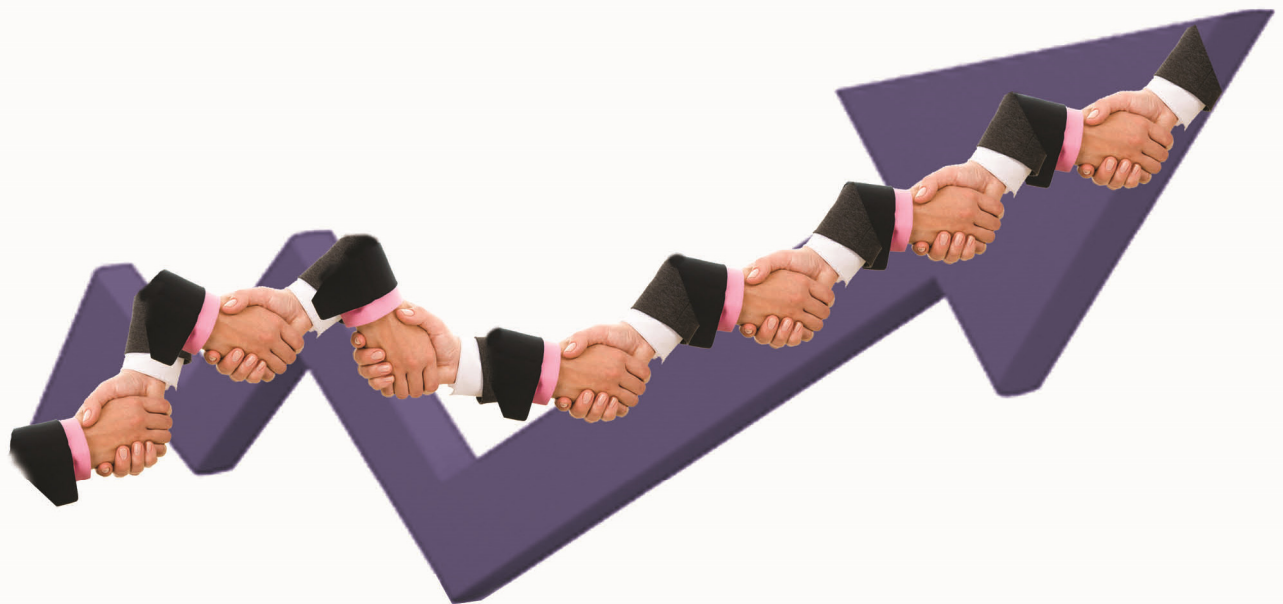


Long-term Orientation: Growth to Strategic Partnership





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Marjolein Schaddelee

The Hague, June 2016

Executive Summary

“What are your challenges in the coming five years?” A very simple question. But a very strange question for a supplier to be asked by his buyer. In a traditional buyer-supplier relationship, why should people talk about challenges? And in five years, who knows if they are still cooperating in five years? Suppliers deliver a product or service at a right price, right quality and right time. That is how they are selected. *Or are they?*

With their relational view, Dyer & Singh (1998) propose that interfirm resources and routines are vital to a firm’s competitive advantage. Meaning that firms would have to cooperate with their channel partners. In recent studies on supplier selection, ‘suppliers’ are no longer called suppliers, but companies now speak about their ‘partners’. The traditional approach based on lowest cost bidding is no longer supportive, but supply management is now about maintaining long-term partnerships (Ho, Xu, & Dey, 2010).

Literature on long-term orientation indicates that long-term orientation within a relationship may create a competitive advantage, and companies use this approach in their strategies. This suggests the need for long-term orientation to be integrated in a company’s core processes. However, the combination of the two concepts of long-term orientation and the supplier selection process have not been extensively analysed in the past, creating the necessity for further research on this subject. Therefore, this theory-elaborating multiple case-study research analyses the role of long-term orientation in supplier selection.

Conclusions from this study indicate that when a company integrates a long-term orientation in their strategy, strategic partners are developed and not selected. Companies do not form strategic partnerships with suppliers they do not know, and it takes time to build trust and jointly integrate all the necessary ingredients for long-term strategic partnerships. Therefore the role of long-term orientation in strategic supplier selection cannot be identified, as strategic supplier selection is redefined into strategic partner development. The role of long-term orientation can be specified as both the cause and effect of strategic partner development. This result is relevant for the contribution to theory, and is recognized to have important managerial implications. Managers in a true partnership will now start to ask their partners: “What are your challenges in the coming five years?”

List of Definitions

Research content

Commitment	An enduring desire to maintain a valued relationship. The state or quality of being dedicated to a cause, activity, etc. (Oxford Dictionaries, 2016)
Dyad	A pair, something that consists of two elements or parts (Oxford Dictionaries, 2016)
Inter-organisational trust	The confidence of an organisation in the reliability of other organisations (Sydow & Windeler, 1998)
Keiretsu	In a keiretsu each firm maintains its operational independence while retaining very close commercial relationships with other firms in the group. (Business Dictionary, 2016)
Long-term orientation	The extent to which firms support and enforce the norm of permanent ties between exchange parties (Gulati, 1995)
Supplier selection	The process by which firms identify, evaluate, and contract with suppliers (Beil, 2009)
Trust	Confidence in an exchange partner's reliability and integrity (Doney & Cannon, 1997)

Research methodology

Conceptual model	Descriptive model of a system based on qualitative assumptions about its elements, their interrelationships, and system boundaries. (Business Dictionary, 2016)
Priori construct	In a priori construct a general idea is pre-specified by describing broad concepts which are expected to be important in this research. (Eisenhardt, 1989)
Single-source respondent bias	This bias arises when overlapping variability is due to data collected from a single source (Campbell & Fiske, 1959)
Social desirability bias	This bias refers to the fact that people will often report inaccurately on sensitive topics in order to present themselves in the best possible light (Fisher, 1993)

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Introduction

A competitive advantage can be created by extending a firm's own resources as claimed in the resource based view on the firm (Wernerfelt, 1984). However, Dyer & Singh (1998) argue that optimizing interfirm resources and routines may be of primary interest in increasing a firm's performance. Additionally, Simchi-Levi (2010) state that the cooperation with chosen suppliers has become of vital importance to many companies. The procurement function is nowadays used as a competitive instrument that distinguishes highly profitable companies from others within the same industry. The traditional supplier-buyer relation has been sided by long-term partnerships where mutual interests are maintained. Overlapping in above statements from prior research is the fact that companies need to build relationships with their suppliers to create competitive advantage. This field of knowledge will be further examined in this study by researching the two domains of long-term orientation and the supplier selection process.

In these two domains, previous research has mainly focused on either constructing lists of typical supplier selection criteria (e.g. Weber, Current, & Benton, 1991; Ho, Xu, & Dey, 2010), or providing insights into the characteristics of long-term orientation and its influence on a company's success (e.g. Krause, Handfield, & Tyler, 2007; Ryu, Park, & Min, 2007; Spekman, 1988). The actual combination of the two subjects has not been extensively analysed before, even though both may be closely interrelated and possibly lead to competitive advantage as described by Krause, Handfield and Tyler (2007).

The current status quo in supplier selection literature emphasizes on the importance of the process of supplier selection. According to Chen, Lin and Huang (2005), supplier selection has during recent years become a key strategic consideration in the supply chain system. The combination of a company with various actors in the supply chain appears to play an important role in outracing competition (Krause, Handfield, & Tyler, 2007). The traditional approach based on lowest cost bidding is no longer supportive, but the contemporary supply management is about maintaining long-term relationships with suppliers, where quality and quality-related attributes are the most important criteria of selection. (Ho, Xu, & Dey, 2010)

Existing literature on long-term orientation states that a buyer with a long-term orientation strives to maximise its profits not over a specific transaction, but over a series of transactions with the supplier (Zhao & Tamer Cavusgil, 2006). Trust and mutual commitment are the most important ingredients for long-term orientation in buyer-seller relationships (Ganesan, 1994), and these characteristics are developed over time. Positive past experiences can lead to future interactions due to enhanced levels of trust and mutual commitment. (Poppo, Zhou, & Ryu, 2008) Literature on the subject of long-

term orientation mainly focuses on achieving long-term orientation on a relationship when selection has already taken place thus a dyad has already been formed. It tends to forget that usually a partner is first selected from various options before the dyad is created.

Based on an extensive literature review, one can state that studies on the two subjects of supplier selection and long-term orientation acknowledge the importance of each subject individually; Spekman (1988) combines the two concepts, indicating that the process of selecting a strategic partner to create long-term buyer-supplier relationships is a two stage approach where first 'standard' selection criteria are used after which dimensions of collaboration are considered. In contrast to this, Doney and Cannon (1997) argue that trust as part of long-term orientation operates as an 'order qualifier', not an 'order winner', suggesting a process of the exact opposite of what Spekman (1988) created. The importance of both long-term orientation and supplier selection is acknowledged in these articles, and its combination seems to play a role in creating superior performance as described in the relational view (Dyer & Singh, 1998). However, the exact role of long-term orientation in the supplier selection process has not clearly been identified. This gap in theory needs further investigation to advance the agenda on the importance of long-term relational aspects in supplier selection. Therefore, this study will contribute to this scientific dialogue by elaborating on the limited existing theory on long-term orientation and the role it plays in the supplier selection process. The research question for this study is:

How does long-term orientation play a role in supplier selection?

A multiple-case design was used for creating a robust view on the subject. This design helped to develop new empirical knowledge by becoming intimately familiar with each case, focusing on understanding the dynamics present within single settings. (Eisenhardt, 1989) This qualitative study method was chosen because it gave the possibility to describe this phenomenon in great detail, achieving depth in results and achieving a more robust contribution to literature (Eisenhardt, 1989; Verschuren & Doorewaard, 2010; Yin, 2009).

In this multiple case study four dyadic relationships in the audio-visual industry were used as unit of analysis. The audio-visual industry is specifically interesting for this research because it is a growing, fast-developing, highly technical and complex industry where system integrators vastly depend on their suppliers and vice versa. So far, most studies on this subject have been focusing on the automotive industry or consumer industry. The audio-visual industry has not been researched on this topic before.

This research draws on retrospective, dyadic, comparative case-based data, making two main contributions to literature. First, this study derives the idea of strategic partner development. Data suggests that for companies with a long-term orientation, no supplier selection process is present, but over time strategic partnerships develop and the relationship grows. It is more a continuous process rather than a predefined incremental process, and both input for and output of long-term orientation. Second, this study shows a clear difference between two types of trust as antecedents of long-term orientation. Where literature mainly speaks of the concept of trust, the results of this study give evidence for an important split-up needed within this concept. The concept of trust is divided in inter-organisational trust and personal trust as antecedent of long-term orientation.

This study is structured as follows. First, a brief background of existing literature is presented on the subjects, describing the status quo in literature and indicating the theoretical gap in knowledge where this study will focus on. Second, based on findings in literature, a priori construct was formed, pre-specifying a general idea by describing broad concepts which were expected to be important in this research (Eisenhardt, 1989). The methodology chosen for this study is specified in chapter 2. Third, all cases were analysed and its findings are discussed and summarized in code-aggregation diagrams. Subsequently, in the discussion and conclusion, the combination of concepts is elaborated on and the inductive findings are compared to the literature on these subjects. Building further on the discussion, propositions are presented based on the findings of this study. Closing, limitations of this study are discussed, recommendations for further research are presented and the managerial implications of this research are described.

1 Theoretical Background

“A firm’s critical resources may extend beyond firm boundaries” (Dyer & Singh, 1998, p. 660). Dyer and Singh’s theory (1998), introduced as “the relational view” suggests that a competitive advantage can be created not only within a firm by extending its own resources and capabilities but by optimizing interfirm resources and routines. Most articles within this domain build further on Dyer & Singh’s theory, indicating that collaborative relationships may increase a firm’s performance and lead to competitive advantage (e.g. Jap, 1999; Gulati, Nohria, & Zaheer, 2000; Dyer & Nobeoka, 2000; Nyaga, Whipple, & Lynch, 2009). The relational view is based on the fact that at that time, a typical manufacturing firm purchases 55%-69% of the value of each product it produces (Dyer & Singh, 1998). Nowadays, this number is even higher (Ho, Xu, & Dey, 2010). Thus the relationship a firm has with its suppliers is extremely important in achieving competitive advantage. When firms have a trading partner for the long-term and form relational advantages, the relationship becomes rare and difficult to imitate, increasing the competitiveness of the dyad. (Dyer & Singh, 1998)

As literature shows that long-term orientation within a relationship may create a competitive advantage, and companies use this approach in their strategies, it suggests the integration of the concept of long-term orientation in several processes. Following from this, one can derive that when a company would like to establish long-term relationships with its suppliers, one needs to identify the characteristics of the possible suppliers and find the right match based on their long-term orientation strategy.

