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STRATEGIC INTENT IN KAM

How customers and suppliers view their
KAM relationships



Cranfield School of Management
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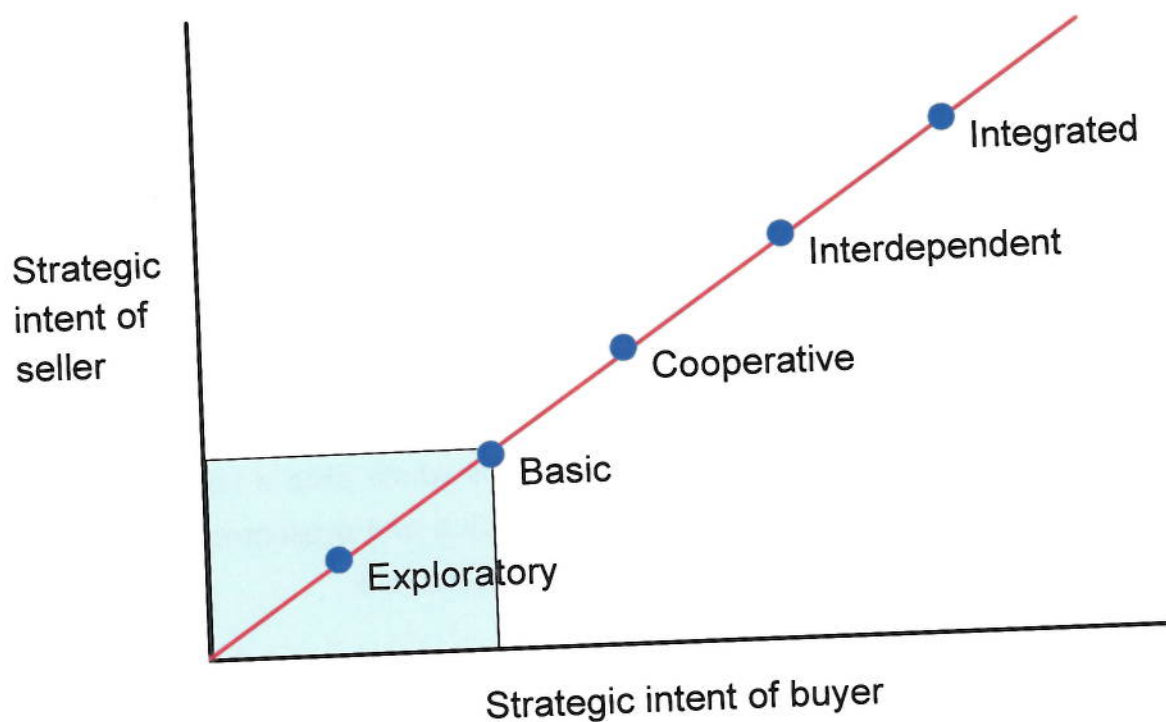
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1. Introduction

This report sets out the findings of the Cranfield KAM club's exploratory research looking at the strategic intent of customers and suppliers in a key account management relationship.

The background to the research is that a match of strategic intent between customers and suppliers has long been regarded as a central tenet of Key Account Management (Figure 1).

Figure 1: the Relational Development Model



Source: based on Millman and Wilson 1994

The shaded box in Figure 1 indicates a match between buyer and seller; in this case, both are interested in a basic (usually, a multiple transactional style) relationship.

However, where there are mismatches between the buyer and seller in terms of their strategic intent, problems may arise. For example, a customer could want a

much closer collaborative relationship than the supplier recognises or desires; this could lead to the customer feeling neglected. On the other hand, the supplier could view a customer as key and want to build a close relationship with them, but from the customer's perspective the supplier is either not sufficiently important to its business or attractive to it for the customer to want such a close relationship. In this case, the customer might feel that the supplier is over-selling. This issue could arise where a small supplier serves a very large customer; the business could be vital to the small supplier and could represent a very high proportion of that supplier's turnover yet, from the point of view of the customer, the supplier could be unimportant.

1.1. Background and method

The reason for undertaking this project was that members of the KAM Club and key account managers and directors we had spoken to in the course of other research felt that there might be some useful insights to be gained in this area.

Instinctively, managers believe that customers and suppliers might be looking to achieve different strategic goals through their key account relationship. Yet, there is almost no existing academic research on whether suppliers and their customers share strategic intent. This makes this whole area a fascinating topic for study. The research carried out by the KAM Club and presented in this report is believed to be the first ever carried out in the KAM field.

Existing research into strategic intent or research associated with intent in buyer/supplier relationships was used to help structure the questionnaire that was developed (Appendix I).

The questionnaires were completed by an opportunistic sample group, comprising:

- Members of Cranfield's KAM Club
- Delegates on Cranfield's KAM Discovery Day (a research day for companies interested in KAM)

- The key customers of the above (each participant was asked to nominate a key customer to participate)

In order to gain an equal view from both sides of the relationship a dyadic approach was used, ensuring that questionnaires were completed by both the customer and the supplier manager in each relationship. This approach enabled comparison of responses in individual relationships as well as an overall view that was known to represent client and supplier opinions equally.

The comparisons of responses in individual relationships were fed back directly to the other party in each relationship. Respondents were given the opportunity to share their completed questionnaire with their key account relationship partner or to have their answers kept partly or fully confidential. The majority of participants elected to share their comments on the completed questionnaire with their customers or suppliers.

In total, 19 individuals completed the questionnaire – 9 dyadic pairs plus one additional customer whose supplier partner did not complete the questionnaire. The analysis is therefore based on 10 customer responses and 9 supplier responses. Where dyads were directly compared (e.g. in looking at the relationship type), the un-paired customer response was omitted from the analysis.

1.2. Summary

The project uncovered many interesting insights into the strategic intent of these key account management partners. From a management perspective, these will be useful for managers working in a key account relationship, whether as a customer or as a supplier.

2. How existing research informed the project

The notion of matching strategic intent between supplier and customer raises four fundamental questions:

1. What is strategic intent? How is it defined?
2. What is the role of strategic intent in KAM?
3. Does the strategic intent of suppliers and customers differ?
4. How can strategic intent be implemented and what are the organisational implications?

2.1. What is strategic intent?

The leading writers on strategic intent are Hamel and Prahalad, who defined strategic intent in 1990 as an ambition or obsession to achieve something. Their view is that the role of business leaders is to set targets that motivate people. In their opinion, the creation of shareholder value alone is unlikely to be a sufficiently motivating factor. Leaders should therefore set targets but not be prescriptive about the means to that end. Hamel and Prahalad further suggest that planning may inhibit strategic creativity, and therefore recommend a flexible approach, the key requirements / challenges of which are listed below:

- An active management process and organisational focus
- People motivation
- Room for individual and team contribution
- Sustaining enthusiasm for the strategic goal
- Flexibility and changing to adapt to new circumstances
- Strategic intent guides resource allocation

Hamel and Prahalad (2005) suggest that much strategic management in Western companies has been focused on catching up with the competition, rather than transforming markets and achieving international dominance in the way that Japanese companies such as Canon, Honda, Toyota and Komatsu have done. Thus, they argue, slower moving companies sometimes find themselves

reluctantly pushed into alliances to try to generate faster growth and greater creativity, when the root of the problem is that their strategy is incremental in nature. The existing resource base of a company is no guide to its speed of movement. By 2005, Hamel and Prahalad are defining strategic intent as 'an obsession with winning'. However, they argue that simply having the obsession is unlikely to achieve results without active management processes, motivation, and resource allocation towards the strategic goal. They suggest that successful companies who exhibit strategic intent tend to focus on market or international leadership rather than shareholder value creation.

2.2. The role of strategic intent in KAM

There is now strong evidence that closer buyer / supplier relationships result in better performance (McIntyre et al. 2004). The benefits of collaborative relationships come in the form of managerial, technological and financial benefits. Managerial benefits include process improvements and better forecasting. Technological benefits include new product development. Financial benefits include lower costs and faster growth.

