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DISCUSSION PAPER

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**MANAGING RELATIONSHIPS
IN RUSSIAN COMPANIES:
RESULTS OF AN EMPIRICAL STUDY**

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The paper represents the first results of an empirical study, conducted on the sample of 208 Russian companies in different industries. The aim of the paper is to contribute to the understanding of current level of strategic maturity in Russian companies in the sphere of supply chain management. The study investigates the validity of the strategic approaches to purchasing in contrast with operational focus with respect to modern Russian markets. We apply the IMP group approach and identify the main clusters of the firms on the base of their approach to the buying strategy and purchasing capabilities development. This study is regarded as the first phase of the complex survey on supply chain management in Russia, analyzing the level of development of managerial technologies and purchasing capabilities in Russian firms. The first stage of this study is built upon partly replication of the purchasing survey, developed and conducted at Lappeenranta University of Technology (Finland), and represents the basis for further comparative analysis of results and findings.

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Introduction

Despite overall recognition of the importance of supply chain management and supplier relationships, there is not always a clear understanding on the role and status of purchasing in the firm, as well of its influence on the financial performance. Development and implementation of strategy are often seen as sufficient requirement for effective supply chain management, but there is a certain differences between documented strategy and strategic thinking [Spekman, 1988].

This challenge is the more critical when analyzing transition economies, facing changes in economic and institutional environment and thus necessity for continuous change and adaptability. The aim of the paper is to contribute to the understanding of current level of strategic maturity in Russian companies in the sphere of supply chain management. We apply the IMP group approach and investigate the buying strategy, supplier relationships and purchasing capabilities development of the companies. The results and findings on the survey of 208 Russian companies presented in this paper are regarded as the first phase of the complex survey on supply chain management in Russia, analyzing the level of development of managerial technologies and purchasing capabilities in Russian firms.

Purchasing: strategy implementation and strategic thinking

As to P.Cousins and R.Spekman [2000], strategic approach to supply symbolizes the importance of enterprise wide thinking where functional units inside the firm and key suppliers from the firm's supply chain all work in concert to bring value to the marketplace. For supply to be strategic, we need to understand the contextual factors - what pressures are on the organization and what are the resources ad capabilities to react to these pressures. Purchasing becomes a part of business strategy and is involved in developing outsourcing strategies, suppliers portfolio management, purchasing consortia analysis and represents thus a unique resource for performance improvement and creation of company's superior position in the market [Farmer, 1997; Hines 1994; Hines, Lamming et al. 2000].

The more actual are these aspects for the firms in emerging and transition economies, like Russia, where currently take place the ongoing processes of networks and chain formation and re-configuration. Local firms thus face steadily increasing pressure from the side of multinational companies, global competition and necessity to define own place in this competition, revising among other also the role of purchasing in the overall business strategy. These trends have largely contributed to the idea to adapt existing research on strategic supply chain management and make an empirical survey on the level of managerial technologies in Russian firms,

purchasing capabilities and their influence on firms’ performance. Russian market proposes a unique possibility to analyze the trends of change from the purchasing to supply chain management approach and provide new approaches to investigation of the nature of strategic supply process.

Main hypotheses and conceptual model of research

Our main assumption implies that understanding of dyadic relationships in transition economy requires detailed analysis of the context factors and consideration of the current trends in order to make the results of the analysis adjusted to the specifics of the market. This has become the argumentation for the design of the current study on the base of two-level approach and step-wise analysis, moving from analysis of the contextual factors, role of purchasing and overall capabilities in the sphere of supply chain management in the first stage to the investigation of the main factors, specifying the dyadic relationships in the second stage. This approach is supposed to help to overpass general lack of previous empirical research results on Russian companies and to create the basis for better understanding of the specifics in dyadic relationships (see Figure 1 below).