However, literature on supplier selection suggests that organisations mainly choose the traditional supplier selection criteria such as quality, cost and delivery flexibility to base their choices on. (Shin, Collier, & Wilson, 2000). The relationship a company has with its suppliers is in this case mostly in line with the so called ‘arm’s-length model’ of supplier management (Dyer, Cho, & Chu, 1998). Strengthening the arguments for this model, Porter (1980) once argued that the goal in purchasing is to offset sources of supplier power, and ways to improve the firm’s bargaining power can be to spread purchases of an item among alternate suppliers. By deliberately keeping supplier’s at ‘arm’s length’, any form of commitment is avoided.

An antonym of the arm’s length model, and more in line with Dyer & Singh’s relational view (1998), is the ‘partner model’ introduced by Japanese firms within the automotive industry. Japanese firms such as Toyota work with networks of *keiretsu* suppliers with whom they have close relationships. These type of relationships are suggested to cause higher levels of information sharing, trust and dedication, leading to superior performance. (Dyer, Cho, & Chu, 1998) These firms are involved in fewer but increasingly important working partnerships in which they share knowledge and

coordination for marketing and technical activities resulting in a mutual success in the market. (Anderson & Narus, 1990) (Mohr & Spekman, 1994)

A 'partner model' also has some disadvantages, as it is more costly to set-up and maintain, and may reduce a customer's ability to switch away from inefficient suppliers. This negative side can also be referred to as the 'dark side of close relationships' which has been a topic of research for Anderson and Jap (2005). They argue that "the strengths of close business relationships are also the doorways through which relationships become vulnerable to decay and deterioration" (Anderson & Jap, 2005, p. 79). Where other authors indicate that firms should invest in long-term relationships for optimal profitability (e.g. Ganesan, 1994), Anderson and Jap argue that "long-term relationships with customers can become costly, as customers may expect and demand lower prices in exchange for loyalty" (Anderson & Jap, 2005); thus resulting in lower revenues. Adding to Anderson and Jap's research, Villena et al. (2010) argue that occasions for opportunistic behaviour can be created as relational capital increases. Also, if a supplier feels that its business interests are secured, the supplier may be less motivated to provide high levels of performance (Villena, Revilla, & Choi, 2010). The potential dark side of these relationships may lock firms into unproductive relationships (Gulati, Nohria, & Zaheer, 2000) and buyers may believe that their suppliers have lost their ability to be objective and therefore have less value to add (Grayson & Amber, 1999).

Partly because of this potential 'dark side', buyers may need to be selective on the determination of the strategic interdependencies that would benefit from the advantages of closer ties with a supplier. Therefore, Krause et al. (2007) claim that long-term relationships are only sought for commitment with key suppliers. Kraljic (1983) identifies long-term supply relationship development as only relevant to the purchasing of strategic items. The other three types of purchasing items identified by Kraljic (1983); bottleneck items, leverage items, and noncritical items, do not identify long-term relationship development as part of their main tasks.

A strategic purchasing item as classified by Kraljic (1983) can be identified by a high level of importance of purchasing, and a high level of complexity of the supply market. With these type of items, the typical purchasing (an operating function) shifts to supply management (a strategic function) to grasp the risks and complexities of sourcing. He argues that a company should explore a range of supply scenario's for these strategic purchasing item in which one lays out its options for securing long-term supply and for exploiting short-term opportunities. The suppliers selected for these strategic purchasing items can be recognized as strategic suppliers. In line with Kraljic, Dyer, Cho and Wujin (1998) state that suppliers can be divided into two groups; suppliers providing necessary but non-strategic inputs, and suppliers providing strategic inputs. The strategic input in this

case can be defined as a high-value input related to the buying firm's core competences. The authors state that these two groups should be managed differently in order to optimize a firm's purchasing strategy. Within these strategic partnerships, a high degree of coordination between supplier and buyer is essential. In these type of partnerships, organisational boundaries can begin to blur and the destinies of both companies in the dyad become tightly intertwined. (Dyer, Cho, & Chu, 1998) The need for dyadic long-term relationships increases as a company's future depends on it. This would explain the necessity for a good selection process when selecting strategic suppliers, including the willingness to develop a long-term relationship as an important criterion for selection.

Literature on the two subjects of long-term orientation and supplier selection have been extensively analysed, and both subjects are identified as important contributors to a company's competitive advantage. However, literature on the combination of the two subjects is scarce. Therefore, this section of the study will explore this scientific dialogue by examining literature on both subjects individually and identifying the current gap between the two fields of research.

1.1 Supplier selection

"Until recently, procurement was considered a clerical function that added very little value to the organization. Today, procurement is used as a competitive weapon that distinguishes highly profitable companies from others within the same industry." (Simchi-Levi, 2010)

The process of supplier selection developed over time. Dickson (1966) was the first to identify and analyse the importance of various supplier selection criteria based on a survey he conducted with purchasing managers. He identified quality as the most important criterion of supplier selection, followed by delivery and performance history. Building further on Dickson's analysis, Weber et al. (1991) conducted a meta-analysis reviewing 74 articles on supplier selection within various industries and contexts published between 1967 and 1990. They recognized that quality was no longer the most important criterion for supplier selection, but net price was more important, followed by delivery and quality. The most recent meta-analysis was performed by Ho, Xu and Dey in 2010 and analysed 78 articles on supplier selection written between 2000 and 2008. They discovered that price/cost is not the most widely accepted criterion for selection anymore, as was stated in the meta-analysis performed by Weber et al in 1991. In the articles Ho, Xu and Day analysed, quality and quality related attributes such as "acceptable parts per million" and "ISO quality system installed" are the most important criterion in supplier selection. The second most popular criterion is delivery, after which price/cost follows.

Ho, Xu & Day (2010) mention that “The traditional single criterion approach based on lowest cost bidding is no longer supportive and robust enough in contemporary supply management (...) The contemporary supply management is to maintain a long term partnership with suppliers, and use fewer but reliable suppliers. Therefore, choosing the right suppliers involves much more than scanning a series of price list, and choices will depend on a wide range of factors.” (Ho, Xu, & Dey, 2010, pp. 16-21). According to Chen, Lin and Huang (2005), supplier selection has during recent years become a key strategic consideration in the supply chain system. The process of finding the right suppliers with the right quality, at the right price at the right time and in the right quantities is one of the most important influencers in supply chain effectiveness (Boran, Genc, Kurt, & Akay, 2009). Prior studies suggest that a formal commodity selection process, followed by a formal supplier selection process, can increase the likelihood that partnerships are formed in appropriate situations and the right partner is chosen. (Monczka, Petersen, Handfield, & Ragatz, 1998)

The relationship between a buyer and a supplier is no longer a traditional buyer-supplier relationship, but firms are now viewed as placed within a range of inter-organisational relationships determining the success and survival of the organisation. These are maps both of and for strategic action, where prior ties may lead to future interactions. (Gulati, 1995)

The creation of new relationships seem to be of paramount importance in a present-day strategy. Especially the combination with various actors in the supply chain appear to play an important role in outracing competition. They have a vision to create something superior together. Both parties want to improve performance or capabilities of its dyad (Krause, Handfield, & Tyler, 2007). To combine forces, one would need to develop a relationship with another actor in the supply chain. As argued by Gulati (1995) organisations tend to enter partnerships with organisations they perceive to have critical strategic interdependence with, and their alliance success is largely determined by smart partner selection (Shah & Swaminathan, 2008). Although some authors disagree and still find price, quality and service as the most important criteria for selection (Xia & Wu, 2005), Shah and Swaminathan (2008) state that partner selection is nowadays more than just scanning a list of partners according to standard selection criteria and choose the one with the best qualifications. The authors indicate that one must define the characteristics best suited for the specific alliance, and this might differ per case.

Tang (2006) speculates that business continuity will become an important supplier selection criterion. Price is becoming of less importance, and commitment to establish cooperative long-term relationships, together with quality and delivery are important criteria. For selection, quantitative models can be used to classify all suppliers into two categories; approved and disapproved. This

selection is based on decision methods assigning different weights and/or costs to different criteria. (Tang, 2006)

In supply chains, the formation of a relationship with a supplier seems to become more important. This can be a relationship based on formal short-term detailed contractual norms (Wuyts & Geyskens, 2005) but can also be viewed in a broader, more long-term perspective considering relational governance (Poppo & Zenger, 2000).

1.2 Long-term orientation

Long-term orientation can be defined as the extent to which firms support and enforce the norm of permanent ties between exchange parties (Ganesan, 1994). A buyer with a long-term orientation strives to maximise its profits not over a specific transaction, but over a series of transactions with the supplier (Zhao & Tamer Cavusgil, 2006).

In existing literature on long-term orientation, the concept of trust receives a great deal of attention. Trust seems to be a vital influencer on the concept of long-term orientation. A study conducted in China by Lee & Dawes (2005) argues that a buyer's long-term orientation towards a seller is influenced by the buyer's trust in the seller. The concept of trust itself has been extensively researched in social psychology, sociology, economics and marketing, and each expertise offers unique insights into the definition of the concept itself and how it develops (Doney & Cannon, 1997).

Different sources of literature suggest that people can develop trust in organisations, as well as in individuals (e.g. Zaheer, McEvily, & Perrone, 1998; Doney & Cannon, 1997). Doney and Cannon (1997) argue that trust of the supplier firm and trust of the salesperson influence a buyer's anticipated future interaction with the supplier. They pose that when a company representative seems to be dishonest and unreliable, a relationship with a trusted supplier could be jeopardized. In the concept of long-term orientation, trust is mostly referred to in general and it is not often separated in interpersonal and inter-organisational trust (e.g. Ganesan, 1994; Ryu, Park, & Min, 2007; Spekman, 1988). However based on the argumentation presented above, one can assume trust is divided in two types; inter-organisational trust and inter-personal trust.

Inter-organisational trust is generally defined as the confidence or predictability in one's expectations about another's behaviour where organisational members can have a collectively-held trust orientation towards the partner firm as a collective (Ring & Van de Ven, 1992; Zaheer, McEvily, & Perrone, 1998). One of the key findings of a research conducted by Doney & Cannon (1997) is that trust of the supplier firm is positively related to the likelihood that buyers plan to do business with the supplier in the future. The authors indicate that partners deemed to be trustworthy will be

considered credible sources. Therefore trust is key to maintaining continuity in partner relationships. Trust decreases the feeling of uncertainty, which is directly related to future actions taken by a partner in a situation of environmental uncertainty (Arino, De la Torre, & Ring, 2011).

Inter-personal trust is made up of the same elements being reliability, predictability and fairness, but in this definition an individual is both the referent and the origin of trust (Zaheer, McEvily, & Perrone, 1998). In line with the concept of inter-personal trust, the study of Lee & Dawes (2005) examines the effect of the Chinese “guanxi”, literally meaning “pass the gate and get connected”. The authors argue that “guanxi” results in personal loyalty and trust which in its turn results for a great deal in a buying firm’s long-term orientation. Personal relationships have been found to shape economic outcomes in inter-organisational exchange in a variety of contexts (Lee & Dawes, 2005) Following this line of thought, Doney and Cannon (1997) state that when a company representative seems to be dishonest and unreliable, a relationship with a trusted supplier could be jeopardized. Business is personal, and when the target of the relationship is an individual compared to an organisation, Palmatier et al. (2006) argue that a greater impact of customer loyalty is achieved. This might have to do with the fact that there is a positive relationship between a person’s likability and the extent to which a person is trusted by another (Doney & Cannon, 1997). Various studies (e.g. Lee & Dawes, 2005; Doney & Cannon, 1997; Krause, Handfield, & Tyler, 2007) confirm that the degree of personal trust can be influenced by the frequency of direct contact with a partner. When a person from the partner firm has frequent direct contact with its partner, he/she can observe the person’s behaviour across a variety of situations. This helps to estimate future behaviour, which fosters trust

The results of a study of Ganesan (1994) indicate that besides trust, mutual commitment plays a key role in determining the long-term orientation of buyers and suppliers. Mutual commitment can be defined as “an enduring desire to maintain a valued relationship” (Palmatier, Dant, Grewal, & Evans, 2006). This includes the willingness from both parties to share information and adapt to changing exchange needs (Ryu, Park, & Min, 2007). A conclusion of a study conducted by Dyer & Nobeoka (2000) indicates that participating in the collective learning process is superior to trying to isolate one’s exclusive knowledge. Additionally, idiosyncratic relational investments provide clear signals that a company can be trusted, resulting in a higher level of mutual commitment (Ganesan, 1994; Krause, Handfield, & Tyler, 2007).

Positive experiences in the past can also lead to future interactions. As described by Poppo, Zhou & Ryu (2008), a party’s trust of the other is developed over time. By having previous relationship exchange experiences, another party’s behaviour can be predicted, resulting in higher levels of mutual commitment and trust. These past experiences are defined in literature as ‘shadow of the

past'. When the history of collaboration grows, the dyad is likely to have passed through critical shakeout periods in the relationship. Such periods provide both parties with a greater understanding of each other and their idiosyncrasies. (Ganesan, 1994) Future interactions can also be encouraged by the 'shadow of the future'; the more strongly a company expects a relationship to continue, the higher the extendedness of the relationship (Heide & Miner, 1992), as according to Poppo, Zhou and Ryu (2008), trust is an outcome of a forward-thinking assessment where costs and benefits are weighed. When one believes in a positive shadow of the future, the benefits of acting in a cooperative fashion outweigh its costs.