However, McIntyre et al. argue that effective relationships must include both economic benefits such as the ones outlined above, and emotional aspects. In other words, there has to be mutual commitment to the relationship, which usually implies liking and trusting one's strategic partner. Previous KAM Club research has highlighted the importance of trust in KAM relationships.

One way of thinking about KAM relationships, particularly Interdependent and Integrated relationships, is in terms of partnership or strategic alliances. Partnership relationships have a better chance of success when their strategic intent is aligned, although differences between the parties can be expected to emerge from time to time (Koza and Lewin 2000).

The idea that strategic intent can diverge over time, even though alignment contributes to success, may help to explain McIntyre et al.'s (2004) findings, based on 49 big utilities customers. They found that strategy synergy was *not* a

significant predictor of relationship performance. Strategy synergy and shared strategic goals may be a reason for embarking on a closer partnership, but simply sharing a goal does not make for a successful relationship. McIntyre et al. found that the main factors affecting the performance of the relationship were the relational context (expected and accepted patterns of behaviour – an emotional factor) and the acceptance of change and the ability to predict changes in the business environment (flexibility). These factors were more important than ability to access capital, market growth prospects, or the level of competition.

This is important in KAM relationships. When selecting key accounts and proposing closer relationships, suppliers need to be aware of the importance of flexibility and the relational context. Simply sharing strategic goals may not be sufficient to make the relationship succeed, no matter how powerful it is as an initial relationship driver.

2.3. Does the strategic intent of suppliers and customers differ?

Rather surprisingly, there seems to be no research into this question in the KAM arena and comparatively little in the wider area of supply chain management. A notable exception is a major study at Massachusetts Institute of Technology (MIT) which argues that there should be a fit between supply chain strategies, capabilities, and performance (Morash 2001). The problem is that customers tend to want customised logistics and agility, whereas suppliers tend to prefer operational excellence, time-based strategies and lean networks.

Morash extends this argument to observe that there are two main classes of supply chain strategy: operational excellence and customer closeness (Table 1). The relevance to KAM is that customers will select their suppliers based, at least in part, on their supply chain strategy. The considerable conceptual differences between the two positions highlighted in Table 1 suggest that a customer of one type and a supplier of the other type would struggle to align their strategic intent.

Table 1: Contrasting supply chain strategies

OPERATIONAL EXCELLENCE	CUSTOMER CLOSENESS
<p>Definition: Also known as Supply Chain Management (SCM). Cost leadership, efficiency, reliability, high service levels.</p> <p>Customer's product types: Standardised, reliable.</p> <p>Supply chain characteristics: JIT and other time-based strategies; lean supply chains; stock reduction; efficient flows. Logistics may be highly integrated with the customer.</p>	<p>Definition: Also known as Demand Chain Management (DCM). Differentiation and high value, plus closeness.</p> <p>Customer's product types: Customised / differentiated.</p> <p>Supply chain characteristics: Supplier delivers 'total customer satisfaction' and acts as consultant to the customer. Continuous service level improvements. Supplier may work with other customer suppliers or with customer partners in networks. Suppliers expected to be innovative and flexible and to provide tailored solutions for customers.</p>
	<p>Issues: Sometimes customers demand this as a way to reduce supplier proliferation.</p>

Source: based on Morash 2001. Issues: Problem recovery can be difficult.

MIT's extensive research, consisting of 1,358 survey questionnaires, 111 detailed questionnaires and 111 follow-up interviews, looked at which supply chain strategies were the most effective.

The clear results were that it was the customer-oriented capabilities that were most strongly related to firm excellence. The most important factors were:

1. Customer service
2. Quality
3. Information systems support

Importantly, MIT found that the definition of quality was *not* the reactive quality aspects such as problem and complaint resolution, product substitution, and product recall. These were not related to firm excellence. Instead, it was the

proactive aspects of quality that determined firm performance: in order of importance, these were delivery dependability, order fill consistency, avoiding supply disruptions, and avoiding problems (Morash 2001).

The lessons for KAM are clear. Customer-responsive and customer-facing supply strategies do work and are positively associated with firm performance. But, quality needs to be proactive; problems must be prevented from happening. No amount of after-the-event problem resolution is better than not having the problem in the first place.

2.4. Implementing strategic intent

A few writers have discussed how strategic intent can be implemented. If strategic intent is a goal or vision of the future, and the intent to make this vision a reality exists (Macmillan and Tampoe 2000a), how can organisations develop and implement this vision? Some commentators have denied that it is possible for organisations to have strategic intent, since – they say – only individuals and not firms can be said to have intent (Macmillan and Tampoe 2000a).

As we have seen, strategic intent should not be constrained by existing resources (Hamel and Prahalad 1990). However, there are certain forces that influence strategic intent, and these are context, stakeholders, leadership, vision of the future, strategic assets and strategy choices (Macmillan and Tampoe 2000a). The development of strategic intent will, in turn, affect future strategy choices.

Implementing the firm's strategic intent is not easy. A 1999 survey found that, whilst 80% of directors believed that their firm had a good strategy, only 14% believed that the firms implemented the strategy well. The consequences of poor implementation for senior managers can be severe: a different survey found that, in 70% of cases, poor execution was the main reason why CEOs lost their jobs (Macmillan and Tampoe 2000b).

Successful implementation of strategic intent requires trained and motivated managers, with information, systems and structures that can respond to the

demands of implementation (Macmillan and Tampoe 2000b). Furthermore, the change needs to be company-wide. Hamel and Prahalad (2005) are scathing about the 1990s vogue for 'skunk works', small pockets of initiative, since they argue this is symptomatic of an organisation that is so sclerotic that it cannot change as a whole. However, they do accept the important role of small, innovative teams. Our previous research has indicated the growing importance of teams in KAM, consistent with Hamel and Prahalad's position.

This brief review of previous research suggests that strategic intent can be difficult to implement, but it is important for business success. Moreover, each side of a KAM relationship needs to understand the strategic intent of the counterparty, as strategic intent will affect supplier choice and customer behaviour. If they had an understanding of their customer's strategic intent, suppliers could play an important role in aiding implementation by providing strengths in areas where the customer is weaker, or by contributing creative ideas.

However, received wisdom in KAM goes beyond simply developing an understanding of the strategic intent of the customer which, after all, would simply represent normal practice by good suppliers. The issue in KAM is about whether the strategic intent of the buyers and suppliers actually aligns.

2.4.1. Aligning strategic intent

One of the first pieces of research to discuss what we now know as KAM relationships was by Dwyer, Schurr and Oh in 1987. They characterise successful long-term relationships as follows:

- There is a clear and recognised time dimension and adjustments to the relationship take place over time
- Commitment
- More than 2 people are involved
- Exchanges take place in context (that is, current transactions may be influenced by past or future transactions)
- Customisation

- Trust and efforts at compromise counterbalance conflict
- Self-regulating – and attention is paid to measurement
- Increasing interdependence over time and limited transferability
- Process focus
- Sharing of benefits and burdens

(Source: Dwyer, Schurr and Oh 1987)

The same researchers note that committed (Interdependent) relationships display solidarity and cohesion; this suggests that the strategic intent of both parties is aligned.

This work by Dwyer, Schurr and Oh was influential in developing the research questionnaire (Appendix I). In particular, they discuss three aspects of committed relationships: Inputs, Durability, and Consistency. Committed relationships needed considerable economic Inputs, as well as extensive communications and what they call 'emotional resource'. Durability is not just over time but also reflects the willingness of both parties to adjust and their ability to see the benefits of adjusting. This leads to the exchange of physical, human or information assets. Consistency has various aspects, including purposefully engaging resources to maintain the relationship; certainty 'from mutually anticipated roles and goals' (in other words, based on aligned strategic intent); and efficiency and effectiveness (the latter arising from trust).

