weights more than others and those are affected by the value what these brings to each party. In fact, "value" as term did not appear during interviews even though value creation is a big part of supplier relationship management and has been studied a lot in the past few years. The study clarified several benefits of partnership and what it entails, such as trust, transparency, flexibility and honesty in joint action, cost-effective process management and open discussion on both sides. Prices could be affected when the partnership is deeper, contracts provide long-term credit, and partnership increases opportunities in projects with

the help of another party which brings strategic advantage. In addition, the importance of feedback was highlighted as an essential element.

According to Kähkönen & Lintukangas (2011), managing supplier relationships requires understanding what kind of relationship company want with the supplier and, accordingly, contributing to that relationship. The study similarly revealed that it is not worth aiming for a partnership with all suppliers, but collaboration can always be improved. The study highlighted the importance of active communication and reliability when developing collaboration in supplier relationship management, which Lintukangas (2009) has also emphasized. These same elements have been brought up in the past in the development of supplier relationships, such as Cox (2004) and Lambert & Schwieterman (2001) about reducing costs in proactive operations, and Khan & Nicholson (2014) and Blome et al. (2014) about mutual communication.

Based on Williamson's (1985) theory of transaction cost economics (TCE), improving efficiency requires performance measurement and contract drafting, which was also evident in the study in supplier management. In addition to measurements, communicating with suppliers, presenting development proposals, implementing them and continuous monitoring promote the development of operations. The company measures delivery times and their reliability, prices, and complaints, and these are matters why they are constantly in contact with suppliers. Pfeffer & Salancik (1978) resource dependency theory (RDT) deals with supplier relationship management, where the purpose is to reduce dependence on them. This is also what the case company is constantly doing, looking for alternative suppliers, especially for critical products, and expanding its own ability to make the necessary purchases. The intention is not to be completely independent of a supplier, because it is impossible, but by reducing dependency, the company improves its own reliability.

5.2 Answering the research questions

With the help of two sub questions and the primary research question, the study's goal and findings was possible to accomplished. In addition, data examination and analysis were made achievable by examining the theory of supplier relationships and the interviewees' responses, which helped creating answers to the study questions.

The first sub-question was “What are the benefits of partnership?” In supplier relationship management, when collaboration with suppliers is developed, it is possible to reach a so-called partnership level, where collaboration promotes the interests of both parties, it is strategically aligned, and it is a long-term activity where a win-win situation is sought for both parties. In a partnership relationship, delivery reliability improves when the buyer company facilitates the supplier's work with transparency through anticipation and forecasting, as they know about plans and needs for the longer term and are able to prepare for them. In a partnership, it is seen as beneficial to be able to rely on jointly agreed functions and practices, which increases the flexibility of operations and, by communicating openly and honestly, also makes the process more efficient. According to Sako (2019) and Morgan & Hunt (2020), reliability and commitment lay the foundation for a good relationship. Long-term contracts between companies increase reliability and generally reduce costs, as well as brings various new opportunities, for example in projects through another party, which increases strategic competitiveness.

The second sub-question was “How to consider suppliers as individuals when developing a partnership?” Considering suppliers as individuals makes it difficult to consider the traits of each supplier advantages, areas for improvement, and areas, which require continuous measures. A common ground, way of working and communicating should be found with each supplier to ensure that collaboration runs as smoothly as possible for all parties. This would be helped by carrying out supplier assessments on a supplier-by-supplier basis, at regular intervals. According to Cousins et al. (2019) and Krause et al. (2020), effective collaboration and knowledge sharing lead to innovative solutions. The acquiring company should clarify and promote the supplier's interests so that they themselves can demand

certain things from the suppliers. Here it is possible to consider collaboration-related factors, which can then be prioritized in different ways for suppliers. The goal of considering suppliers as individuals is not only to strive for the most efficient and beneficial collaboration with them, but also to achieve fair trade in collaboration for both parties. The study found problems with monopoly suppliers in this regard, as smaller companies are easily crushed under them when they "call the shots". As a so-called C-class customer, it is difficult to get a B- or A-class service, but if the supplier's interests were addressed that had not already been answered, it could at least get one step closer to fairness. Honesty in collaboration brings opportunities for fair trade.