1.3 Long-term orientation and supplier selection

As stressed before, long-term orientation on the relationship is extremely important in achieving sustainable competitive advantage. A good supplier selection process highly contributes to profitability, thus a proper integration of these two subjects is expected to benefit the company, possibly leading to supernormal profits as described by Dyer & Singh (1998).

However, the status quo in literature on both disciplines is different. Literature on the subject of long-term orientation mainly focuses on achieving long-term orientation on a relationship when selection has already taken place thus a dyad has already been formed. It tends to forget that usually a partner is first selected from various options before the dyad is created.

In supplier selection literature, the importance of relationship as part of the selection criteria is known and recognized, however only a few articles on this subject have been published so far.

Spekman (1988) combines the two concepts, indicating that the process of selecting a strategic partner to create long-term buyer-supplier relationships is a two stage approach. Standard criteria of quality, price, and delivery are necessary but not sufficient conditions for consideration, so these are used in the first stage of the supplier selection process. These are the so-called threshold criteria to pass as a potential partner. Then, the dimensions of collaboration suggest general guidelines for choosing in the second stage of the selection process. On the other hand, Doney and Cannon (1997) argue that trust operates as an 'order qualifier', not an 'order winner', suggesting a process of the exact opposite of what Spekman (1988) created. Sarkis & Talluri (2002) acknowledge the importance of supplier relationships and argue that "With increased emphasis on manufacturing and organizational philosophies such as JIT and total quality management (TQM), and the growing importance of supply chain management concepts, the need for considering supplier relationships from a strategic perspective has become even more apparent." (Sarkis & Talluri, 2002, p. 19) In order

for this to be implemented, Chen, Lin & Huang (2006) suggest that relationship closeness should be used as one of the selection criteria in the process of supplier selection.

According to several studies (e.g. Spekman, 1988; Gulati, 1995), it is not always necessary to form strategic partnerships and establish long-term relationships with all suppliers. Part of the supplier-selection process is a determination of the strategic interdependencies that would benefit from the advantages of closer ties with a supplier. Therefore, Krause et al. (2007) argue that long-term relationships are sought for commitment with key suppliers. Supply chain theory indicates that performance improvements are often only possible when one commits to long-term relationships, as suppliers are then most likely willing to commit to relation-specific resource investments. When organisations are willing to invest in relation-specific resources, a central proposition on this theory is that a supernormal profit can be derived on the part of both exchange parties. (Krause, Handfield, & Tyler, 2007; Dyer & Singh, 1998)

In this study, empirical data will be gathered to elaborate on the existing theory as described above.

2 Methodology

A multiple-case design was used for creating a robust view on the role of long-term orientation in the supplier selection process. In this multiple case study four dyadic relationships in the audio-visual industry were used as unit of analysis. AVEX is the market leader in the audio-visual industry in The Netherlands. AVEX has been chosen as 'core' for this study because besides its market leadership, the organisation has a very clear long-term oriented strategy and has partnerships and collaborations with various well-known suppliers in the audio-visual industry. Good access within this company and its relationships could be granted, so all necessary information to make this a solid research could be gathered.

In this multiple case study the studied dyadic relationships consisted of the relationship between AVEX and four of their first-tier suppliers. All four suppliers are strategic partners of AVEX with a long-term orientation and have been carefully selected based on several selection criteria as described later in this chapter.

Data analysis was partly planned and partly emergent. The analysis was more an iterative process than a linear process, but for clarity and simplicity it is presented in four stages

2.1 Case study design

The primary objective of this study was to elaborate on existing theories about the role of long-term orientation within supplier selection processes. To shape the initial design of this theory-elaborating research, first, the a priori construct as shown in figure 1 was developed based on the findings in literature. In this priori construct a general idea is pre-specified by describing broad concepts which are expected to be important in this research. (Eisenhardt, 1989)

As mentioned previously, this research wants to discover how long-term orientation on the relationship plays a role in supplier selection. Supplier selection is a process, and the measurable outcome of this process is 'supplier selection success', so this term is used in the theoretical model. In the a priori construct, the relation between the two concepts can be described as an action and a reaction, where the action is phrased as long-term orientation on relationship and the reaction is phrased as supplier selection success. The independent variable of this research is therefore long-term orientation on the relationship. The way this long-term orientation on the relationship is embedded in the supplier selection criteria will influence supplier selection success or failure. Therefore supplier selection success is identified as the dependent variable.

There is always a context in which a company operates, a product is developed, and a supplier is selected. This context may be a determining variable for focusing on long-term orientation on the

relationship, but this may also be a moderating variable influencing the impact of long-term orientation on supplier selection success. As the factor “context” may have two different roles, this variable is visualised in two positions of the a priori construct.

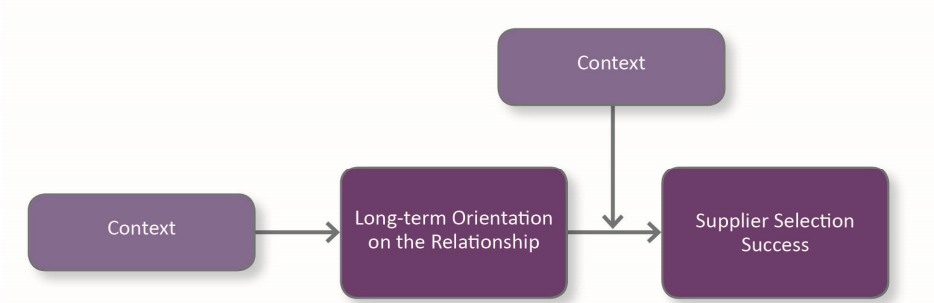


Figure 1 - A priori construct

2.2 Case selection

Candidate cases were selected. The unit of analysis of these cases is the dyadic relationship between AVEX and one of its partners/suppliers. A limiting factor in this research was time, so a maximum of four cases was selected and every case represents a buyer-supplier relationship. Cases were selected by theoretical sampling which means that “cases are selected because they are particularly suitable for illuminating and extending relationships and logic among constructs” (Eisenhardt & Graebner, 2007). The selection was based on preparatory screening of candidates based on various operational criteria whereby candidates were deemed qualified. For example the type of relationship, the importance of the supplier for the buyer, and the possibility to switch to a different supplier were used as criteria. This screening mainly consisted of querying people knowledgeable about each candidate. Cases were selected that best fit the theoretical design (Yin, 2009).

Two cases were selected where a clear partnership was in place and communicated broadly, and two cases of the relationship of AVEX and a key supplier were selected. The names of the organisations of which the relationship with AVEX is selected as case will remain anonymous, but please find in below table 1 a short overview of their main characteristics.

	Organisation 1	Organisation 2	Organisation 3	Organisation 4
Country HQ	Korea	USA	The Netherlands	The Netherlands
# Employees	500 000-600 000	2500-5000	40-100	500-1000
Industry segment	Displays	Automation	Furniture	Communication
Years of existence	40-50	40-50	20-30	20-30
Referred to as:	Korea	USA	Furniture	Communication

Table 1 - Case organisation’s descriptive characteristics

2.3 Data collection

Based on the concepts in the a priori construct, four main interview categories could be defined; supplier-selection-success, context, selection (process in general) and selection (focus on long-term orientation).

To explore these core concepts, several questions explore each concept individually:

1. Which dimensions determine supplier selection success?
2. Which context dimensions influence supplier selection?
3. Which dimensions describe the long-term orientation on the relationship within supplier selection?

In addition, questions about the relations between these core concepts arise:

4. How does the context dimension influence long-term orientation on the relationship?
5. How does long-term orientation on the relationship contribute to supplier selection success?
6. How does the context dimension influence the strength of the contribution of long-term orientation on the relationship to supplier selection success?

These questions were not posed in such a direct way in the interview. The interview was built-up along the lines of a possibility to steer in the direction of the subject the interviewee found most important. The specific sequence of categories (1. Success, 2. Context, 3. Selection process, 4. Selection & Long-term orientation) was used in the interview script because the interviewee first had to define the success of a relationship based on their feelings before he/she could think and speak about the many factors influencing a possible success.

The questions in the interview were based on a retrospective view on the relationship and the selection process. Mainly open questions were asked during the semi-structured interviews to allow the interviewee to share unknown facts, as according to Eisenhardt and Graebner (1999), interviews are a highly efficient way to gather rich, empirical data. Per subject, one main question was asked after which the interviewer could ask more in-depth questions based on the answers provided. The complete interview script (in Dutch) can be found in appendix 1, where the questions in bold indicate the main questions asked. The remaining questions were only used when the interviewee was not elaborating on the subject.

Per case, five individuals were interviewed acting as informants, “providing data about situations, objects or processes the person knows about” (Verschuren & Doorewaard, 2010). To identify which organisational units within AVEX interact with suppliers and influence the supplier selection process,

the purchasing manager, product manager and general manager were queried. They identified that the selection process from AVEX’s side was always influenced by three main organisational units; sales, management and engineering. A person per organisational unit was interviewed. Management played the most important role in the process, so per case, two people of the management team participated (general management and technical management). Also, the supplier-side of the dyad was interviewed to rule out a single-source respondent bias. A person with a strategic executive position within the supplier’s organisation was selected to be interviewed. To rule out the social desirability bias, the suppliers were first queried about their own supplier selection strategies and later in the interview the relationship with “their buyers” was discussed. In the end, 20 interviews were held resulting in interview transcript containing a total of over 98 500 words (195 pages). As the interviewees will remain anonymous, they will be referred to as shown in below table 2.

	Organisation 1 Korea	Organisation 2 USA	Organisation 3 Furniture	Organisation 4 Communication
Supplier-side	Korea-Supplier	USA-Supplier	Furniture-Supplier	Communication-Supplier
Sales	Korea-Sales	USA-Sales	Furniture-Sales	Communication-Sales
Engineering	Korea-Engineer	USA-Engineer	Furniture-Engineer	Communication-Engineer
General management	Korea-GM	USA-GM	Furniture-GM	Communication-GM
Technical management	Korea-TM	USA-TM	Furniture-TM	Communication-TM

Table 2 - Interviewees

2.4 Data analysis

All cases were reported individually and an within-case analysis was performed. The main purpose of the within-case analysis was to become intimately familiar with each case as a stand-alone entity. (Eisenhardt, 1989) All cases were analysed individually by cutting out paragraphs from the interview transcripts and sorting the pieces of transcript per subject. This was done per case, which included five interviews per analysis.

To verify the validity of the interview data, all interviewees were sent their results compared to the overall results and were asked for feedback. The approach to data collection with semi-structured interviews allowed space for double-checking results from previous interviews within the same case and adding relevant questions on the way. This qualitative study is subject to general limitations on generalizability, however gives the possibility to describe this phenomenon in great detail, achieving depth in results and achieving a more robust contribution to literature (Eisenhardt, 1989; Verschuren & Doorewaard, 2010; Yin, 2009).

The exploratory study on long-term orientation's role in supplier selection within AVEX and it's range of suppliers suggests a number of important subjects that influence the concepts of this study. The basis of these subjects were derived from literature (e.g. commitment, trust, long-term, personal relationship, complementarity, shadow of the past) but along the way, more subjects started to appear (e.g. relation building, rational selection, company structure). In particular the subject of relation building was a very interesting new subject which was mentioned by almost all interviewees in all different cases.

The second step of analysis was transforming all interview quotes into anonymous statements per subject, which could be grouped according to similarity. This resulted in 4-8 groups per subject. The groups of statements formed 1st order codes per case, such as 'mutual trust', 'matching visions' or 'staging process to become strategic supplier'. By constantly comparing the 1st order codes and their underlying statements, the first order codes could be categorized within so called 2nd order themes such as 'building trust', 'company strategy' or 'growth to true partnership'. Subsequently these 2nd order themes could be categorized into more general dimensions, the aggregate dimensions. Examples of aggregate dimensions are 'trust', 'strategic intent' or 'strategic supplier development'.

By doing this per case, a clear overlap in 2nd order themes and aggregate dimensions became visible between the cases. Most aggregate dimensions from one case could be linked to the aggregate dimensions from another case, therefore creating the possibility of gathering all data into one structure. This iterative process resulted in the findings as described in the next chapter, summarized

in a code-aggregation diagram. Every individual dimension as part of the theory was summarized in a so called 'construct table'. These construct tables summarize all cross-case evidence and indicate how the focal unit is derived, thus increasing the testability of the theory. (Eisenhardt & Graebner, 2007) The construct tables per aggregate dimension can be found in appendix 2, and a further explanation per dimension including interview quotes is provided in the next chapter.