The work by Dwyer, Schurr and Oh was used by Sue Holt in her PhD (Holt 2003) and we are indebted to Sue for providing us with many of the questions that were used in this research.

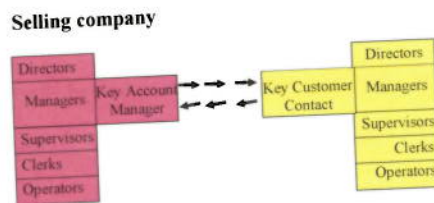
We began by asking both sides to the relationship what kind of relationship they thought they were in. This was an important first step – if the parties disagreed about what type of relationship they had, it would be difficult to see whether their strategic intent aligned. The results of this first part of the research are discussed in the following section.

3. Relationship types

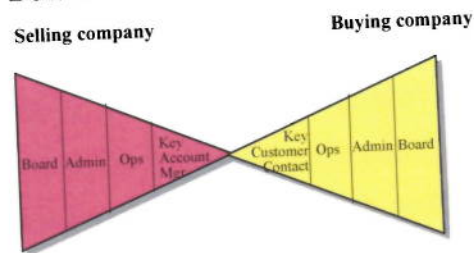
Respondents were asked which of the five relationship types pictured below (Figure 2) most closely represents their key account management relationship.

Figure 2: Diagrams used to establish relationship types

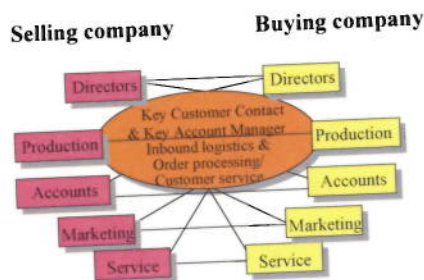
Exploratory



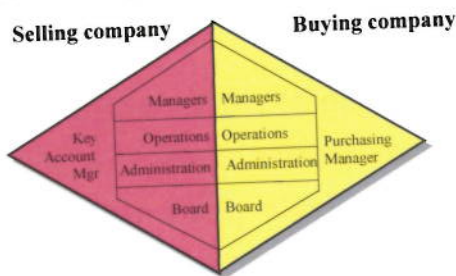
Basic



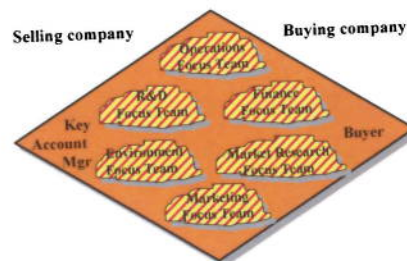
Co-operative



Interdependent



Integrated



Responses covered the full range of relationship types, from basic through to interdependent. Several respondents indicated that they could see the nature of their relationship changing over time, for example from basic to co-operative or from co-operative to interdependent or integrated.

In four of the nine dyads, both parties assessed their relationship as being the same type. In four dyads, the customer and supplier gave different assessments. In the final dyad, neither party answered this question.

The dyads where different responses had been given were looked at in more detail. In the case of three, there was a relatively small difference (i.e. one party saw the relationship as basic, the other viewed it as co-operative; one party viewed the relationship as co-operative, the other viewed it as interdependent). In these three cases, both parties seemed to recognise why their partner might view the relationship slightly differently. Here, too, many comments were made about the relationship being in a 'transition' stage between two relationship types. In these dyads both customers and suppliers seemed to have a good understanding of the nature of their key account relationship both from their own and their partner's perspective.

However, in one dyad the customer and supplier had given different responses to this question. In this case, there was quite a marked difference – the supplier considered the relationship type to be basic, whilst the customer considered the relationship type to be interdependent. Looking more closely at the overall questionnaire responses of these two partners, some interesting differences became apparent.

The customer (who viewed the relationship as interdependent) felt confident that there was a good level of communication between both parties. They saw their supplier partner as helping them to achieve their strategic goals and they considered that both parties had a greater level of security from the relationship by knowing that they were the 'preferred partner'. They felt that they got what they wanted from their partner when they needed it and that they were getting 'optimum service' in this relationship.

The supplier assessed the same relationship as 'basic', which implies that they did not feel as fully connected to their partner as the customer felt to them. The supplier felt that they could offer more to their customer, a broader service across a wider range of service areas. They would have preferred a greater level

of communication; in particular, they would have liked to have more contact points across the two organisations. This is particularly interesting, since it directly contrasts with what their customer had said. (The customer specifically indicated that they were very happy with the level of communications and selected from the choice of five a relationship type model where there is a high level of contact at different points in the two organisations). Finally, this supplier indicated that their goal was to develop a broader, deeper relationship with their customer, to gain a larger share of their business and, ultimately, not just to be a 'preferred partner' but to be the supplier of choice.

This, perhaps, goes some way towards explaining the difference in the two responses. The supplier's assessment of the current nature of the relationship as 'basic' arises from the perspective that they feel they are not using their fullest capacity with this customer. This underlies their desire for a greater level of involvement and their vision that the two organisations could become more intrinsic to each other's success. The customer's opinion that the relationship is 'interdependent' stems from the fact that they are fully satisfied with the current level of involvement. Possibly they simply do not have a current need for the additional, broader services this supplier is offering; or perhaps those needs are satisfied through some other means. Either way, the customer is satisfied with the current relationship and feels secure that the relationship is a long term, mutually beneficial one.

Had the assessments been the other way round (i.e. with the supplier believing the relationship to be interdependent, while the customer viewed it as basic), we might have reached a different conclusion. In that case, it would have been fair to assume that the supplier might be over-estimating the value of what they give to the customer, effectively that they were seeing the value from their own perspective (how much it costs to supply) and not from the customer's perspective (how much value it has to the recipient).

From the examples above, we can draw several lessons for managers in key account relationships:

It may seem like a statement of the obvious to an experienced key account manager, but it is important to see the relationship objectively. This means fully understanding *from the partner's perspective* what the relationship does for the success of their organisation. This will help avoid either party falling into a false sense of security. Without this, one party (supplier or customer) might rely too heavily on the relationship, believing it to be more secure than it actually is. Conversely, one party (supplier or customer) might feel undervalued and demand more than their partner can afford, thus slowly undermining the existing value in the key account relationship.

The same objectivity should also be used in goal setting for one's own organisation. An experienced key account manager already knows that offering key account benefits to a customer that only wants a transactional relationship will be wasted effort. Just as importantly, once the relationship is established, trying to force additional products and services onto a customer who does not want or need them risks damaging the relationship or the customer taking their account elsewhere where they feel their needs will be better understood.

The same, of course, is true for customers. If they are objective in understanding the value that their suppliers gain from the key account relationship, they may gain a different perspective. It may be that the supplier's desire to supply more is not just about gaining more business, but that it has a different type of value to offer. As we will see later, suppliers often engage in a key account relationship because they believe it improves their market position in terms of reputation and because it offers a good alignment with their own organisation's strengths and weaknesses. If a customer chooses not to deepen the relationship by taking on the additional (usually high value added) services that the supplier is keen to supply, they need to understand the implications for that in terms of the company's value to its partner and possibly consider other ways in which they might create the improved market reputation or alignment with their strengths and weaknesses.

The next stage of the research explored the match of strategic intent, using the framework initially suggested by Dwyer, Schurr and Oh (1987).

The findings of the research into the alignment of supplier and buyer strategic intent will be discussed in the following section.

4. Strategic intent

Respondents were asked two direct questions concerning their strategic intent in the relationship being discussed.

1. What are your strategic goals from this key account relationship?
2. What organisational goals is the relationship helping you achieve?

These two questions are aimed at elucidating two areas of the organisation's strategic intent. The aim of the first question was to look at what the respondent hopes to achieve within the relationship, including areas such as the agreed relationship goals, how the respondent sees the relationship developing and where they see the benefits that this relationship offers to the two parties. The aim of the second question was to understand the broader, high level goals of the organisation and how this key account contributes towards achieving those goals.

