

## Classification of Factors Influencing Buyer-Supplier Relationship: A Case Study from the Cement Industry

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**Abstract :** This paper examines the quantitative and qualitative factors influencing the buyer-supplier relationship. Understanding and acting on the right factors influencing supplier relationship management is crucial when a company outsource an important part of its business as it can be for engineering to order (ETO) company executing only the designing part in-house. Acting on these factors increase the quality of the relationship obtaining for both parties what they want and expect from an improved relationship. Best practices in supplier relationship management are considered and a case study of a large global company, called Cement A/S, operating in the cement business is carried out. One study is conducted including a large international company and hundreds of its suppliers. Data from the company is collected using semi-structured interviews and data from the suppliers is collected using a survey. Based on these inputs and an extensive literature review a classification of factors influencing the relationship buyer-supplier is presented and discussed. The results show that different managers among the company are assessing supplier from various perspectives, a standard approach to measure the performance of suppliers does not exist. The factors used nowadays in the company to measure performances of the suppliers are mostly related to time and cost. Quality is a key factor, but it has not been addressed properly since no data are available in the system. From a practical perspective, managers can learn from this paper which factors to consider when applying best practices of Supplier Relationship Management. Furthermore, from a theoretical perspective, this paper contributes with new knowledge in the area as limited research in collaboration with the company has been conducted. For this reason, a company, its suppliers and few studies for this type of industry have been conducted. For further research, it is suggested to define the correlation of factors to the profitability of the company and calculate its impact. When conducting this analysis it is important to focus on the efficient and effective use of factors that can be measurable and accepted from the supplier.

**Keywords :** buyer-supplier relationship, cement industry, classification of factors, ETO

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