3 Findings

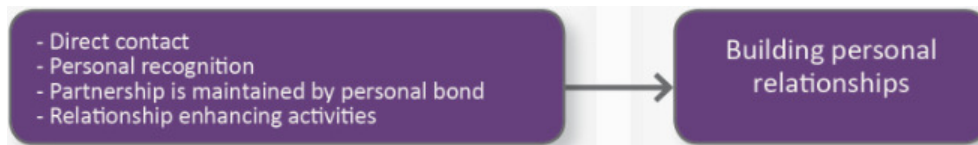
In the data structure, six distinct dimensions were found which impact the role of long-term orientation in the supplier selection process. These six dimensions are: personal trust, inter-organisational trust, long-term mutual commitment, strategic supplier development, market development and strategic intent. In the below paragraphs, each dimension will be analysed individually based on the data gathered during the interviews. The discussion followed afterwards will compare these findings to existing literature and debate the impact each dimension has on the role of long-term orientation in the supplier selection process.

3.1 Personal trust

The results from this study indicate that the human factor in undertaking business cannot be underestimated. Building personal relationships, the personal factor in relationships, synergy creation and network growth are the four themes within this dimension.

Building personal relationships

Personal relationships do not just arise, they need to be built. This asks for efforts from both people in the dyad. To build personal relationships, this study shows that **direct contact** is essential. Having recurrent direct contact with the person from the partner company builds-up a personal relationship. Therefore, the way people meet and the sequence of having conversations determines the success of a relationship. "One success factor is the relationship between the people itself, the way you meet and have conversations together" (Communication-TM, 2016). "By making communication lines shorter, skipping the middle man, and cooperating directly with the right person, a cooperation is maintained from two sides" (Korea-Supplier, 2016). Additionally, **personal recognition** plays an important role in building personal relationships. Furniture-Supplier (2016) states "You need to be able to make agreements with someone and he needs to recognize you when you call". The personal relationship two people have is sometimes the reason for existence of a professional relationship. "Mr. X (owner USA) is now a personal friend so I would not choose for another company." (USA-GM, 2016). One can argue that a **partnership is maintained by a personal bond**. "I still have a personal relationship with a few past-colleagues and so does Communication-Sales, which keeps the cooperation alive on some levels." (Communication-Engineer, 2016) To keep the relationship maintained and build it even further, one undertakes **relationship enhancing activities**. An example was given by Communication-GM (2016): "I often go to dealer meetings, because the entire relationship I built with Communication-Supplier has to do with the fact that I went abroad with him quite often. You speak about different things when you travel together, and you build-up an entirely different relationship" (Communication-GM, 2016)



Business relations are personal

Once personal relationships are established, a bond is created. This personal bond is of importance not only in maintaining a personal relationship, but it maintains the business relationship as well. This bond is created by **matching personal characteristics** and having a **personal click**. Personal characteristics in a relationship have to match to be able to build-up a decent business relationship. This is the reason why USA-Supplier (2016) has assigned different people to different roles, so they have a touch-point on every discipline with a different character. “Everyone has a different character so sometimes it is more difficult to build a relationship. Therefore you have to assign different people to different roles. You have to have a touch point on every discipline” (USA-Supplier, 2016). Building a relationship between individuals is crucial in creating personal trust, signifying that this is necessary to have a good business relationship. “When you have a company with a very good product but jerks as relationship managers, then it is hard for me to keep the product and relationship separated” (Communication-Supplier, 2016). The importance of a personal click is confirmed in this study, as according to Communications-Sales (2016), the personal click between the two managers was the reason for the success of this cooperation.



Synergy creation

Synergies are found and created when good personal relationships are present. Good personal relationships create positive stories about a person and it’s company, resulting in **word-of-mouth marketing**. “If you have an organisation for 28 years you surround yourself with people who understand the way you work. Everyone can make a mistake, we are human. But we build relationships, we do not do cold acquisition, that does not work in our industry. Everything is word-of-mouth” (Furniture-Supplier, 2016).

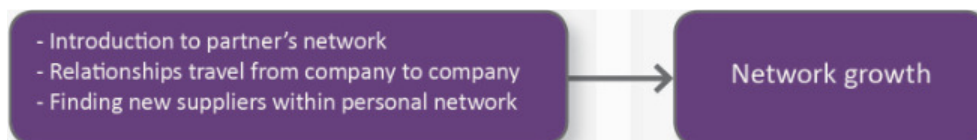
A relationship always has two sides, and by bringing these together synergies can be created. By **combining client portfolio’s**, one is introduced to the relations of the other, leading to shared clients making the world smaller and smaller (Korea-Engineer, 2016). Also, **services can be combined**, by using for example the sales organisation of one company and the engineering team from the other

company. New products can be created and markets are entered with back-up of the partner. “Without them we would not have been in this new market now, we could not have been successful there. We are now developing our market there, but with their back-up and their clients as a basis” (Communication-GM, 2016)



Network growth

People do business with people. Therefore, one can introduce a person to another person, providing the opportunity to do business between the two. When one creates good relationships, the relationships help **being introduced to new relations**. As Korea-Supplier describes: “Because we have such a good relationship, I mention to him, let’s have dinner with someone else I know very well, the director at another large company” (Korea-Supplier, 2016). Once you have developed a good relationship with a person, the **relationship travels from company to company** when either individual switches jobs. “It might be a cliché but luckily still true, people do business with people” (Korea-Supplier, 2016). Therefore, finding new suppliers is not a matter of scanning the market and picking the best one, **people look within their relationships** and ask around for the best solution. (Communication-Engineer, 2016)



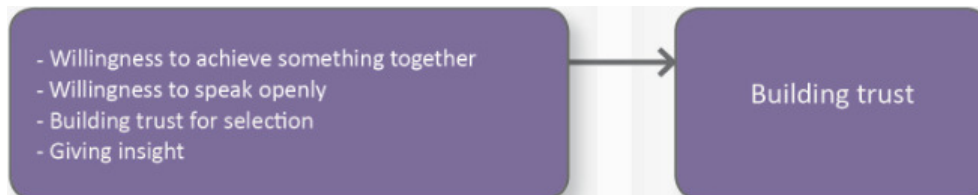
3.2 Inter-organisational trust

Trust can also be created independent of persons, being inter-organisational trust. An example given during the interview with USA-Engineer (2016): “I notice that USA-company appreciates us and trusts us. We sometimes even get leads from them. They see we are very professional people and we do what we say we do.” (USA-Engineer, 2016)

Building trust

Just like personal relationships need to be built, inter-organisational trust needs to develop as well. To make inter-organisational trust grow, one needs the **willingness to achieve something together**. A cooperation starts by thinking that both parties trust each other and can achieve something together. “I can blindly trust Furniture-company. I know they always do business with the best

intentions. This also happens the other way around, I make the cost calculations for Furniture-company and they do not even know how these are build up.” (Furniture-GM, 2016) To build trust, openness in a relationship is essential. **Openness in discussions** create more understanding of the other’s viewpoints and builds trust (Furniture-Supplier, 2016). “We speak very openly. We have a very good relationship in which we can discuss everything.” (Furniture-Supplier, 2016) You can only start discussing vision and strategy in a partnership when you trust each other (Korea-Supplier, 2016). The **trustworthiness** of a company can be one of the selection criteria used to start building a relationship. When building trust first, one can ensure it is selected when the other company might start a selection process. (Communication-GM, 2016) “There is a possibility that they will have to write a tender in the future. So in the meantime we build trust with the people at company X, so once they have to write a tender in the market, we have a stable and good bond with them.” (Communication-GM, 2016) By **giving more insight** on your company’s processes, strategies and vision, the partner company feels that it is being trusted. This makes the level of trust grow within a relationship (Korea-Engineer, 2016). “Because our competitors have a shorter relationship with Korea-company, they have less trust and they get less done. That is why a long-term relationship is so important. I think we are one step ahead, we can really look into their kitchen because of our long standing relationship” (Korea-Engineer, 2016)



Effects of trust

Once inter-organisational trust is built and at a certain level, the effects become visible. One of the effects of trust recognized in this study is that one is **being taken seriously**. When you feel mutually trusted, you notice that you are being taken seriously and you start sharing information (Korea-Engineer, 2016). An example to illustrate this subject is given by USA-Engineer (2016): “We once had a problem with a very large and expensive matrix, so I looked and looked for the problem but I could not find it. I called USA-company and someone logged in to look with me, and I mentioned that I had the feeling that something was broken, but that I could not tell for sure. And it was a very expensive part they did not have in stock. So within a few minutes they called me back and mentioned that they would send a complete new machine, we send it right away and you will have it within a few days. They did not even know for sure, but they trust me and I have the feeling that I have a very good relationship with them and they take me seriously.” (USA-Engineer, 2016) This example also

shows that it is essential that when a mistake is made, you are confident that the other party is **willing to offer their assistance** and vice versa (USA-Engineer, 2016). “The most important things I need to recognize in their strategy is long-term vision and loyalty. So if we might make a mistake, that they are willing to help. We are prepared to help our suppliers when they need it, but of course we would like to see that the other way around as well.” (USA-GM, 2016) By sharing information from both sides, a company becomes **top-of-mind** to its partner organisation and a willingness to cooperate starts to grow (Communication-Sales, 2016) One needs to be able to trust on a company’s reliability and **expectations need to be met**. “In the US we start to consolidate to two or three suppliers. We are very strict on the quality of the product. We focus more on quality and less on price. This is really a niche product with very high expectations on reliability.” (USA-Supplier, 2016)

When companies trust each other, they know that the other is sincere and they want to go the extra mile. “We trust each other and we created a bond together. We **want to work together** with Furniture-company.” (Furniture-Sales, 2016) Once trust is established, the **communication becomes much easier**, because you do not have to travel the official routes to solve a problem, but you can use your relations within the organisation. They know they can trust you, so it is widely accepted when you skip a few steps in the official communication process to solve a problem (Korea-Engineer, 2016).



3.3 Long-term mutual commitment

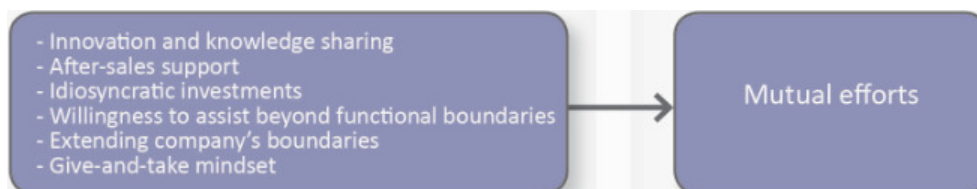
When two companies with a long-term orientation cooperate, they have a vision to create something superior together. They are committed to make their relationship work.

Mutual efforts

When companies in a dyad are committed, they want to make efforts in improving their mutual business. When from both sides efforts are made in improving dyadic synergies, a superior level can be reached. By **sharing knowledge on market developments and innovations**, one can continue having conversations about co-creation (USA-Engineer, 2016; Korea-Supplier, 2016). By sharing developments noticed in the market, mutual efforts are made at keeping each other at the highest level. “We continue speaking about the developments in the market. We keep each other informed about the developments so we can build to something better.” (USA-TM, 2016) Additionally, **after-**

sales support is something of paramount importance within this highly-technical industry: “Everyone can deliver a box. But it is what comes after delivering the box what is important” (USA-Engineer, 2016). By training engineers from the buyer-side, and providing technical support on the supplier-side, the end product achieves great quality. “When choosing a new supplier, the decency of the product and the after sales support is the most important factor. Every product can have its downsides, so the support you get is key for me.” (USA-Engineer, 2016)

The willingness to make **relation-specific investments from both sides** is of importance in maintaining the relationship. “It is based on the processes, how strategic the partner is and how he is willing to invest to make steps forward together” (Communication-Supplier, 2016). A good relationship is characterized by **helping each other beyond functional boundaries**. An example given by USA-Sales (2016): “When our engineers are too busy, I can always contact USA-company and they are willing to help us”. By creating a partnership, one can **extend a company’s capabilities**. “The success of our cooperation was based on the fact that we were strengthening each other with our platform. Big clients were looking for one company to do the entire project and they did not want to have all kinds of different companies.” (Communication-Engineer, 2016) With a long-term mindset instead of a short-term one, money becomes less important. “There has been a time when money was the only important thing. Now you see that it is more about **give and take**.” (Furniture-Supplier, 2016)



Essential characteristics

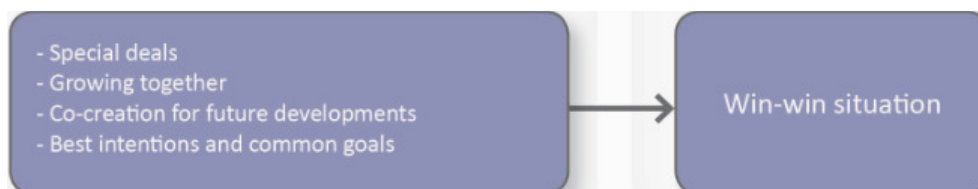
Some characteristics are essential in partnerships with long-term mutual commitment. One needs to be able to **rely on each other in good and bad times**: “Loyalty is the main goal of a strategic cooperation, so one can rely on the other in good and bad times” (Furniture-GM, 2016). Loyalty is key in all long-term relationships. When a company chooses to work with a partner, they are in it together and they do not switch before they have tried everything. (USA-GM, 2016). As USA-Sales (2016) confirms “Sometimes it looks like we are married to our partner, but their reliability adds value”. Companies entering into a partnership have a **strategical match**. “At the starting point of our relationship we noticed that there was a market for our combined services. They are specialized in network infrastructures and we are at the endpoints. When joining forces we could be of interest to a few big organizations” (Communication-Supplier, 2016).