4.1. The nature of the relationship

We showed our respondents a series of statements and asked them to mark one of five boxes in relation to each statement, stating whether they agreed, strongly agreed, disagreed, or strongly agreed with the statement, or if they had insufficient information to answer (for example in a young KAM relationship).

The statements were grouped into four categories:

- inputs to the relationship
- durability of the relationship
- consistency of the relationship
- dissolution of the relationship.

This structure may be seen in the questionnaire itself (Appendix I).

These dyads were pre-selected as representing relatively close KAM relationships. Therefore, it is not surprising that a series of questions and statements relating to close relationships elicited broad agreement from all respondents. In fact, there were only two 'strongly disagree' responses amongst all the responses to all questions. Both of these came from customers. These responses were grouped together with the 'disagree' responses for the purposes of analysis and comment.

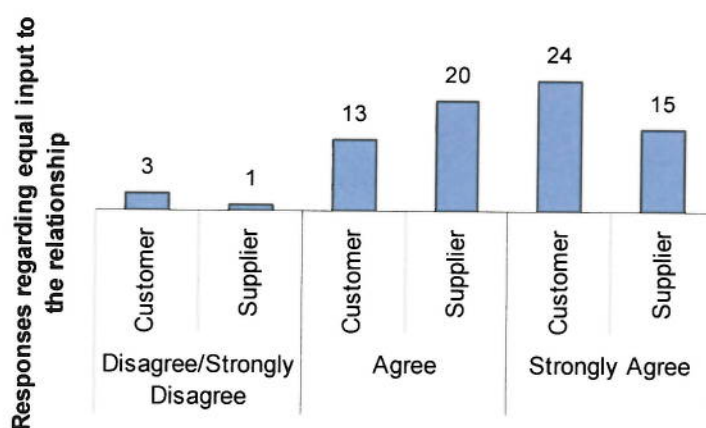
4.1.1. Inputs to the relationship

Statements with which respondents were asked to agree or disagree were as follows:

- a) Both parties invest in the relationship.
- b) Our relationship is based on an open and honest exchange of information.
- c) Our relationship is based on mutual trust.
- d) There is a real spirit of partnership between our two companies.

Where companies agreed with the majority of these statements, this would indicate a strong attitude of partnership in the key account relationship. The findings are shown in Figure 3.

Figure 3: Inputs to KAM relationships



The numbers denote the total scores (using scales of 1 to 5). In terms of their agreement or disagreement, the responses were similar whether from customers

or suppliers. However, customers' responses were more polarised. They were more likely to disagree or strongly agree, while the majority of their supplier counterparts tended just to agree. This might indicate strength of feeling about this aspect of the relationship. Perhaps customers feel the inputs are more critical? Or it could be an indicator that these statements are generally truer of customers than suppliers.

The importance of partnership and communication were emphasised for all types of relationship. For example, a customer in a basic relationship felt that *"the relationship is better described as a partnership than a buyer-seller relationship"* while another in an interdependent relationship stated that *"the relationship currently works well due to regular communication between the parties"*.

Differences in the perception of the relationship appeared more clearly dependent on the hierarchical level than on the relationship type; as one supplier expressed it: *"At executive level, the mutuality of the relationship and the need for shared reward is understood. However, at middle and lower management levels, there is a tendency to fall back into the traditional, stereotypical supplier-customer mode."*

These findings indicate that communication is vital, and that this communication needs to be not just between companies but within companies. If the top management desire for partnership is not translated into changes in attitudes and behaviours by middle managers, this is likely to put a strain on the relationship between customer and supplier.

A more detailed breakdown of responses to individual questions is shown below (Table 2):

Table 2: Inputs - Detailed breakdown of responses

		3a	3b	3c	3d	Inputs Total
Customer	Disagree/Strongly Disagree	1		1	1	3
Customer	Agree	2	4	4	3	13
Customer	Strongly Agree	7	6	5	6	24
Supplier	Disagree			1		1
Supplier	Agree	4	4	5	7	20
Supplier	Strongly Agree	5	5	3	2	15

The section about inputs relates to investment in the relationship, openness, trust and partnership. In a KAM relationship, we would expect to see a high level of agreement about such statements, as shown in Table 2. These findings support previous research by the KAM club and by others.

Interestingly, customers are rather more likely than their suppliers are to think that their relationship is characterised by joint investment, open and honest information exchange, mutual trust, and a spirit of partnership. The areas of mutual trust and spirit of partnership are less strongly supported by suppliers than by customers. There may be aspects of the buying process which tend to undermine feelings of trust and partnership on the part of the suppliers.

4.1.2. Durability of the relationship

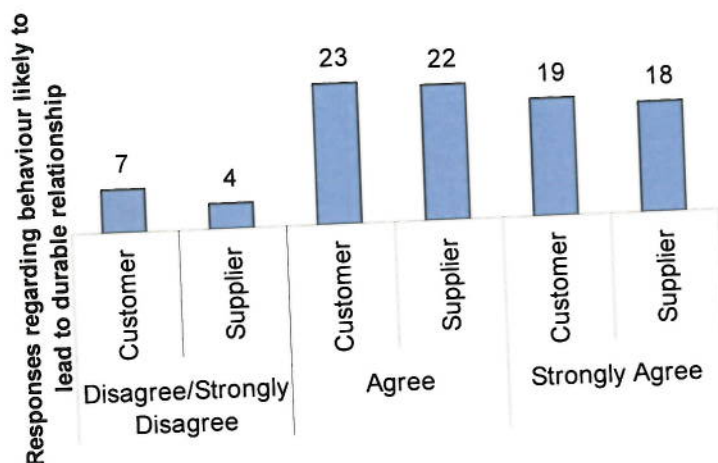
Statements with which respondents were asked to agree or disagree were as follows:

- e) This relationship is viewed as a long-term commitment by my organisation.
- f) Together we have planned and formally documented long-term strategies for the development of our relationship.
- g) We are prepared to adjust and be flexible in the interests of this relationship.

- h) We have worked together on joint projects which have mutually benefited both parties.
- i) Looking after this account is not just the responsibility of the Account Manager and our key purchaser; both companies have set up co-functional teams of people directed to meet the needs of the relationship.

Where companies agreed with the majority of these statements, this indicates that the relationship is likely to last longer than if there is a high level of disagreement with the statements. The findings are shown in Figure 4.

Figure 4: Durability of the relationship



There was a very similar pattern to the answers given by customers and suppliers, indicating agreement about the long-term nature of the relationship and the commitment of both parties. Only one organisation (a customer) indicated that the relationship was not viewed as a long term commitment by their own organisation and no further explanation for this statement was given.

Interestingly, despite the strong durability responses, approximately half the respondents indicated that planning and documentation of long term strategies was not done as a joint activity (question 3f). This is independent of the type of relationship as some suppliers who perceived their relationship as "cooperative" answered that it was "*still early days*" in the relationship and that planning was "*in discussion*". In other cases, the unpredictable nature of the customer's

business was felt to be a hurdle in establishing plans. This finding runs counter to previous research, which has suggested that joint planning and strategy development is, or should be, a feature of close KAM relationships.

A more detailed breakdown of responses to individual questions is shown in Table 3.

Table 3: Durability - Detailed breakdown of responses

		3e	3f	3g	3h	3i	Durability Total
Customer	Disagree/Strongly Disagree	1	6				7
Customer	Agree	2	1	7	6	7	23
Customer	Strongly Agree	7	2	3	4	3	19
Supplier	Disagree		3			1	4
Supplier	Agree		6	4	6	6	22
Supplier	Strongly Agree	9		5	3	1	18

The detailed findings demonstrate the features of flexibility, joint project work, and collaborative teams, which characterise interdependent KAM relationships.