The main research question was "How can companies improve actions and processes of collaboration to improve buyer-supplier partnerships?" Whatever company wants to improve in supplier relationships, everything starts with clear communication, both internally and with external actors. Since there is always a purpose to communication, it is important to think about what it is meant to accomplish, why it is being done, and how to provide feedback after actions and procedures to make sure continuous improvement.

Concrete changes in processes and operating methods can develop the buyer-supplier partnership, such as measuring and reporting performance, making complaints and, in case of mismanagement, implementing sanctions. As Flynn et al. (2020) and Cao & Zhang (2021) noted, when the supplier relationship is in place, benefits can be seen in operational and financial results, as well as in proactive actions to improve efficiency and responsiveness. The company should have a possibly better outlook for the future due to system change, allowing them to better predict things and give forecasts to supplier. It is simpler to comprehend the operating methods of another company if one understands their own procedures first. To ensure that development targets are accomplished, they must be clearly defined, and specific development strategies, policies, and monitoring frameworks must be identified. The figure below collects the elements and factors raised in the research that can be observed in collaboration and partnership.

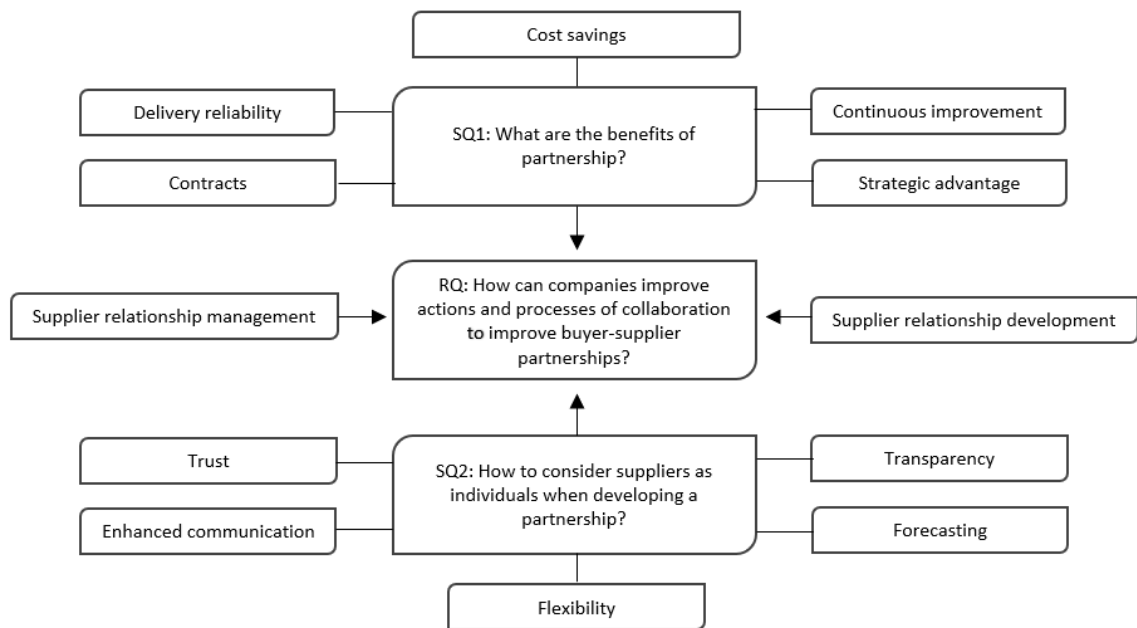


Figure 4: Research questions and findings of the main elements and factors

5.3 Managerial implications and future suggestions

The study revealed that before a company can demand certain things from suppliers in a supplier relationship, the actions of the company's internal stakeholders' and their responsibilities, duties and division of labor should be clear between departments for the internal functioning of the organization. This would help by information sharing internally and access to information through common channels. After this, the company can feel the situation and interest of the suppliers, find out what they could do for them, facilitate operations better than before, something that would attract their attention or meet the desires of case company.