When partners are evaluated, one of the main questions is if they **keep their promises**. This creates loyalty. “We chose one supplier because they really kept their promises. He always said he would have four people working for me, and even when times were rough and he could not, he still kept the 4 people because he made the commitment to me, he invested in the future.” (Furniture-Supplier, 2016)



Win-win situation

In mutually committed relationships, the organisations in the dyad are always looking for situations that benefit both companies. These situations can be described as win-win situations. This generates a willingness from both sides to for example **create special deals** both companies benefit from (USA-GM, 2016). Opportunism is limited to a minimum and a continuous balance is sought to help each other **grow to the next level** (USA-Engineer, 2016). A partnership is always formed with one common goal and the best intentions, which ensures switching is very unlikely (Furniture-Engineering, 2016). “Our new developments mostly involve a combination of suppliers. We involve them in these developments, and they think about possible ways to support us in that financially or with special conditions as well” (USA-GM, 2016). In future developments, both companies are involved and have conversations about **co-creating new products or services**. Both companies in the dyadic relationship have a **common goal** and take actions with the best intentions to reach this goal without harming the partner company. “It is about living and let live. The agreements we make with our suppliers are two-way oriented, so if prices go up more than 3% we adjust it, and when they go down 3% we adjust it as well, because you want to maintain a long-term relationship with that partner. When we chose for a certain supplier, usually he is with us for a very long time” (Furniture-Supplier, 2016)



3.4 Strategic partner development

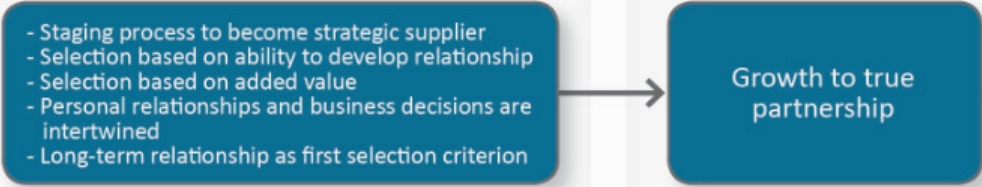
When speaking about strategic partnerships, according to this study, the process changes. Strategic partners cannot be selected at once and based on standard selection criteria. The essence of this finding was very well described in the interview with USA-GM: *“You have to build a partnership. A supplier is never a strategic supplier from day 1. You first need to have the idea there is a clear personal click, build up a relationship between various people within the organisation, believe that the partnership will add value, and then you make the next step. I would never start building a relationship with a company I do not know. Usually this type of cooperation just happens, and you do not consider other companies when you are halfway into building this relationship. After two or three years into building this relationship you will know if you made the right choice. I cannot even mention a specific milestone in our relationship with this partner, because we made small steps throughout the 28 years of our cooperation, and our relationship became stronger and stronger. In the meantime our relationship became so powerful that the owner of the organisation (who retired now) has become a personal friend .”* (USA-GM, 2016)

The three main themes within the dimension of strategic partner development can be described as followed:

Growth to true partnership

True partners cannot be selected; a partnership needs to grow to reach its full potential. There is a process in place to become a strategic supplier and the relationship develops during this process. “It takes seven years to become a real partner to us” (USA-Supplier, 2016) There is a **staging process** in place within most organisations to become a strategic partner. The **ability to develop a relationship** is considered at first, after which a relationship needs to grow. “I would never do business with a party I do not know” (Korea-GM, 2016). To become a strategic partner, one needs to build trust with the person on the other side. Only once trust is established, a partnership can be started. A true partnership can be characterized by added value, and partners may be considered true partners when they are **able to deliver this added value**. “The success of the cooperation can be seen in the added value we have together to make this product a success. We would select based on added value they will be able to deliver. At the moment they do not add any value anymore they slow down the process” (Communication-TM, 2016). “Although in the ideal situation personal relationships and business decisions are considered separately, in real life **these two are completely intertwined**”. (USA-GM, 2016) For a true partnership to be successful, not only business needs to be good, but personal relationships need to have a positive drive. In choosing to work with a partner, the **long-term orientation of the partner** is considered so they have the possibility to grow towards a strategic

partnership. “The choice to work with a supplier and develop the relationship towards a strategic partner is a commercial and strategic choice, in which long-term orientation is very important” (Korea-Engineer, 2016).



Communication

In the development of strategic partners, communication is an essential theme. By **contacting partners on a regular basis**, ideas are exchanged and information is traded. “It is very important that we see each other on a regular basis. Because seeing people is generating ideas. It is a commitment you give to your partner or client.” (Furniture-Supplier, 2016) “I speak to my four main contacts on a monthly base, just to know what they are busy with and what their needs are.” (Korea-Engineer, 2016). By having **many touch-points** between various team members of both companies, the overall inter-organisational relationship will not be effected very easily. (Korea-Engineer, 2016)

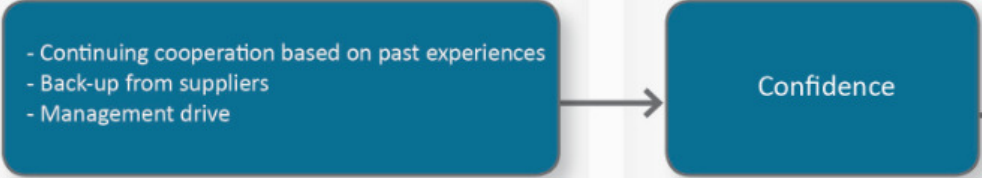
In a long-term relationship one finds ways for communication to become easier (Korea-Engineer, 2016). Problems can always be resolved because of the **possibility of escalation** to a higher level (Korea-GM, 2016). “We have contacts on different levels so when we have discussions, usually they can solve it on commercial level, but when things escalate, I speak to Korea-Supplier and we discuss how we can improve together.” (Korea-GM, 2016)



Confidence

In long-term mutually committed partnerships, each player is confident about the other. This confidence may be created based on **past experiences**. Based on a history of close collaboration, a company tends to prefer to continue the good relationship for future developments. In a partnership with a long history, small steps towards a future goal feel confident and are easy to make (USA-Sales, 2016). Additionally, when one receives **back-up from their partner**, and they know they can rely on each other at all times, an ongoing process of participation develops (Korea-Engineer, 2016). Both

parties understand the business of the other, so they make resources available to help, take a good look and find the right solution (USA-Engineer, 2016). Management tends to understand the importance of strategic partnerships, and carries this within the entire organisation. When **management expresses their support** for a relationship, it is being carried in the entire organisation. “Management thought of all kinds of constructions to take any objections to cooperate away” (Communication-Engineer, 2016)



3.5 Market development

The dyadic vision on market development has an influence on the partnership and its long-term orientation. This influence is categorized in two main subjects:

Creating vision

In a partnership, a common vision can be created. This common vision helps the partnership grow and can be created by having **strategic conversations**. “By engaging in strategic conversations about market opportunities and creating opportunities, some companies can achieve more and do smart things together.” (Korea-Supplier, 2016). A true partnership starts by **asking questions about the opportunities and challenges** of the partner, because you can always be of meaning to each other. (Korea-Supplier, 2016) A relationship can be very successful because the other understands your business and therefore has the ability to **brainstorm about market opportunities** (Furniture-Sales, 2016). By creating a vision together, companies can work towards the concept of “work smarter, not harder” (Korea-Supplier, 2016).



New product development

Long-term orientation signifies the expectation of a long future ahead. This can usually only be achieved when an organisation continues to develop itself and its products. “Win-win situations are found in continuous conversations” (Communication-GM, 2016). Long-term thinking includes

conversations on opportunities in the market and joint development as developments grow and **continuous improvements** can be made. From expertise from two **adjacent industries**, a new unique product can be developed together. The market is approached from two different angles, creating the possibility for win-win situations to arise and unique products to be produced. (Furniture-Sales, 2016)

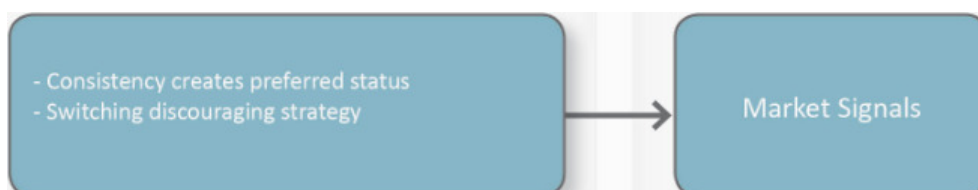


3.6 Strategic intent

The choice for long-term orientation is a conscious choice and is part of a company's strategy. People developing a vision and strategy for an organisation have a certain intention with the choices they make.

Market signals

By taking certain actions, a company shows the market its strategy. The signals given can be defined as market signals. **Consistency in strategy** and loyalty towards partners create a certain image in the market. "Our suppliers prefer to be B-supplier with us for a long time, instead of being A-supplier with one of our competitors today and being replaced tomorrow." (USA-GM, 2016) When one starts switching partners in times business is tough, the market notices very soon and you do not receive the back-up from your partners anymore. By continuously referring to this loyal **low-switching strategy**, people start to recognize it and believe in the strategy. (Korea-GM, 2016)



Company strategy

A strategy of a company and its partner company is developed over time. These strategies may have various angles and are not always the same for every company. In a dyadic relationship, certain characteristics of a company strategy play a role. A partner's **vision needs to fit** the company's vision and be sustainable. This makes a partner a better match compared to others, and creates a steady expectation on the future since it ensures the ability to make steps together. (USA-GM, 2016) When

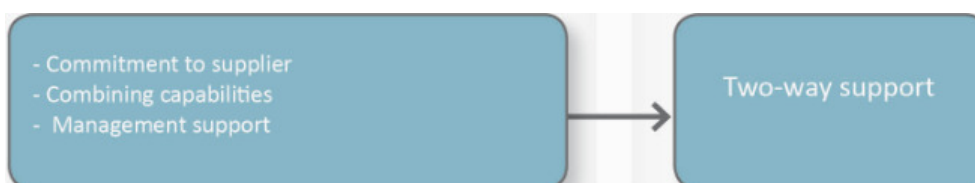
strategies change and the fit between the partners is lost, a partnership can lose its potential (Communication-GM, 2016). Creating a plan and defining steps together can help to create a long-term focus (Communication-Supplier, 2016). Sometimes, a company strategy can also include the company choosing for a different supply-chain structure, meaning there is a distributor in-between the two partners. This can be of value because of certain business-related issues, but makes building a relationship more difficult (Korea-Supplier, 2016). This **two-point contact** creates varying interests making the relationship more complex and less easy to develop (Korea-TM, 2016).

Subsequently, **trust in a product** is of great importance. “To be in our key assortment, we need to fully trust the product because we will use it very often. So we need to trust the product, but this is reflected in the trust we have in the person behind the product and their willingness to be of help” (Korea-Engineer, 2016)



Two-way support

When a partnership is formed, mutual commitment is developed. In the traditional buyer-supplier relation, a supplier needs to be happy when the buyer sells his products. But in a partnership, the buyer is also very **committed towards its supplier**. “We convince our clients that the products of our partner are the better choice. When there are additional competitors, we inform our partner” (USA-TM, 2016). **Capabilities are combined** by using the intelligence on a specific matter of one partner, and the expertise of the other partner to create unique combinations. Both disciplines always support each other. (USA-Engineer, 2016) **Management drive** in the dyad creates trust and the willingness to go for a partnership in the entire company (Communication-Sales, 2016).



3.7 Summary of findings

The six dimensions of personal trust, inter-organisational trust, long-term mutual commitment, strategic partner development, market development and strategic intent have each been described above. The recognised themes per dimensions were zoomed in on, and per theme certain codes could be found. These codes can be identified as actions taken by the interviewees in order to enhance their performance within a certain theme, and consequently within a certain dimension.

All aggregate dimensions and their 2nd order themes and 1st order codes as described in the above paragraphs are summarized in a code-aggregation diagram on the following two pages.