4.1.3. Consistency of the relationship

Statements with which respondents were asked to agree or disagree were as follows:

- j) We actively co-operate to maintain this relationship.
- k) This relationship is viewed by my organisation as having efficiency benefits.
- l) Conflict is reducing in this relationship.
- m) We trust this partner more than we did 12 months ago.

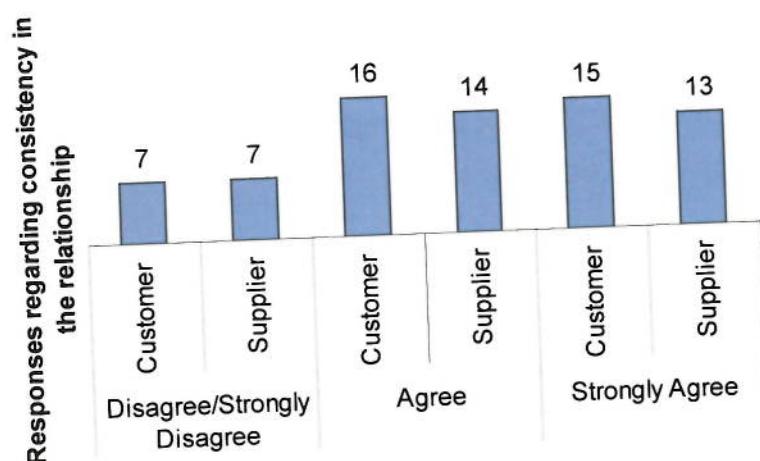
Only one respondent indicated that their organisation (a supplier) did not gain efficiency benefits from the relationship. Of those who agreed with the

statements, customers tended to agree more strongly that they were getting more efficiency benefits than their counterpart suppliers did.

Where companies agreed with the majority of these statements, this indicates a high level of consistency within the relationship. There was complete agreement on both sides over active co-operation to maintain the relationship (Table 4).

We found, however, that many respondents were reluctant to answer questions (l) and (m), and many included comments with their questionnaires to qualify their answers, such as *"the relationship was never one of conflict"* or *"trust levels have been high from the beginning"*. The problem seemed to be that, where there had been no conflict or where the respondent felt they trusted their partner as much as they had 12 months ago, but not necessarily more, to disagree with the statement might be taken to imply an increase in conflict or a decrease in trust. This should not be assumed from the questions, which are designed to look at consistency and changes in levels rather than in whether conflict or trust exists. However, the qualifying comments have been noted in the commentary below.

Figure 5: Consistency of the relationship



In terms of conflict, four customers and two suppliers felt that conflict was not reducing in their relationship. A further two customers and two suppliers chose not to answer the question, stating in their comments that there had never been any conflict and therefore it was not reducing.

As regards trust, all respondents indicated that they trusted their partner either the same or more than they did twelve months ago. Thus, the seven 'disagree' responses to question (m) should be taken to mean that levels of trust are static, not that trust is decreasing.

A more detailed breakdown of responses to individual questions is shown in Table 4.

Table 4: Consistency - Detailed breakdown of responses

		3j	3k	3l	3m	Consistency Total
Customer	Disagree/ Strongly Disagree			4	3	7
Customer	Agree	3	7	3	3	16
Customer	Strongly Agree	7	3	1	4	15
Supplier	Disagree		1	2	4	7
Supplier	Agree	4	2	4	4	14
Supplier	Strongly Agree	5	6	1	1	13

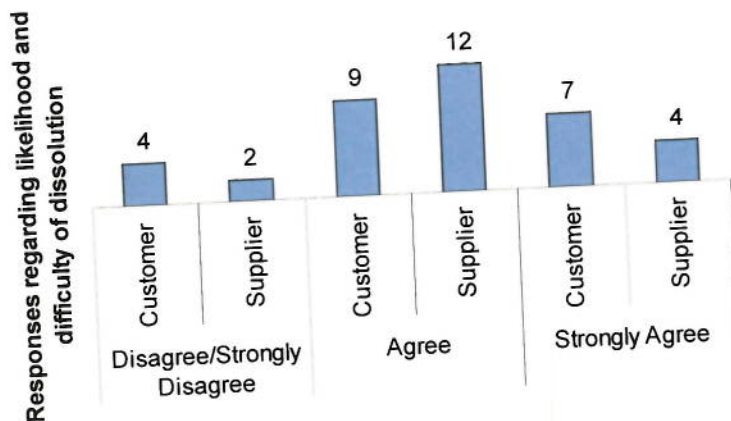
4.1.4. Dissolution of the relationship

Statements with which respondents were asked to agree or disagree were as follows:

- n) If either company ever worked to end our relationship, both companies would find it difficult and complicated to exit.
- o) This is a successful relationship both financially and non-financially.

A high level of agreement with these statements indicates that the relationship would be hard to exit and that the partners would be unlikely to wish to do so in any case.

Figure 6: Dissolution of the relationship



Six respondents (four customers and two suppliers) did not agree that the parties would find it hard to exit the relationship (Table 5). This is an interesting finding which runs counter to the conventional wisdom that close KAM relationships are hard to exit.

The six respondents who did not agree that the parties would find it hard to exit the relationship represented two dyads, plus two additional customers who were not matched by their suppliers. There may be some special circumstances relating to the two relationships in which both sides feel that it would not be difficult to exit. Both these cases related to relationships where there was a mismatch in terms of the perception of the type of relationship (Section 3).

Perhaps more worrying for suppliers are the other two relationships, in which the customers believe that it would be easy for either party to exit but their suppliers do not. These suppliers may be suffering from the delusion that their customers are locked in to the relationship, when the customers do not believe that they are.

This finding is a reminder that, although the emotional factors are important to successful relationships, at the end of the day the relationship is held together by financial gain, not by personal performance.

Fortunately all respondents agreed or strongly agreed that the relationship was successful for them both financially and non-financially. This aspect is discussed in more detail below as we review the comments made by respondents concerning their strategic and organisational goals with the relationship.

A more detailed breakdown of responses to individual questions is shown in Table 5.

Table 5: Dissolution - Detailed breakdown of responses

		3n	3o	Dissolution Total
Customer	Disagree/Strongly Disagree	4		4
Customer	Agree	3	6	9
Customer	Strongly Agree	3	4	7
Supplier	Disagree	2		2
Supplier	Agree	6	6	12
Supplier	Strongly Agree	1	3	4

4.1.5. Summary

This research into the Inputs, Duration, Consistency and Dissolution of a KAM relationship gives useful insight into the ways in which such relationships are conducted and the views of both parties about the value and nature of the relationship. So far, our findings suggest a considerable, although not total, alignment of views and attitudes towards the relationship from both sides.

We also asked respondents about their strategic goals for the organisation as a whole, and their specific goals from this relationship. These findings will now be examined.

4.2. Strategic goals from the relationship

The strategic goals mentioned by respondents fell broadly into the financial and non-financial goals, as might be expected. However, overall, it was the non-financial goals that generated the most comment, with suppliers mentioning non-

financial goals four times as often as they mentioned financial goals. Customers mentioned non-financial goals twice as often as they mentioned financial goals (Figure 73).

Figure 7: Financial Goals

	Suppliers	Customers
Maintenance and growth by:		
Maintain and grow the relationship generally	3	1
Increased volume/share of business	2	0
Increase profit from this account through:		
Improved operational efficiency	0	3
Increased value from supplier to customer	3	1
Increased value from partnership to end user	0	1
Cost savings	2	3
Maintenance and growth goals sub-total	5	1
Increase profit goals sub-total	5	8
Financial goals total statements	10	9

It was noticeable that suppliers mentioned non-financial goals (both strategic and organisational) more than twice as many times as did their customer counterparts. There is a clear inference here that the key customer relationship is viewed by customers as having significant financial benefits, while suppliers gain at least as many non-financial benefits from the relationship as they do financial benefits, and possibly more.