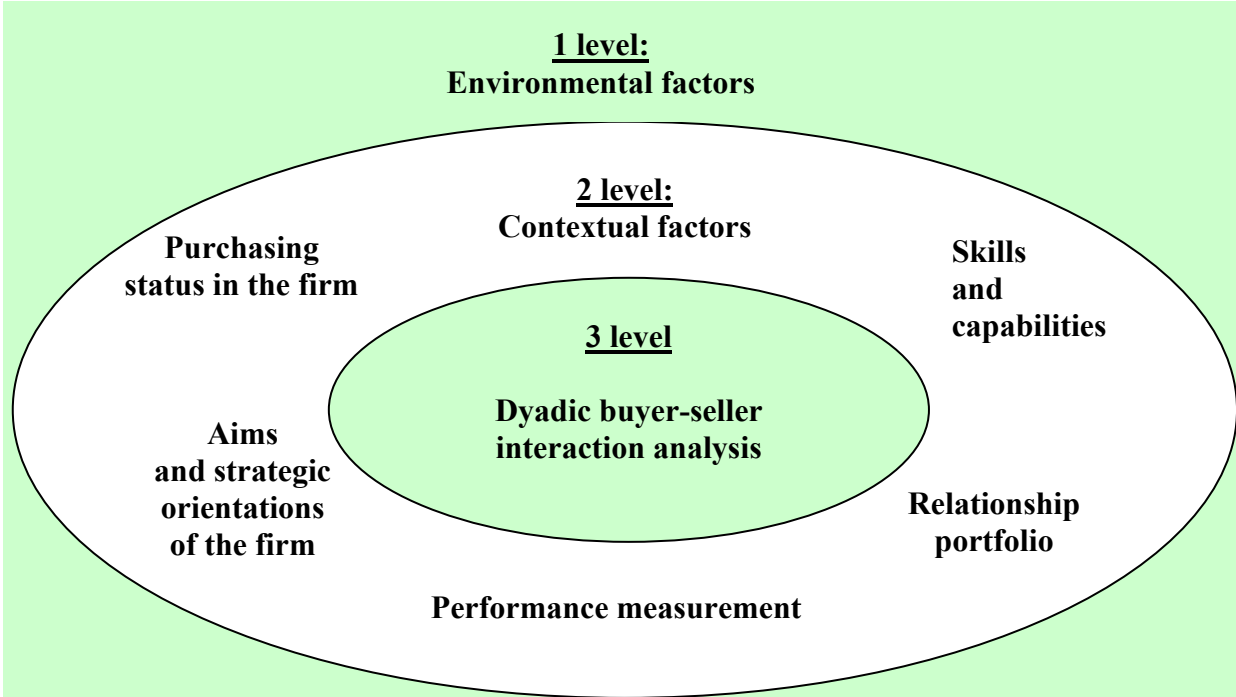


Fig. 1. Conceptual model of three-level research scheme

Our approach on the first step of analysis (environmental and contextual factors) is quite similar to the conceptual model of P.Cousins and R.Spekman [2000], analyzing the strategic issues of supply chain management and the links between purchasing and overall business strategy of the firm and is built upon partly replication of purchasing survey, devel-

oped and conducted at Lappeenranta University of Technology during 2006.

We base our assumptions on the analysis of the purchasing strategy as a part of overall business strategy and investigate the specifics of Russian firms in terms of overall and purchasing strategy links, relationship portfolio, organization structure, skills and capabilities and performance measures.

Methodology

Due to access problems there are few empirical studies of Russian firms' behavior in the market [Hallen & Johanson, 2004]. Indeed, the usual methods of data gathering (self-administered questionnaire with introduction letter) is a doubtful tool for transition economy, in particular considering the factor of the closeness and low readiness to share knowledge and information [Mikhailova & Husted, 2003]. Thus due to specifics of emerging markets and markets in transition, as well as closeness of Russian firms, the personal completely structured interviews were selected as a mean for data gathering.

This paper presents the first results of the "context" stage of analysis and preliminary clusters of the companies in the sample (n=208), collected during 2006. The data in frames of the second, "in-depth" phase of analysis will be collected on the base of the same sample of companies, which have preliminary agreed to participate in both stages of the investigation by the end of 2006.

The first phase of the study, built upon analysis of the environmental and contextual factors was conducted in close cooperation with the Lappeenranta University of Technology. The questionnaire for the first stage of the study has been adopted from the earlier study, conducted by Lappeenranta University of Technology on the base of the sample of Finnish companies during Spring 2006.

The questionnaire was translated, modified and pre-tested in form of semi-structured interviews with representatives of the 6 Russian firms. Results of the pre-test have confirmed that the structure of the questionnaire, the logic and the content of the questions are very well understood by the respondents. At the same time, as expected we have met difficulties when asking the questions on firm's business performance and purchasing performance indicators.

The main emphasis by the modification and further development of the questionnaire has been put on the analysis of the environmental specifics Russian firms face, that could have influences on their purchasing strategy. We have also added some questions, specifying main aims, priorities of the firms in the field of purchasing and development of organizational

capabilities on purchasing and supplier interaction. Thus we planned to achieve both aims of the study — a) comparative analysis of Russian and Finnish firms in their approach to purchasing strategy and supply chain development; b) implementation of the analysis on the first stage of our 2-stage approach to investigation of dyadic buyer-seller relationships in Russian firms.

Sample description

The sample was based on the several criteria, as firm's size, industry, region and, finally, readiness to participate in both rounds of survey — the first one, analyzing environmental and contextual factors of purchasing, and the second — putting emphasis on dyadic buyer-seller interaction with the selected supplier (preferably, key supplier of the firm).

The final sample includes 208 firms from several industries (Table 1).

The firms in the sample represent several Russian regions (Arkhangelsk — 5%, Astrahan — 4%, Blagoveshensk — 4%, Vladivostok — 1%, Voronezh — 5%, Ekaterinburg — 5%, Irkutsk — 5%, Krasnodar — 5%, Krasnoyarsk — 6%, Kursk — 6%, Moscow — 14%, Murmansk — 3%, Perm — 5%, Saint Petersburg — 19%, Saratov — 5%, Cheboksary — 3%, Chelyabinsk — 5%).