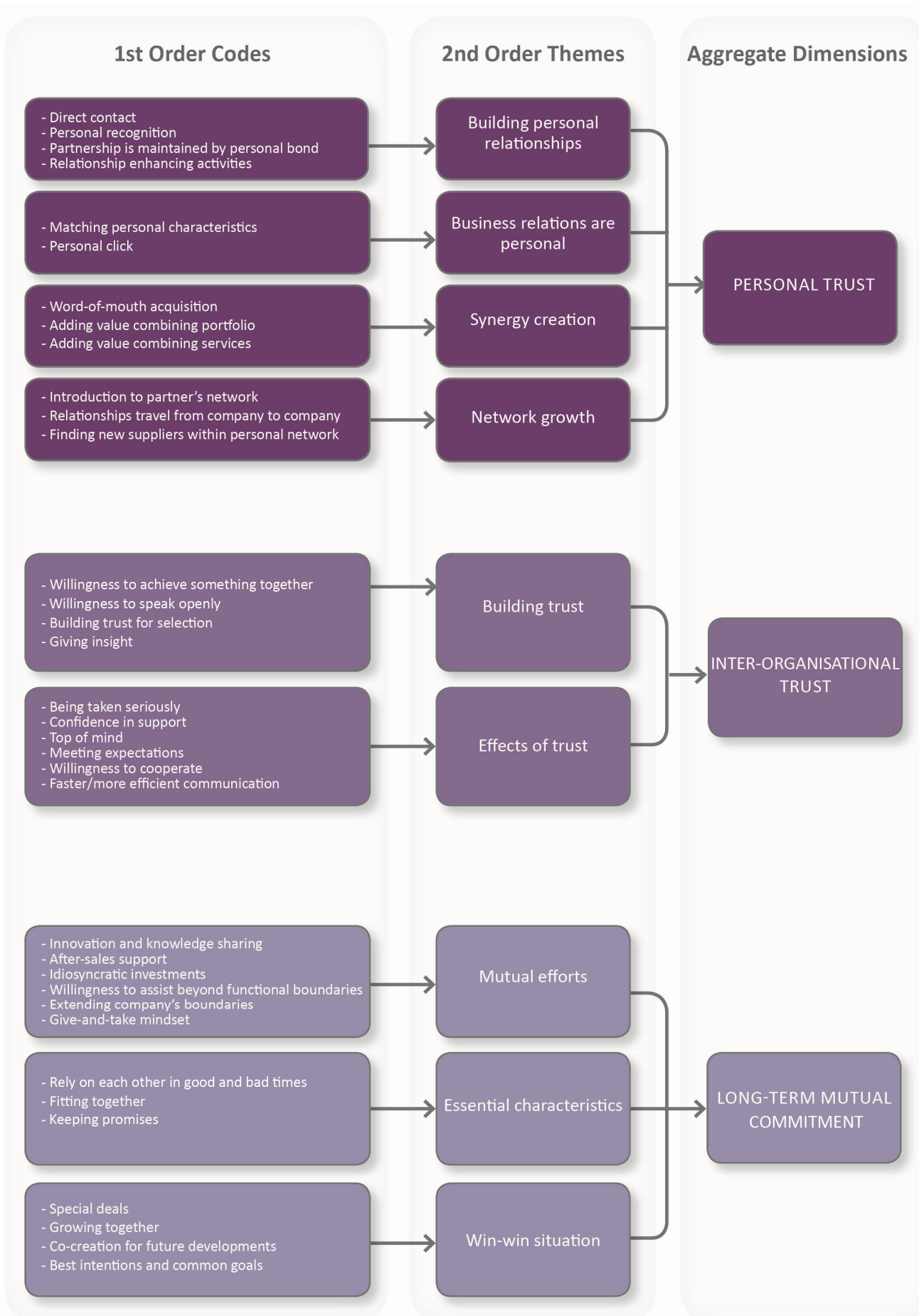


Figure 2 - Code-aggregation diagram (part 1)

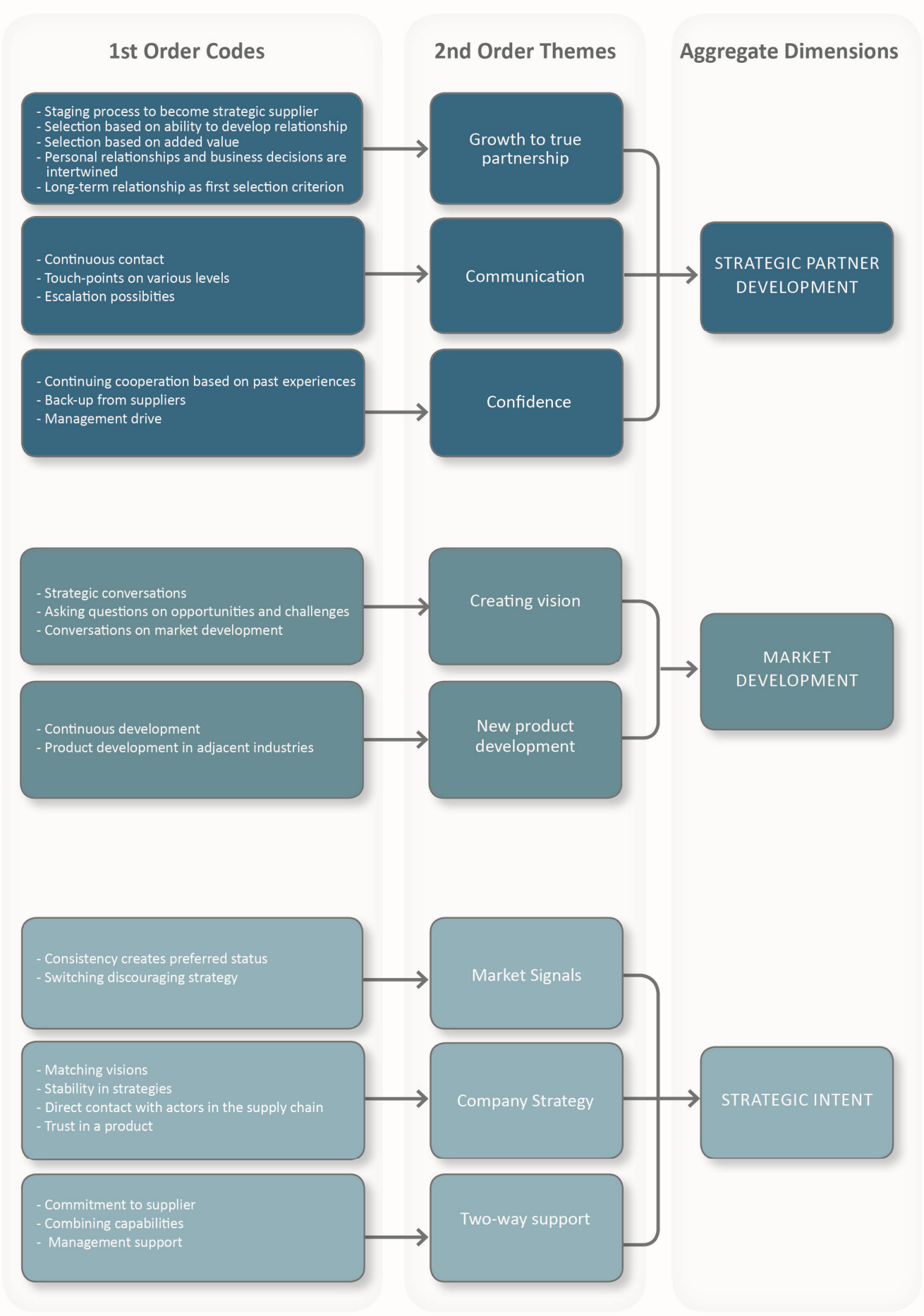


Figure 3 - Code-aggregation diagram (part 2)

4 Conclusion and Discussion

The importance of the role of long-term orientation in a company's strategy for creating a competitive advantage was already well-known and of great interest to researchers (e.g. Krause, Handfield, & Tyler, 2007; Ryu, Park, & Min, 2007; Spekman, 1988). However its role as part of the supplier selection process had not received excessive attention before. The goal of this study was to contribute to the scientific dialogue on the role of long-term orientation in the supplier selection process, and as a result, two major implications can be identified.

Results from this study clarify that long-term orientation cannot be part of the strategic supplier selection process. Long-term orientation is still very important, but the view on a strategic supplier selection process changes. When companies adapt long-term orientation as part of their strategy, they do not select their strategic suppliers based on the traditional supplier selection criteria (e.g. Weber, Current, & Benton, 1991; Ho, Xu, & Dey, 2010). They choose to develop a long-term relationship with their partners, thus replacing the process of strategic supplier selection by strategic partner development. It turns out that strategic partner development is influenced by the long-term orientation of a company, but it also influences the long-term orientation. Strategic partner development is a continuous process, influenced by and influencing personal trust, inter-organisational trust and long-term mutual commitment as characteristics of long-term orientation. The clear distinction between personal trust and inter-organisational trust is the second contribution to theory this study makes. Additionally, the conscious decision on adapting a long-term orientation is an executive decision and is determined by the strategic intent of a company and its vision on market development.

Drawing upon analysis of this study, concepts of long-term orientation have been elaborated on and a new theoretical model can be formed by combining these concepts with the process of strategic partner development.

4.1 Long-term orientation

Results of earlier studies on long-term orientation (e.g. Ganesan, 1994) indicate that long-term orientation consists of trust and mutual commitment. However, this study makes a clear distinction between two types of trust within the concept of long-term orientation, namely personal trust and inter-organisational trust. These two types of trust have been researched as two different types of trust before (e.g. Doney & Cannon, 1997), but this research shows that they play a vastly different role in the development of long-term orientation. Besides, this study indicates that the concept of mutual commitment remains an important ingredient for long-term orientation.

Personal trust

Doney and Cannon (1997) state that when a company representative seems to be dishonest and unreliable, a relationship with a trusted supplier could be jeopardized. In line with them, the results from this study indicate that the human factor in undertaking business cannot be underestimated. Being personally recognized and having recurrent direct contact with the person from the partner company builds-up a personal relationship. Therefore, the way people meet and the sequence of having conversations determines the success of a relationship (Communication-TM, 2016). Various studies (Lee & Dawes, 2005; Doney & Cannon, 1997; Krause, Handfield, & Tyler, 2007) confirm that when a person from the partner firm has frequent direct contact with its partner, he/she can observe the person's behaviour across a variety of situations. This helps to estimate future behaviour, which fosters trust. Additionally, Palmatier et al. (2006) confirm that a greater impact of customer loyalty is achieved when the target of the relationship is an individual compared to an organisation. Personal relationships have been found to shape economic outcomes in inter-organisational exchange in a variety of contexts (Lee & Dawes, 2005). When the product of a company is good, but the relationship with their managers is not very pleasant, it is difficult to keep the product and relationship separated (Communication-Supplier, 2016). Personal characteristics in a relationship have to match to be able to build-up a decent business relationship. This is the reason why USA-Supplier (2016) has assigned different people to different roles, so they have a touch-point on every discipline with a different character. Prior research finds a positive relationship between a person's likability and the extent to which a person is trusted by another (Doney & Cannon, 1997).

Inter-organisational trust

Partners deemed to be trustworthy will be considered credible sources. Therefore trust is key to maintaining continuity in partner relationships (Doney & Cannon, 1997). One of the key findings of a research conducted by Doney & Cannon (1997) is that trust of the supplier firm is positively related to the likelihood that buyers plan to do business with the supplier in the future. By giving more insight on your company's processes, strategies and vision, the partner company feels that it is being trusted. This makes the level of trust grow within a relationship (Korea-Engineer, 2016). Trust decreases the feeling of uncertainty, which is directly related to future actions taken by a partner in a situation of environmental uncertainty (Arino, De la Torre, & Ring, 2011). Once trust is established, the communication becomes much easier, because you do not have to travel the official routes to solve a problem, but you can use your network within the organisation. They know they can trust you, so it is widely accepted when you skip a few steps in the official communication process to solve a problem (Korea-Engineer, 2016).

Long-term mutual commitment

When two companies with a long-term orientation cooperate, they have a vision to create something superior together. Both parties want to improve performance or capabilities of its dyad (Krause, Handfield, & Tyler, 2007). When from both sides efforts are made in improving dyadic synergies, a superior level can be reached. By sharing knowledge on market developments and innovations, one can continue having conversations about co-creation (USA-Engineer, 2016; Korea-Supplier, 2016). Participating in the collective learning process is superior to trying to isolate one's exclusive knowledge (Dyer & Nobeoka, 2000). When the history of collaboration grows, the dyad is likely to have passed through critical shakeout periods in the relationship. Such periods provide both parties with a greater understanding of each other and their idiosyncrasies. (Ganesan, 1994) This increases trust and creates loyalty. When partners are evaluated, one of the main questions is if they kept their promises (Furniture-Supplier, 2016). Mutual commitment by offering to make idiosyncratic investments in the relationship provides a signal of trust (Ganesan, 1994).

The three essential ingredients for long-term orientation recognized in this study can be identified as personal trust, inter-organisational trust and long-term mutual commitment. The three subjects are individually identified in literature, but have not been combined and identified as the three ingredients for long-term orientation before. This is one part of what this study will contribute to existing theory, and therefore the following proposition can be formulated:

Proposition 1: Personal trust, inter-organisational trust and long-term mutual commitment are essential ingredients for having a long-term orientation.