For key account partners, this may be an important point to note. Suppliers need to recognise the importance of offering clear *financial* advantages to their key customers – and operational efficiency ranks top of the list, followed by cost savings and rationalisation of the supplier base. Customers need to recognise the importance of sharing the financial gain and, equally importantly, that key suppliers require a high degree of trust and commitment, in return for which they are keen to invest in joint development of client-specific solutions.

As Figure 7 also shows, both sides expected to obtain cost savings from their relationships. This expectation is supported by our previous research in to the

benefits of KAM collaboration, which found that lower costs were a benefit to both suppliers and buyers. Customers also expected improved operational efficiency.

However, when we asked respondents to comment on their responses, there was more discussion of non-financial goals (Figure 8). Three general categories of non-financial goals emerged: sustainable long-term commitment or integration, delivering what customers want, and improve mutual benefits.

Figure 8: Non-Financial Strategic Goals

	Suppliers	Customers
Sustainable long-term commitment/integration by:		
Better commitment/integration generally	10	2
Formalise e.g. contractual/formal agreements	1	1
Build trust	4	1
Better communications	2	2
Become 'endemic' - all levels with partner	5	0
Deliver what customer wants by:		
Deliver what customer wants generally	6	4
Improve customer satisfaction ratings	3	0
Joint product design & development	2	1
Supplier delivers client specific solution	3	1
Improve mutual benefit by:		
Improve mutual benefit generally	0	2
Joint product design, development & planning	4	3
Long term commitment/integration sub-total	22	6
Deliver what customer wants sub-total	14	6
Improve mutual benefit sub-total	4	5
Non-financial goals total statements	40	17

4.2.1. Financial strategic goals

Looking at the financial goals, there is a similar level of importance for customers and suppliers. However, the emphasis is quite different. Suppliers are focused equally on maintenance/growth of the account and increasing the profit generated by the account. Customers have a strong emphasis on the profit generated by this relationship and far less on the maintenance and growth of it.

The main focus of the suppliers is on maintaining and growing the account generally and on improving profitability by providing more valuable products and services to their customers. Customers are less interested in having better value delivered to them, but one respondent did mention their organisation's interest in improving the value of what the *partnership* delivers to their end user customers. If suppliers wish to increase the value of what they deliver to customers, perhaps this is an area that they should consider.

Suppliers are, unsurprisingly, interested in increasing the volume and share of business with their key customers. By contrast, customers are more interested in improving their operational efficiency in this relationship. Perhaps this offers suppliers insight into how they might gain a greater share of business with their key customers by emphasising the operational efficiency gains to be gained by concentrating their sourcing on one supplier.

Customers and suppliers were approximately equally interested in achieving cost savings within the relationship. This was mostly expressed by respondents as looking to achieve cost savings for their own organisation, rather than expressing a desire to bring costs down for the partnership. However, two respondents (both suppliers) expressed a desire to improve the cost-to-sales ratio, an approach that might offer ways for suppliers and customers to work together to achieve cost savings for both parties.

4.2.2. Non-financial strategic goals

The most remarkable aspect of respondents' statements about their non-financial strategic goals was how much more frequently this was mentioned by suppliers than customers (more than twice as many times). Suppliers have a considerable desire to improve sustainable, long-term commitment and integration of their organisation with their customer partner, mentioned by some as a desire to be not just a preferred supplier, but *the* preferred supplier.

It is likely that the non-financial goals of commitment and integration mentioned by suppliers are in fact the means to a financial end, since such commitment would offer greater security of future income and would make any investment (financial or otherwise) in the relationship lower risk. For key account managers responding to this questionnaire, of course, this lower risk means greater personal job security and greater chance of personal success, since their company is more likely to invest in the low risk account that they are managing than some of the higher risk contenders for the same investment resources.

However, the goal of greater commitment from their customer partner seems to run deeper than this. When they talk about gaining long-term commitment, suppliers also talk about building trust through consistent and strong delivery performance, something that would undoubtedly be a benefit to customers.

On the other hand, the goal to become embedded in the customer's organisation does not sit well with customers. Customers prefer to maintain some distance from their key suppliers. They do not seek this greater level of integration, although they do seek improved communications, describing this as a desire for a freer, deeper flow of information. This finding is consistent with our recent research on measurement in KAM relationships, which shows that key customers continue to measure hard supplier performance factors even in very close relationships, indicating that the key customer never fully trusts its supplier and almost always prefers to maintain some distance between the two organisations.

Perhaps unexpectedly, suppliers expressed a greater interest than customers in delivering what the customer wants, mentioning this more than twice as often as their customer counterparts. The suppliers' goal of becoming more integral to their customers' business appears to go hand in hand with a desire to develop client specific solutions, both independently and as joint projects. If customers can identify areas where such product/service development can achieve their financial goals of operational efficiency and cost saving (or allow their suppliers to get close enough to identify such areas for them), this clearly opens the door for mutually beneficial projects that offer financial benefits for both and non-financial benefits for the suppliers.

Joint product design and development is also seen as a mutual benefit of a KAM relationship, particularly by suppliers.

4.3. Organisational goals that the relationship helps to achieve

As with the strategic goals, the organisational goals mentioned by our respondents split into financial and non-financial. However, for customers the financial goals were equally as important as the non-financial goals while, for suppliers, non-financial goals were mentioned much more often than financial goals (as before). Possibly, it is the importance of key accounts in achieving the organisation's non-financial goals that caused these particular supplier respondents (all of them key account managers) to focus on this area. However, this does not alter the message that, in key account management, the non-financial benefits of the relationship are at least as important to suppliers as the financial ones.

The overwhelming non-financial goal expressed by suppliers is an improved market position, either for their firm alone or for both parties to the relationship. The non-financial strategic goals of the customer relate to the supplier helping them to deliver to the end user and to win more business.

For customers, the benefits of being in a key account relationship are at least as much about achieving financial goals as achieving non-financial goals. Where the financial drivers are so strong, it can be difficult for the account manager to persuade his or her organisation that there is a real advantage in sharing the financial benefit with the supplier partner or accepting a slightly lesser financial benefit in favour of achieving a non-financial gain.

For suppliers, although their contribution to the achievement of financial goals should not be underestimated, key accounts play a vital role in achieving non-financial goals that set the organisation apart from its competitors. This double-edged role of key accounts in achieving the supplier organisation's goals presents

a particular challenge for key account managers. It may be difficult to persuade colleagues of the non-financial benefits that merit investment in a key account. At the same time, the financial and non-financial goals cannot be equated or traded off against one another and so managing the key account requires several, sometimes conflicting, goals to be met simultaneously, whilst the internal politics of the organisation might actually make the investment required to achieve them harder to come by.

4.3.1. Financial organisational goals

Perhaps surprisingly, statements such as 'improve profit' and 'achieve financial targets' did not feature more highly on either side of the dyad. Only about a quarter of respondents mentioned profit at all when asked what organisational goals the KAM relationship helps them to achieve. Perhaps profit was simply considered too obvious to mention, or perhaps respondents felt that, having already stated a strategic goal of increasing the profit from the relationship, this was enough to communicate the importance of profit and financial targets. It is worth noting, however, that five of the nineteen participating organisations (three suppliers and two customers) did not directly mention profit in answer to *either* question, although they did indicate organisational goals (such as market penetration or improved operational efficiency) that would be likely to lead to the increased profitability of the account and the organisation as a whole.

Customers and suppliers seem to hold an equal view of the importance of their key accounts in achieving their organisation's financial goals (Figure 9). Approximately a third of respondents indicated that having a key account relationship helped the organisation to rationalise or reduce the customer or supplier base. The advantages here related to having fewer distribution channels (better operational efficiency) and more business with long-term relationship accounts (lower risk and greater security).