However, attention and input have begun to be paid to the management and development of supplier relationships. On executive-level they could count more on managers as well as buyers with responsibility and awareness. Employees' personal relationships with suppliers

are important because the ways of working and keeping in touch with each of them vary, sometimes the buyer can be the one who represents the whole company by example, work and outreach. Buyers should be informed of what should be discussed with suppliers, what issues should be raised and pursued in the long run.

Information sharing internally, access to information through common channels, such as audits, finding relevant data for each supplier. At the same time, externally used information channels with suppliers, which would be as easy and functional as possible and would promote the interests of both parties in information sharing rather than just an example of suppliers' online store. Adding more BRM to collaboration practices and those meetings should be held at regular intervals, otherwise things are only reviewed on a case-by-case basis at that moment and clear performance measurement cannot be carried out. Case-by-case meetings can also be kept as concise as possible and other issues are then discussed in BRM. Communication could be developed to be more supplier-specific and also face-to-face set meetings because it increases cohesion, brings the parties closer together and creates a sense that collaboration is important. Measuring performance, giving feedback, and developing it into a continuous measure with goals. Measures should be clarified with suppliers in the event that they do not enjoy the company's trust, act as agreed regarding delivery times, prices, and complaints. If a supplier wants to collaborate with its intermediaries in operations, the company should still be able to demand quick reaction to its needs. Information is valuable, as in confirmations, the reasons for delivery delays, which can be thought of as time is money if needed to constantly remind and ask questions.

Two main elements emerged for improving delivery reliability: focusing and investing in anticipating deliveries and material needs and forecasting them would increase reliability of deliveries. In practice, this starts with the company's own operations, in which case they need to know what they need, make the supplier's operations easier when they can prepare in advance, which would increase transparency in collaboration. The company should also think carefully about how transparent it is. It would be a good idea to do some kind of supplier assessment that shows what the level of relationship is that case company are aiming for, because it is not worth trying to partner with everyone. The case company should also

first clarify internally whether whose responsibility is initiating a process change to improve delivery reliability, because there must be at least clear why and what kind of measures it would require, what would oblige and commit to, such as min-max stock, based on previous years consumes. In short, the way to improve delivery reliability lies in systematic material planning and determining overall future needs with forecasts, where Power BI supports the analysis.

The company must understand the situation with these target suppliers when they are direct competitors and thus the challenges that do not promote collaboration. The case company faces a major challenge in the future, how to manage to secure life cycle maintenance. The company must be aware of government restrictions and possible reforms, both in terms of technology and cybersecurity. Materials are constantly being developed and improved, and it must be clear how long each one lasts and how warranties and their availability work. All of the above should be considered when creating a strategy and making plans. In addition, the company's customer-oriented approach also increases the obligations for growing values, such as green values and sustainable development, how they can take them into account. As stated earlier in the study, money matters, and therefore both parties should understand why a partnership is desired, if desired.

In the future, it would be good to study more about how individual elements are considered when building a partnership between buyer and supplier. It would be interesting to see what features certain industries emphasize. As another suggestion, it would be good to explore collaborative relationship improving in partnership from the supplier's point of view. As this study showed, it is a good idea to first examine things internally and then take a perspective from the supplier's side. Other recent studies revealed value creation as a research topic, which could also be studied from the perspective of partnerships, how it is seen and experienced. As supplier relationship management tools and technology are constantly advancing, it would also be good to study their impact on the development of supplier relationships.