4.2 Strategic partner development

Many articles have been written on supplier selection and the best ways to select a new supplier (e.g. Sarkis & Talluri, 2002; Amid, Ghodsypour, & O'Brien, 2006; Weber, Current, & Benton, 1991). However, when speaking about strategic partnerships, according to this study, the process changes. Strategic partners cannot be selected at once and based on standard selection criteria. The suppliers become regular suppliers first, and it takes a long time before they can grow into strategic partners (USA-GM, 2016). "It takes seven years to become a real partner to us" (USA-Supplier, 2016) There is a staging process in place within most organisations to become a strategic partner. The ability to develop a relationship is considered at first, after which a relationship needs to grow. "I would never do business with a party I do not know" (Korea-GM, 2016). To become a strategic partner, one needs to build trust with the person on the other side. Only once trust is established, a partnership can be started. The more strongly a company expects a relationship to continue, the higher the

extendedness of the relationship (Heide & Miner, 1992) Although in the ideal situation personal relationships and business decisions are considered separately, in real life these two are completely intertwined (USA-GM, 2016).

The choice to work with a supplier and develop the relationship towards a strategic partner is a commercial and strategic choice, in which long-term orientation is very important (Korea-Engineer, 2016). Based on an experiment called the prisoner's dilemma, Heide & Miner (1992) argue that companies that take a long-term view of a situation are more likely to cooperate with other companies when defection is also an option. Based on a history of close collaboration, a company tends to prefer to continue the good relationship for future developments. In a partnership with a long history, small steps towards a future goal feel confident and are easy to make (USA-Sales, 2016). Expectations of opportunism are reduced and perceptions of exchange hazards have decreased (Krause, Handfield, & Tyler, 2007).

Based on the findings of this study, one can argue that the process of strategic partner development is a continuous process, and is both an output of and input for long-term orientation. For example, as a strategic partner develops, personal trust increases, which in its turn helps the partnership develop further. Therefore, two propositions can be formulated:

Proposition 2: The greater the presence of long-term orientation of both companies in a dyad, the greater the probability of developing a long-term strategic partnership.

Proposition 3: Strategic partnership development is not a linear process. Therefore, when a strategic partnership develops, it positively influences the long-term orientation of a company.

4.3 Contextual dimensions

This study acknowledges the importance of long-term orientation, in line with many previous researches (e.g. Krause, Handfield, & Tyler, 2007; Ryu, Park, & Min, 2007; Spekman, 1988). However, some companies still prefer to stick to their traditional models and strategies by selecting their suppliers based on quantifiable criteria such as price, quality and delivery (e.g. Weber, Current, & Benton, 1991; Ho, Xu, & Dey, 2010). This decision is a choice made by a company's management and determines the presence of long-term orientation as part of a company's strategy. This study recognizes the two factors part of this decision as a company's strategic intent and its vision on market development, which are identified as determining variables for long-term orientation.

Market development

A study conducted by Zhao & Tamer Cavusgil (2006) provides evidence for the positive relation between a supplier's market orientation and a manufacturer's long-term orientation towards the supplier. The dyadic vision on market development thus has an influence on the partnership and its long-term orientation. By engaging in strategic conversations about market opportunities and creating opportunities, some companies can achieve more and do smart things together. A true partnership starts by asking questions about the opportunities and challenges of the partner, because you can always be of meaning to each other. (Korea-Supplier, 2016)

Strategic intent

Long-term inter-organisational relationships are nowadays crucial to a company's success and survival, and therefore most firms are viewed as placed within a network of relationships (Gulati, 1995). The choice for long-term orientation is a conscious choice and is part of a company's strategy. People developing a vision and strategy for an organisation have a certain intention with the choices they make. As argued by Gulati (1995) organisations tend to enter partnerships with organisations they perceive to have critical strategic interdependence with. Therefore, when strategies change and the fit between the partners is lost, a partnership can lose its potential (Communication-GM, 2016). In a partnership a buying firm also invests in improving the performance or capabilities of its supplier (Krause, Handfield, & Tyler, 2007). Capabilities are combined by using the intelligence on a specific matter of one partner, and the expertise of the other partner to create unique combinations. Both disciplines always support each other. (USA-Engineer, 2016)

Based on the information on these contextual determining variables, the following propositions can be formulated:

Proposition 4: Long-term orientation is integrated in a company's strategy, thus strategic intent is a determining variable for the role of long-term orientation in a company and its strategic relationships.

Proposition 5: One's behaviour towards market development gives insight into the long-term orientation of a company. Therefore, when market development is posed as a concept of the dyad, it positively influences long-term orientation and enhances the development into a strategic partnership.

4.4 Conceptual model

Based on the qualitative multiple-case analysis of this study, its outcome is presented in form of a conceptual model as visualised in figure 4. In this model, the five propositions presented to advance the agenda of research on long-term orientation in strategic partner development have been indicated with a number.

As summarized in figure 4, the role of long-term orientation can be described as important influencer in strategic partner development. The findings in this study provide clear evidence that in companies with a long-term orientation, strategic partners are not selected, but they grow towards this status. This growth can be created by developing the essential characteristics of long-term orientation, namely personal trust, inter-organisational trust and long-term mutual commitment. The long-term orientation of an organisation is influenced by two determining variables; strategic intent and market development.

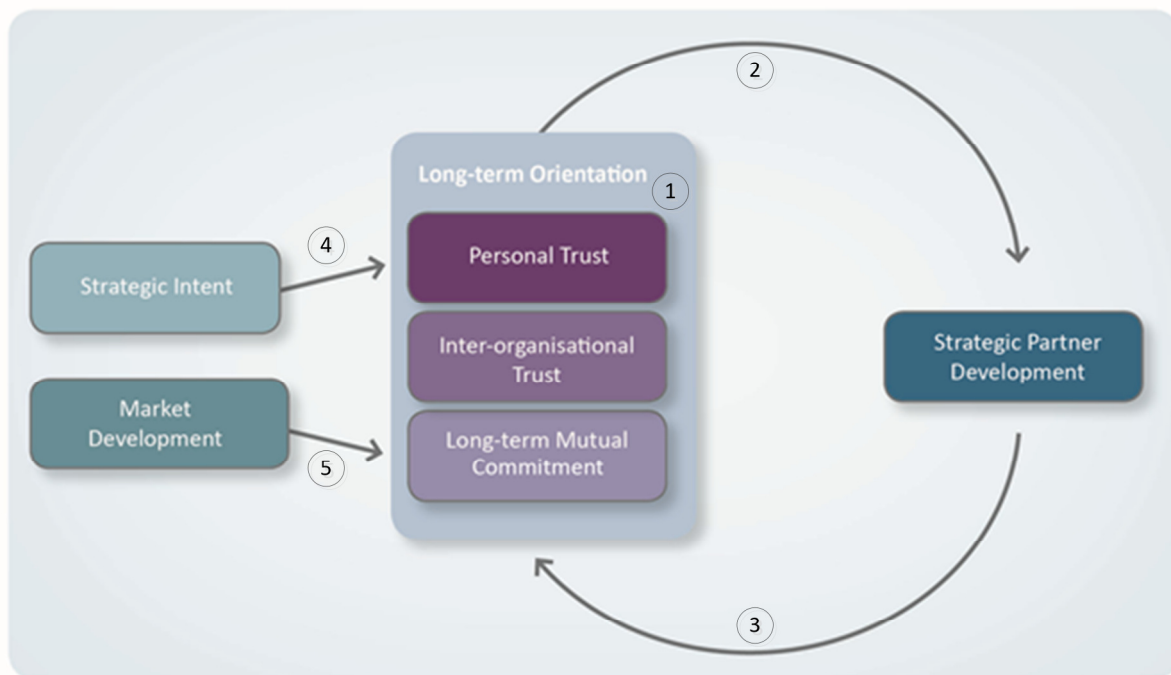


Figure 4 – Conceptual model

5 Limitations, Recommendations and Managerial implications

5.1 Limitations

In case study researches such as this study, external validity may be a concern (Yin, 2009). To account for this, this study focused on not one but multiple cases of the relationship between AVEX and its partners. Additionally, when interviewing the partner side of the dyad, the partner was also queried about their relationships with their own suppliers/partners not being AVEX, ruling out the one company perspective and increasing the external validity of this research.

Moreover, there is a counterfactual element in this research as it is impossible to research a non-existing relationship. The researcher only used existing relationships as unit of analysis, and supplier selection success cannot be determined as one cannot identify a success of something that has not existed, as described by David Hume: *“If the first object had not been, the second never had existed”*. (Hume, 1909-14). The relationships researched in this study can therefore not be identified as successful or not successful, because one does not know what would have happened if these partners had not been chosen or developed. For elaborating on theory regarding the role of long-term orientation in strategic partner development as done in this study, this limitation is expected not to have enormous impact. However, when further research would zoom in on the success of strategic partner development, one needs to take this limitation into consideration as it will probably impact the results of these studies.

5.2 Recommendations for further research

Building further on the results of this study, data can be enriched by enlarging the number of cases and testing the suggested propositions either qualitatively or quantitatively in this larger group. The choice of industry was made because the audio-visual industry is a fast-developing, highly technical and complex industry with a high dependence on various channel partners. It would be interesting to test the presented conceptual model in other types of industries, for example industries being less complex or with less dependence. Another fruitful area for further research could be the role of long-term orientation in non-strategic supplier selection/partner development. Would this cooperation also grow just like in strategic partnerships, or is this a very rational choice depending on standard pre-specified selection criteria? This choice might affect the overall performance of the company in a lesser extent, so does a company in this case need long-term orientation? Furthermore, strategic partner development takes a long time. As quoted by USA-Supplier “it takes seven years for us and our partners to develop into a true partnership” (USA-Supplier, 2016). What happens under time

pressure? Or in more fluctuating situations? These are all very interesting questions, and it is only with additional research and data that answers to these questions can be found.

5.3 Managerial implications

This theory-elaborating study does not only contribute to academic research, but also brings implications for management in practice. This study provides new insights in the theory on supplier selection, and brings the need to reformulate this process when forming strategic partnerships. Whereas most organisations may have supplier selection processes in place using multiple criteria to choose their new preferred supplier, they now might need to reconsider and change their choice of process and selection criteria.

The results of this study can be used as a roadmap for organisations to adapt or further improve a long-term orientation in their strategy in order to develop towards more strategic partnerships. By comparing the organisation's characteristics to the code aggregation diagrams as presented in chapter four, one can see which actions to take (1st order codes) to improve/change certain area's within their company (2nd order themes).

Additionally, feedback given by interviewees afterwards, indicated that they had begun to think about the implications of this study and the subjects discussed during the interview. In only two months after the interviews, great ideas were developed to further improve strategic partner development. These ideas are now brought into practice by the management team members, executives from the supplier side, and the researcher together. This results in intense conversations on market development, involving the largest players in the world of audio-visual equipment. It proves once more the magnitude and validity of this study, and its implications in practice.

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Appendices

Appendix 1 – Interview script

Appendix 2 – Construct tables

Appendix 1 – Interview Script (Dutch)

Vragenlijst interview – AVEX

Categorie	Subcategorie	Vraag
Begin	Uitleg	Het doel van het interview is om de relatie tussen lange-termijn relaties met leveranciers en leveranciers-selectie-succes <i>vast te stellen en te analyseren</i>
		Het gaat om een inventarisatie van persoonlijke visies en afwegingen en niet om formele standpunten van een afdeling
		Het interview zal gebruikt worden om het onderzoek te onderbouwen met quotes. Bij het citeren blijft alles anoniem.
	Bevestiging	Is het goed als ik het interview opneem met mijn telefoon?
	Uitleg	In mijn onderzoek, onderzoek ik met name het leveranciers-selectieproces. Dus welke afwegingen jullie maken om voor een bepaalde leverancier te kiezen voor het aanschaffen van een product of het samen ontwikkelen van nieuwe producten. Daarbij onderzoek ik welke rol relaties spelen, en met name de visie om een lange-termijn relatie te hebben/kunnen opbouwen met de leverancier.
		De volgende aspecten zullen worden behandeld in het interview: leveranciers-selectie-succes, context, het selectieproces en lange-termijn oriëntatie op de relatie. Voor elk van deze onderdelen zal ik eerst een heel algemene open vraag stellen. Daarna volgen er meer specifieke vragen. Het interview zal ongeveer 60 minuten duren.
Vragen	Heb je vragen voordat we het interview starten?	

Leveranciers-selectie succes	Algemeen	Beschouw je de samenwerking met leverancier A voor dit product als succesvol?
		Op welke manier beschouw je de samenwerking succesvol?
		Hoe ervaar jij persoonlijk de samenwerking?
		Hoe denk jij dat de leverancier de samenwerking ervaart?
	Relational rents	In hoeverre vullen jullie elkaar aan met deze samenwerking? (complementary resources, knowledge exchange, relation-specific investments, transaction costs)
	Doelen	Wat is uiteindelijk het hoofddoel van deze samenwerking geweest? En heb je dit doel bereikt?
		In hoeverre leidt deze samenwerking tot een competitief voordeel?
	Shadow of the future	Verwacht je voor toekomstige producten opnieuw met deze leverancier samen te werken? En waarom?
	Product succes	Heeft deze samenwerking uiteindelijk een positief of negatief resultaat op het gehele product succes?
		Leidt deze samenwerking uiteindelijk tot een tevreden klant?