Figure 9: Financial Organisational Goals

	Suppliers	Customers
Financial goals		
Improve profit/achieve targets generally	3	2
Rationalise/reduce supplier or customer base	3	4
Market penetration / market extension	7	2
Improved operational efficiency for self or both	4	6
Invest supplier resources in customer's business	1	1
Financial goals total statements	18	15

There is some difference, however, as to where suppliers and customers see the relationship contributing to their organisational goals. Suppliers are rather more focused than customers on achieving market penetration or market extension with their key customers (almost all suppliers mentioned this, in comparison to only two customers). Furthermore, there are subtle differences in how this organisational goal was viewed. The goal of market development was mentioned in three slightly different ways:

- Looking to increase their market share with the help of this relationship.
- Looking to extend into new markets, either accessing new markets where this customer is already present or by entering new markets with the skills developed to serve this customer.
- Looking to 'up-skill' and thereby gain more profitable business within the same market with this customer was mentioned.

No customers mentioned the goal of entering new markets with their supplier partner. Similarly, no customers expressed a goal of gaining a more profitable share of their current market with the help of their key suppliers. Customers, then, see their key suppliers as a way of gaining increased market share, pure and simple. Suppliers see the key account relationship as a means to a broader end in terms of winning more of existing market share, entering new markets and winning more profitable market share of existing markets. Perhaps this offers opportunities for mutual benefit that customers have not yet considered. By joint effort, it might be possible for the customer to achieve a more profitable

share of their market, and for the financial benefit of this to be shared between the partner organisations.

Another area of difference is in the organisational goal of operational efficiency. As we have already shown, this is an area of prime concern to customer organisations and one in which they expect their supplier partners to help. Notably, it was only customer organisations who specifically mentioned the goal of improving operational efficiency for both themselves *and* their partners. Referring back to the fact that only customers mentioned the general strategic goal of 'improving mutual benefits', it may come as a surprise to suppliers that their customers seem to be more concerned with the mutuality of the relationship than they think!

4.3.2. Non-financial organisational goals

There is no question that suppliers see the key account relationship as a contributor to their highly important goal of improving their market position (Figure 10). Every respondent mentioned this directly or in another form, for example:

- Better opportunity for winning new business elsewhere
- Better market reach
- Improved credibility in the market
- Reference value of the key account
- Working with this partner demonstrates a particular competency that is important in the market

So important is this to suppliers that many of them mentioned it more than once. The lesson here, then, is for customers. We warned earlier that a supplier who misjudges the customers' drive to increase the profit generated by this relationship risks losing the account to a more profit-generating competitor. Similarly, if a customer ceases to provide the additional market position benefits that their supplier holds so dear, they may find themselves relegated from key account position in favour of another account that better meets this vital goal.

Figure 10: Non-Financial Organisational Goals

	Suppliers	Customers
Non-financial goals		
Better market position for self or both	14	0
Supplier helps customer win new business	4	4
Supplier helps customer deliver to end user	2	7
New product development thru insight into partner	3	1
Good SWOT alignment	5	0
Challenge industry standards/practices	3	2
Non-financial goals total statements	31	14

Suppliers and customers have the same organisational goal of helping the customer win new business. The benefits of this to both organisations are clear. However, customer organisations are also looking for their supplier partners to help them deliver better solutions to the end user customer, such as specific products and services or a general improvement in end user customer satisfaction. Only two suppliers mentioned this as an organisational goal. This is appropriate – it probably should be more of a strategic, key account goal for the supplier rather than an organisational goal. Nonetheless, it is an organisational goal that suppliers should be aware of in their customers.

An area where suppliers and customers agree is over the goal to change industry standards and practices. Five respondents (three suppliers, two customers) felt that the key account relationship helped put them in a position where they are better able to influence the market, including regulation, agreed industry standards and general business practice in their industry.

Understandably, it was the supplier respondents who felt they had most to gain by increased insight into their partner. For suppliers, this was seen as a way better to understand what their customers might need and thus to develop new products and services. This was not the same as the concept mentioned earlier of achieving a mutual benefit through joint product and service development. In this case, the goal was more about developing new products and services that

might be sold either to this key customer or to other customers, thus increasing market share or gaining entry into new product areas.

As we have already mentioned, about half of the supplier respondents mentioned an organisational goal to achieve good alignment between their client base and their organisation's strengths and weaknesses. It is understandable, if a little surprising, that the goal of strengths/weaknesses alignment should be recognised by the 'selling' side of the organisation rather than the 'buying' side. The importance of this goal to supplier respondents revealed itself in a number of ways, however, and customer organisations should take note. For suppliers, a key account that enables them to 'play to their strengths' offers innumerable advantages – from better asset utilisation to better reputation to reference opportunities for their most profitable business activities.

This is certainly a factor that suppliers might want to take into account when evaluating the attractiveness of key accounts. Customers also might benefit from considering how a closer relationship with suppliers could help them exploit their own strengths or minimise their weaknesses; these considerations could likewise influence supplier selection.

5. Discussion

Early KAM research suggested that there should be some alignment of strategic intent between suppliers and customers. This could be interpreted in two ways: the intent and goals behind the relationship itself, or the overall strategic intent of the two organisations. Both aspects of strategic intent have been examined in this research.

We expected to find a high degree of alignment of strategic intent, since all of the relationships we examined were key ones. We might expect a greater degree of alignment of strategic intent between developed and perhaps also longer-duration Interdependent relationships than between Basic relationships. Although our sample ranged from Basic to Interdependent, the sample size is too small to make comparisons between the different types of relationship. Moreover, we found some disagreement about the relationship type.

Overall, we find some degree of alignment between buyers and suppliers, particularly on organisational and relationship financial goals. These include market share and operational efficiency goals, and lower costs. These market share goals are what Hamel and Prahalad (1990, 2005) would characterise as 'true' strategic intent.

We also find alignment between buyers and suppliers in the sense that both sides recognise and discuss non-financial organisational and relationship goals. However, we find that customers seem more focused on the financial goals than suppliers are. We also find that suppliers are more interested in commitment and integration, probably as a route to increasing their share of customer spend. The non-financial goals indicated by the suppliers are consistent with Morash's (2001) discussion of customer closeness as a supply chain strategy. As we saw from Morash's work, customer-orientated capabilities are associated with organisational excellence, so we would expect that the suppliers in our sample would be above average in their performance.

When we explore the detail of these relationships and examine Inputs, Durability and Consistency, we find a pattern of general alignment between suppliers and customers with some minor differences in detail.

With respect to the relationship inputs we find total agreement on an open and honest exchange of information and broad, although not exact, agreement on investment in the relationship, mutual trust, and a spirit of partnership.

On the subject of durability, there is broad agreement about flexibility, beneficial joint projects, and collaborative teams. There is some disagreement between the sides as to whether the relationship is viewed as a long-term commitment, with suppliers more inclined to think that it is. In addition, several respondents on each side say that they do not have long-term strategies for the relationship, which tends to contradict received wisdom about KAM relationships.

Where consistency is concerned, there is broad agreement that both parties cooperate to maintain the relationship and that there are efficiency gains. We find that conflict is not necessarily reducing and trust is not necessarily increasing, although this could be because there is already low conflict and high trust in the relationship.

Finally, we examine the strength of these KAM relationships by asking questions that probe how difficult it would be to dissolve it. Although there is a very high degree of agreement between suppliers and customers that the relationship was financially beneficial, there is less agreement about how easy or difficult it would be for one or both parties to dissolve it. We find that some customers and suppliers believe it would be easy to exit.

Our research has a number of implications, both for customers and for suppliers in key account relationships. These implications are discussed in the following section.

6. Implications

The area of Strategic Intent as it relates to KAM is relatively poorly understood. There is no agreed explanation of what forms of strategic intent are most supportive of KAM relationships. Nor is there an agreed contingency model, which suggests forms of strategic intent that are optimal in certain contexts. It is entirely appropriate therefore that this study is of an exploratory nature and tries to identify ideas for further study.