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APPENDICES

Appendix 1. Interview questions

This interview covers how company X manages its supplier relationships with five target suppliers. The goal is to find concrete development targets that company X could implement in their processes in order to function better in supplier relationship management. In the interview, the actions presented in the current description are reviewed in relation to the management of supplier relations, which the interviewee can confirm is correct, express a different opinion or/and tell how these actions are actually conducted. In addition to this, the interviewee is asked for more detailed descriptions of the various stages of supplier relationship management. In addition to this, the interviewee is free to talk about own observations, both problems, considerations and specific features related to the management of supplier relations. The information about supplier relations discussed in the interview is looked at from the perspective of the buyer company towards suppliers, so when collecting data, the information must be broken down separately for each supplier. The person's name will not be revealed from the interview, questions will be answered anonymously, only the role of the workplace will be mentioned.

Collaboration can focus more on specific short-term projects or initiatives, leveraging each other's expertise, resources, and ability to achieve a specific result, such as cost reduction or quality improvement. Collaboration may include sharing information, coordinating activities, and harmonizing processes to improve operational efficiency and achieve common goals.

Partnership refers to a deeper, longer-term relationship between the purchasing company and the supplier, which requires trust, transparency and mutual understanding of each other's goals, values and business processes. Partnerships go beyond mere transactions, such as joint product development, risk and benefit sharing, and strategic alignment.

BACKGROUND

1. Mikä on roolisi (tittelisi) organisaatiossa? What is your role (title) in the organization?
2. Mikä on roolisi - vastuualueenne? What is your role - areas of responsibility?
3. Mitkä näistä valituista toimittajista (A–E) kanssa olette tekemisissä? Which of these selected suppliers (A-E) are you dealing with?
4. Miten toimittajahallinta näkyy työssäsi? How does supplier management show up in your work?
5. Miten kommunikoit näiden toimittajien kanssa? How do you communicate with these suppliers?
6. Miten yrityksenne hoitaa toimittajasuhteita? How does company manage supplier relationships?

SUPPLIER RELATIONSHIP – COLLABORATION AND INTEGRATION

7. Onko yritykselläsi toimittajasuhteiden yhteistyökäytäntöjä? Jos vastaus on myönteinen, minkälaisia menettelyjä? Does your company have supplier relationship collaboration practices? If so, what kind of procedures?
8. Onko yritykselläsi toimittajasuhteiden integrointikäytäntöjä? Jos vastaus on myönteinen, minkälaisia menettelyjä? Does your company have supplier relationship integration practices? If so, what kind of procedures?
9. Millainen suhde yritykselläsi on näihin toimittajiin - Onko yritykselläsi kumppanuuksia näiden toimittajien kanssa? What kind of relationship does your company have with these suppliers - Does your company have partnerships with these suppliers?
10. Mitä etuja näet kumppanuudessa? What benefits do you see in a partnership?
11. Onko kaupankäynti näiden toimittajien kanssa mielestäsi reilua molemmille osapuolille? Do you feel that trading with these suppliers is fair for both parties?

SUPPLIER RELATIONSHIP DEVELOPMENT

12. Kehitätttekö kumppanuutta näiden toimittajien kanssa? Jos, niin millä keinoin? Are you developing a partnership with these suppliers? If so, by what means?
13. Mitä pidät tärkeänä tehokkaan yhteistyön kehittämisessä toimittajien kanssa? What do you consider important in developing effective collaboration with suppliers?
14. Miten mittaatte toimittajien suorituskykyä? How do you measure suppliers' performance?
15. Kommunikoidaanko toimittajien suorituskyvystä heille itselleen? Is the performance of suppliers communicated to them?
16. Miten toimitusvarmuutta voitaisiin parantaa? How could reliability of supply be improved?
17. Mikä yrityksellänne toimii näiden toimittajien kanssa? What does works between company and these suppliers?
18. Mitä voitaisiin tehdä molempien osapuolten hyödyksi pitkäaikaisessa kumppanuudessa? What could be done to benefit both parties in a long-term partnership?
19. Miten viestintää näiden toimittajien kanssa voitaisiin parantaa? How could communication with these suppliers be improved?
20. Toimittajasuhteiden hallintaan liittyviä ongelmia ja huomioita? Any problems and considerations related to the management of supplier relations?