Context	Algemeen	Welke rol heeft dit product binnen AVEX?
		Hoe is de strategie voor dit product?
	Complexiteit	Is dit product complex/innovatief voor AVEX?
		Waar vind je de complexiteit/innovativiteit terug in dit product?
	Stakeholders	In welke mate is AVEX afhankelijk van andere stakeholders voor dit product?
Risico	In welke mate speelt risico en onzekerheid een rol?	
Selectie-proces	Welke rol heeft het selectie proces gehad in de keuze van deze leverancier voor het product?	

Selectie (proces)	Algemeen	Welke doelstellingen moesten er aan het einde van het selectie proces behaald worden?
	Proces	Hoe zijn jullie te werk gegaan in de supplier selection fase?
		Welke stappen hebben jullie doorlopen om de mogelijke leveranciers in kaart te brengen?
		Op welke stappen in dit proces lag de focus?
	Selectie-criteria	Welke criteria gebruikten jullie om de leveranciers te selecteren?
Vervolgens vallen er aan de hand van die criteria al een aantal leveranciers af. Wat was de doorslaggevende factor voor deze keuze?		
Weging van criteria	Als één van de andere factoren zou wijzigen, zou deze factor dan nog steeds zo belangrijk zijn?	

Selectie (Long-term orientation)	Shadow of the past	Had je van tevoren al een bepaald gevoel bij deze leverancier?
		Waar heeft dit aan gelegen?
	Verwachtingen	In hoeverre had je van tevoren al de verwachte tevredenheid met deze leverancier in kaart gebracht?
	Relatie	Wat is een milestone in jullie relatie?
		Als je één ding in jullie relatie mocht veranderen, wat zou dat dan zijn?
	Shadow of the past	Kende je deze leverancier al uit het verleden?
	Vertrouwen	In hoeverre heeft vertrouwen een rol gespeeld in het selectieproces?
		Hoe denk je dat de leverancier hierover denkt?
Afhankelijkheid	Hoe afhankelijk zijn jullie van elkaar?	
Context	In hoeverre hebben veranderingen in de markt invloed op jullie relatie?	
Relatie-management	Wat doen jullie om de relatie te verbeteren/optimaliseren?	

Vragenlijst interview – Leverancier

Categorie	Subcategorie	Vraag
Begin	Uitleg	Het doel van het wetenschappelijk onderzoek is om de relatie tussen lange-termijn relaties en leveranciersselectie-succes <i>vast te stellen en te analyseren</i>
		Het gaat om een inventarisatie van persoonlijke visies en afwegingen en niet om formele standpunten van een bedrijf
		Het interview zal gebruikt worden om het onderzoek te onderbouwen met quotes. Bij het citeren blijft alles anoniem.
	Bevestiging	Is het goed als ik het interview opneem met mijn telefoon?
	Uitleg	In mijn onderzoek, onderzoek ik met name het leveranciersselectieproces. Dus welke afwegingen maakt een bedrijf om voor een bepaalde leverancier te kiezen voor het aanschaffen van een product of het samen ontwikkelen van nieuwe producten. Daarbij onderzoek ik welke rol relaties spelen, en met name de visie om een lange-termijn relatie te hebben/kunnen opbouwen. Nu heb ik vanuit AVEX al interviews gehouden waarbij het selectieproces wordt vastgesteld en geanalyseerd, maar ik zou ook graag het leveranciersperspectief in het onderzoek verwerken.
De volgende aspecten zullen worden behandeld in het interview: kenmerken van een succesvolle samenwerking, leveranciersselectie in het geval dat <i>interviewee</i> de leverancier is, klant-selectie, leveranciersselectie in het geval dat <i>interviewee</i> de leverancier kiest, en uiteindelijk de relatie die <i>interviewee</i> heeft opgebouwd met AVEX. Voor elk van deze onderdelen zal ik eerst een heel algemene open vraag stellen. Daarna volgen er meer specifieke vragen. Het interview zal ongeveer 60 minuten duren.		
Vragen	Heb je vragen voordat we het interview starten?	

Succesvolle samenwerking	Algemeen	Wanneer beschouw je een samenwerking met een klant als succesvol?
	Doelen	Wat is vaak het hoofddoel van de samenwerking?
	Proces	Op welke manier sturen jullie dit?
	Long-term orientation	In hoeverre neem je de mogelijkheid tot het ontwikkelen van een succesvolle relatie al in het selectiestadium mee als criterium?

Leveranciersselectie , Interviewee = leverancier	Algemeen	Welke items denken jullie dat jullie klanten op selecteren?
		Wat doe je eraan om dit te stimuleren?
	Long-term orientation	In welke mate speelt de (lange-termijn) relatie een rol hierin?
		Wat doen jullie daaraan om dit te stimuleren?
Klantselectie	Jullie zijn zelf ook selectief bij het uitkiezen van je klanten. Op basis waarvan gaat dit selectieproces?	

Eigen leveranciersselectie	Algemeen	Hoe gaan jullie zelf te werk bij leveranciersselectie?
	Proces	Welke stappen hebben jullie doorlopen om de mogelijke leveranciers in kaart te brengen?
		Op welke stappen in dit proces lag de focus?
	Selectie-criteria	Welke criteria gebruikten jullie om de leveranciers te selecteren?
		Vervolgens vallen er aan de hand van die criteria al een aantal leveranciers af. Wat was de doorslaggevende factor voor deze keuze?
Weging van criteria	Als één van de andere factoren zou wijzigen, zou deze factor dan nog steeds zo belangrijk zijn?	

Relatie met AVEX	Algemeen	Als je kijkt naar de relatie die jullie hebben met AVEX, is deze hetzelfde als de relatie die je met andere partijen hebt?
		Waarom wel/niet?
	Relatie	Wat is een milestone in jullie relatie?
		Als je één ding in jullie relatie mocht veranderen, wat zou dat dan zijn?
	Shadow of the past	Had je van tevoren al een bepaald gevoel bij deze partner?
		Waar heeft dit aan gelegen?
	Afhankelijkheid	Hoe afhankelijk zijn jullie van elkaar?
Context	In hoeverre hebben veranderingen in de markt invloed op jullie relatie?	
Relatie-management	Wat doen jullie om de relatie te verbeteren/optimaliseren?	

Appendix 2 – Construct Tables

Note: Since 195 pages of interview transcript create a large amount of statements, only a maximum of two 2nd order themes with a selection of statements of the full construct tables are presented below to give an indication of the process of derivation to first order codes, second order themes and aggregate dimensions. A complete overview of all construct tables can be provided upon request.

Statements	1st order codes	2nd order themes	
The middle man is skipped and the cooperation is directly with the company. It is being maintained from two sides	Direct contact	Building personal relationships	Personal Trust
In a very short amount of time direct contact was established which helped building the relationship			
You need to be able to make agreements with someone and he needs to recognize you when you call	Personal recognition		
People are very important in doing business, it can make or break it			
The way people meet and have conversations determines the success of a relationship	Partnership is maintained by personal bond		
Personal interests are considered in creating win-win situations			
Personal relationships keep the relationship with a company alive			
Building up a relationship can be enhanced by travelling together	Relationship enhancing activities		
A partnership grows by doing more business together and having a click on management level			
Personal relationships help to find each other in business	Introduction to partner's network	Network growth	
Personal relationships help to extend one's network			
People do business with people, and good relationships travel from company to company	Relationships travel from company to company		
A good relationship with a person remains when one switches jobs and helps creating a relationship with a new company			
A cooperation starts within a person's network and builds up from there	Finding new suppliers within personal network		
For finding new suppliers, one looks inside its network			

Statements	1st order codes	2nd order themes	
Blind trust is created by knowing that both parties do business with the best intentions	Mutual trust	Building trust	Inter-organisational Trust
Mutual trust creates a successful cooperation			
One can only develop a common vision in a strategic partnership when you trust each other			
Openness in discussions creates a good relationship	Openness		
A cooperation starts by thinking that both parties trust each other and can achieve something together			
The trustworthiness of a company can be one of the selection criteria	Building trust for selection		
By building trust with a company, one can make sure it is selected when the company starts the selection process			
They recognize you and take you seriously	Being taken seriously	Effects of trust	
They trusted me to make the right judgement, and I have the feeling I am being taken seriously			
We can trust them to help us develop our knowledge	Confidence in support		
If we might make a mistake, they need to be willing to help			
Trust combined with good service is essential			
Quality is very important, there are high expectations on reliability	Meeting expectations		
Reliability and the speed of assistance is important			
A new supplier is selected based on a gut feeling	Willingness to cooperate		
Trust creates a bond resulting in willingness to work together			
Trust makes someone being able to speak to different levels in the organisation	Faster/more efficient communication		
Trust makes communication faster			
A long-term relationship creates trust resulting in immediate action			

Statements	1st order codes	2nd order themes	
We keep each other informed about the developments in the market so we can build something better	Innovation and knowledge sharing	Mutual efforts	Long-term Mutual Commitment
By sharing information and taking action, more sales can be generated			
When having a common goal, one can easily involve the other			
You need after-sales support to be able to exist.	After-sales support		
The decency of the product and their after-sales support are vital			
Everyone can deliver a box. But it is what comes after delivering the box what is important			
When you focus, you come to the essence and understand it completely	Idiosyncratic investments		
It takes 7 years to become a real dealer with independent in-depth knowledge			
The willingness to invest in the partnership is one of the essentials in partner selection			
We make sure their products are in our main assortment, and they visit us quite often and look at installations together.	Willingness to assist beyond functional boundaries		
When our engineers are too busy, they are always willing to help us	Extending company's boundaries		
Without a partnership, one cannot achieve the big projects they are now able to achieve together in the partnership			
The overlap in industries creates the idea to form a partnership			
Large companies ask for a big platform to meet all their needs, which creates the need for strategic partnerships	Give-and-take mindset		
Nowadays, it is about give and take			
By keeping the other company financially healthy, commitment can be created			
We are always there for each other			

Statements	1st order codes	2nd order themes	
A supplier is first a back-up supplier and may become preferred in the future	Staging process to become strategic supplier	Growth to true partnership	Strategic Partner Development
You always start a relationship first to see how it extends, then there is a chance of becoming a strategic supplier			
If you do not know the product, you try it once and build on from there until you reach the ultimate			
When starting a relationship, you take into account how to develop relationships on commercial, technical and strategic level	Selection based on ability to develop relationship		
In the selection strategy, capability is defined, and they are combined with a more experienced dealer to form a partnership	Selection based on added value		
A success of a cooperation can be defined by the added value of the product developed together			
A supplier is selected by the added value it will be able to deliver			
When the added value in a cooperation is too low, one tends to switch			
Relationship is already strong, so for future developments the cooperation remains	Continuing cooperation based on past experiences	Commitment	
The experiences in the past give confidence for the future			
The cooperation is successful because it goes back a long time			
Positive past experiences help in future partner decisions			
A supplier provides back-up when unusual routes have to be traveled	Back-up from suppliers		
Because a supplier understands the business, they make resources available to help			
Management drive and willingness to develop the market creates a successful partnership	Management drive		
Management drive helps taking away all hurdles and creates possibilities in forming a partnership			

Statements	1st order codes	2nd order themes		
The AV industry has a hard time, but because we are such a consistent company with a clear vision we are also recognized in the market in this way	Consistency creates preferred status	Market signals	Strategic Intent	
We have to remain consistent. If we start swopping partners, the market notices very soon and we do not get the back up from the brands we sell.				
The traditional players in the market are very stable, they continue to exist.				
Being known as loyal and trustworthy is beneficial in the long-term				
Commitment helps in not switching to other solutions	Switching discouraging strategy			
By continuously referring to the actions in the long-term strategy, people start to recognize it and believe in the strategy				
Because of a long-term relationship, switching does not happen very often, one tries to fix problems together first				
A long-term relationship is more important than a new fancy product because of the durability				
A supplier's vision needs to fit ours, and needs to be sustainable	Matching visions	Company Strategy		
You always gain more on the long-term, we develop this vision together				
Because of changing strategies, partnerships can lose value	Stability in strategies			
Value is lost in a partnership when companies start to act individually again				
Creating a plan and defining steps together can help to create a long-term focus				

Statements	1st order codes	2nd order themes	
In strategic meetings market developments are discussed	Strategic conversations	Creating vision	Market Development
Conversations about market development and creating opportunities need to be held at strategic level			
A true partner asks about opportunities and threats and thinks with the other party to find optimal solutions	Asking questions on opportunities and challenges		
Within a partnership you can always be of meaning to eachother. A partnership starts by asking questions.			
To develop the market and develop a very smart vision one needs to communicate with vendors	Conversations on market development		
One needs to make time for conversations to work smarter, not harder			
Win-win solutions are found in continuous conversations	Continuous development	New product development	
Developments grow, and constant improvements can be made			
From expertise from two adjacent industries, a new product can be developed together	Product development in adjacent industries		
Continuous development is stimulated by combining two companies not overlapping in industry			