Within the boundaries of this exploratory work, however, certain findings emerge and conclusions can be made which are of immediate practical use to firms attempting to improve their KAM processes. If KAM is to be effective, it must be based on a commonality or overlap of the strategic intent of each side of the relationship. From these findings, it is reasonable to identify three precursors of successful identification and management of this overlap.

1. Mutual insight

From these findings, the most common cause of failure to identify and manage overlap of strategic intent is simple misunderstanding, relating to communications difficulties which may also affect internal attitudes towards the importance of the relationship. It is relatively easy for both supplier and customer to oversimplify the needs of the other and hence to misinterpret their strategic intent. With better insight into each others' needs, it is often possible to leverage the relationship better or even identify joint wins that are invisible without such insight.

2. Broad value seeking

These findings suggest that strategic intent has both financial and non-financial dimensions. This is consistent with the KAM Club's recent research, which found that supplier organisations that embark on key account management primarily with a non-financial focus actually achieve better financial performance from their key accounts than those whose primary goals are financial. However, this research extends that lesson to suggest that KAM partnerships with a sensitivity to both financial and non-

financial sources of value in the relationship are better able to align in their strategic intent.

3. **Asymmetry awareness**

Despite the need for alignment of strategic intent, good KAM relationships are characterised by an awareness and acknowledgement of asymmetry between supplier and customer needs. This is exemplified, for instance, in different timescales for realising value (customers tend to be shorter-termed than suppliers) and different perceptions of value (suppliers tend to seek more non-financial value than customers). Good KAM relationships make these differences explicit and work with them whilst lesser relationships miss or ignore them.

These three points suggest the following practical implications for each side of the KAM relationship:

Suppliers:

- Recognise the importance of financial goals to the customer, especially cost savings and operational efficiency improvements. Avoid applying your own criteria for relationship value, which are likely to include a larger component of non-financial value.
- Be aware of opportunities to grow the profit pool available to both parties by adding value in the eyes of the end user. Avoid focusing too closely on the limited opportunities to increase profit by cost and efficiency improvements.
- Be sensitive to customers' resistance to deepening of the relationship, whether by additional sales to the account or greater levels of integration and communication. Avoid increasing fear of over-dependency by closely matching the depth of the relationship with the value delivered to the customer.
- Understand the complexity of the customers' needs and constantly seek to understand the broader dimensions by which they assess value. Avoid being misled by their explicit focus on financial value which often masks a need for other, non-financial value.

- Consider the strengths and weaknesses of the joint 'organisation' as a whole with respect to the opportunities and threats presented by the end market.

Customers:

- Recognise the importance of Key Accounts both financially and otherwise to your suppliers' strategy. Avoid reducing your own significance to the supplier by unintentional indifference to the relationship.
- Recognise the importance of growth via market penetration and new market development to your supplier and seek joint value from this. Avoid relegating your importance to the supplier and missing out on valuable developments through concentrating on existing, non-growth business.
- Recognise the inevitable internal politics of your supplier and that commitment from you enables the investment you seek. Avoid losing such investment to other key accounts by declining further commitment to the relationship.
- Recognise the supplier's need for both financial and non-financial value. Avoid losing greater long term value by excessive focus on short term savings and efficiencies.
- Recognise the necessity for disclosure of strategic intent in order to identify and leverage alignment of goals and interests. Avoid falling into traditional buyer-seller relationships, which inhibit the alignment of strategic intent.

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Appendix I

STRATEGIC INTENT IN KEY ACCOUNT RELATIONSHIPS

This questionnaire explores the strategic intent of buyers and suppliers in key account relationships.

The research is being carried out by Cranfield School of Management on a confidential basis. Although your words may be quoted, neither you nor the relationship examined here will be identified without your express permission.

Your contact details:

Name:

Title:

Business Address:

Email:

Tel:

(or attach business card here)

In the context of this relationship, are you

☐

A buyer

☐

A supplier

Contact name and name of company on the other side of the relationship

Name:

Company:

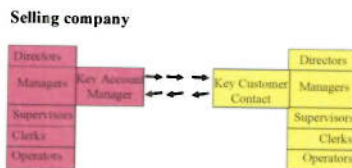
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Please return completed questionnaires to: Dr Lynette Ryals, Cranfield School of Management, Cranfield, Beds, MK43 0AL. Lynette.ryals@cranfield.ac.uk.

Strategic Intent Questionnaire

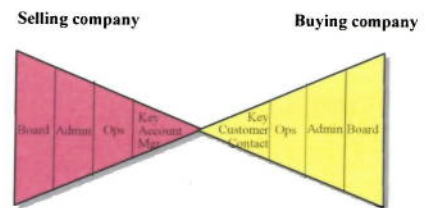
Your relationship type

From the five relationship types pictured below, please circle the one that you think most closely represents the relationship:

Exploratory:



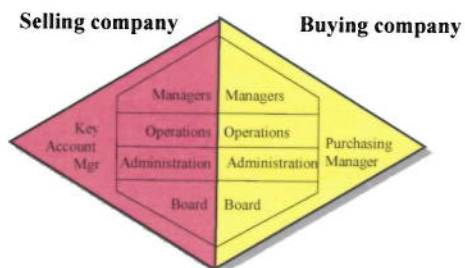
Basic:



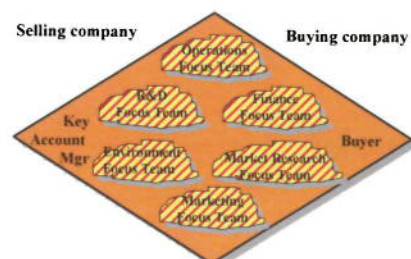
Co-operative



Interdependent:



Integrated:



1) What are your strategic goals from this key account relationship?

2) What **organisational** goals is the relationship helping you achieve?

- 3) To what extent do you agree or disagree with the following statements, applied to your relationship with the supplier (please tick one box only)

	Strongly Disagree	Disagree	Agree	Strongly Agree	Insufficient Information
Inputs					
3a) Both parties invest in the relationship	☐	☐	☐	☐	☐
3b) Our relationship is by an open and honest exchange of information	☐	☐	☐	☐	☐
3c) Our relationship is based on mutual trust	☐	☐	☐	☐	☐
3d) There is a real spirit of partnership between our two companies	☐	☐	☐	☐	☐
Durability					
3e) This relationship is viewed as a long-term commitment by my organisation	☐	☐	☐	☐	☐
3f) Together we have planned and formally documented long-term strategies for the development of our relationship	☐	☐	☐	☐	☐
3g) We are prepared to adjust and be flexible in the interests of this relationship	☐	☐	☐	☐	☐
3h) We have worked together on joint projects which have mutually benefited both parties	☐	☐	☐	☐	☐
3i) Looking after this account is not just the responsibility of the Account Manager and our key purchaser; both companies have set up co-functional teams of people directed to meet the needs of the relationship	☐	☐	☐	☐	☐

- 3) cont To what extent do you agree or disagree with the following statements, applied to your relationship with the supplier (please tick one box only)

		Strongly Disagree	Disagree	Agree	Strongly Agree	Insufficient Information
Consistency						
3j)	We actively co-operate to maintain this relationship	☐	☐	☐	☐	☐
3k)	This relationship is viewed by my organisation as having efficiency benefits	☐	☐	☐	☐	☐
3l)	Conflict is reducing in this relationship	☐	☐	☐	☐	☐
3m)	We trust this partner more than we did 12 months ago	☐	☐	☐	☐	☐
Dissolution						
3n)	If either company ever worked to end our relationship, both companies would find it difficult and complicated to exit	☐	☐	☐	☐	☐
3o)	This is a successful relationship both financially and non-financially	☐	☐	☐	☐	☐

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be a standard notebook page or a sheet of stationery. There is no handwriting or other markings on the page.

Are you happy to share the details of your responses to this questionnaire with the other party?

□

Yes, please share

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No, prefer not to share



Please share except where indicated 'confidential'

THANK YOU FOR YOUR PARTICIPATION IN THIS RESEARCH