Table 1

Sample description on industries analyzed

	%
1. Machinery	9,1
2. Transport machinery	1,9
3. Food industry	11,5
4. ICT	7,7
5. Retailing	11,5
6. Whole sale	11,1
7. Forest industry	7,2
8. Construction materials production	7,7
9. Construction	8,7
10. Cosmetics industry	2,9
11. Polygraph industry	7,7
12. Packaging production	2,9
13. Appliance machinery	5,3
14. Light industry	9,1
15. Metallurgy	2,9
16. Chemical industry	1,9
17. Other	4,3

Firms vary in terms of:

- *the number of employees* (70–250 (45,6%), 250–500 (21,8%), 500–1000 (12,1%), 1000–2000 (10,2%), more than 2000 (10,2%);
- *market share* (less than 5% — 18,3%; 5–15% — 21,6%, 15–25% — 21,6%, 25–50% — 14,9%, 50–75% — 9,1%, 75–100% — 3,8%);
- *way of foundation* (privatization of the former state enterprise — 49,8%, start-ups after 1991 by Russian entrepreneurs — 43,9%, start-ups by attraction of foreign investments — 2,4%, other — 3,9%);
- *organizational form* (ZAO — 17,8%, OAO — 37%, OOO — 41,3%, others — 3,9%);
- *year of foundation* (before 1900 — 2,5%, 1901–1930 — 5,9%, 1931–1950 — 2,3%, 1951–1970 — 10,9%, 1971–1990 — 6,4%, 1991–2000 — 35,6%, 2001–2006 — 15,9%);
- *area of operations* (local region — 31,9%, federal region — 15,9%, Russian-wide operations — 34,8%, CIS — 18,4%, EU — 3,9%, global market — 8,7%);
- *area of purchasing activities* (local region — 82,2%, other regions of Russia — 79,8%, CIS countries — 26,9%, global market — 36,1%).

To define the sample and the specifics of purchasing process, we have asked respondents to describe the structure of the goods and services purchased.

Table 2

Sample description by the goods/services purchased

	Share of firms in the sample	% of the whole purchasing volume (mean)
Raw materials	70,7%	64,5%
Non-production supplies	14,9%	8,8%
Components	66,8%	21,3%
Semi-manufactured goods	26,9%	14,8%
Finished commodity	50%	45,4%
Capital equipment	33,7%	17,5%
Services	44,2%	56,29%

Table 3

Description of the sample on the level of purchasing internationalization

Answer anchors: (1 — not at all, 5 — substantially)	Mean	1	2	3	4	5
Direct purchasing abroad (excluding CIS countries)	3,15	20,9	19,4	10,4	22,4	26,9
Cooperation with international suppliers	2,96	29,4	11,8	16,2	19,1	23,5
Purchasing over offshore-firms or independent business units	2,10	60,7	6,6	6,6	14,8	11,5
Purchasing through an international supply network	1,79	69,0	5,2	10,3	8,6	6,9

Main findings: Environmental factors analysis

Considering the logic of our study, one of the main aims of the first stage of research has been to understand the main environmental factors, influencing the purchasing strategy of the firms in our sample. We have based our questions on firms' perception of market, technology, demand and competitive situation turbulence.

Table 4

Analysis of environmental turbulence

	Rank	Mean	Answer anchors: 1 — quite slow, 5 — rapid				
			1	2	3	4	5
Competitive situation changes	1	3,81	2,5	4,4	32,8	30,4	29,9
Customer demand changes	2	3,68	2,9	8,3	27,5	40,7	20,6
Technological changes (over past 3 years)	3	3,55	6,4	9,3	27,9	35,3	21,1
Market changes	4	3,54	4,4	4,9	42,4	28,6	19,7

Table 5

Overall competition evaluation

Weak competition, monopoly	Mean	1	2	3	4	5	Strong competition, multiple rivals
%	3,93	4,4	5,4	23,2	26,6	40,4	

Table 6

**Competitors structure analysis
(Perception of the main competitors of the firm, several answers allowed)**

	%
Domestic companies	62,8
Russian companies that have foreign partners (owners)	24,2
Companies from Western Europe, the USA and Japan	10,6
Manufacturers from developing countries	4,3
Companies from CIS countries	8,7
Manufacturers from Eastern Europe	3,4
Other competitors	15,0

Main findings: Contextual factors analysis

Our approach to analysis and understanding of the contextual factors is based on the conceptual model of P.Cousins and R.Spekman [Cousins, Spekman, 2000] and their assumption on the strategic alignment processes from purchasing perspective. This strategic alignment model (see Fig. 2 below) shows how important it is to align strategies, stressing the importance of aligning both the performance measurement systems and the skills and competencies of the individuals involved within procurement.

According to the model proposed, P. Cousins and R. Spekman conceptualize the strategic supply wheel (see Fig. 3 below), and its main elements. As adopted to the aims of our study, we concentrate only on several elements — as purchasing strategy and purchasing role in the firm, organizational structure, skills and competences, portfolio of supplier relationships and performance measures.

The proposed by the model costs and benefits analysis will be conducted in frames of our study on the base of the data on dyadic buyer-seller relationships, the emphasis will be put on the relationship value creation and relationships costs assessment. The causal links between the variables ana-

lyzed will be evaluated and presented on the base of structural equation modeling techniques.

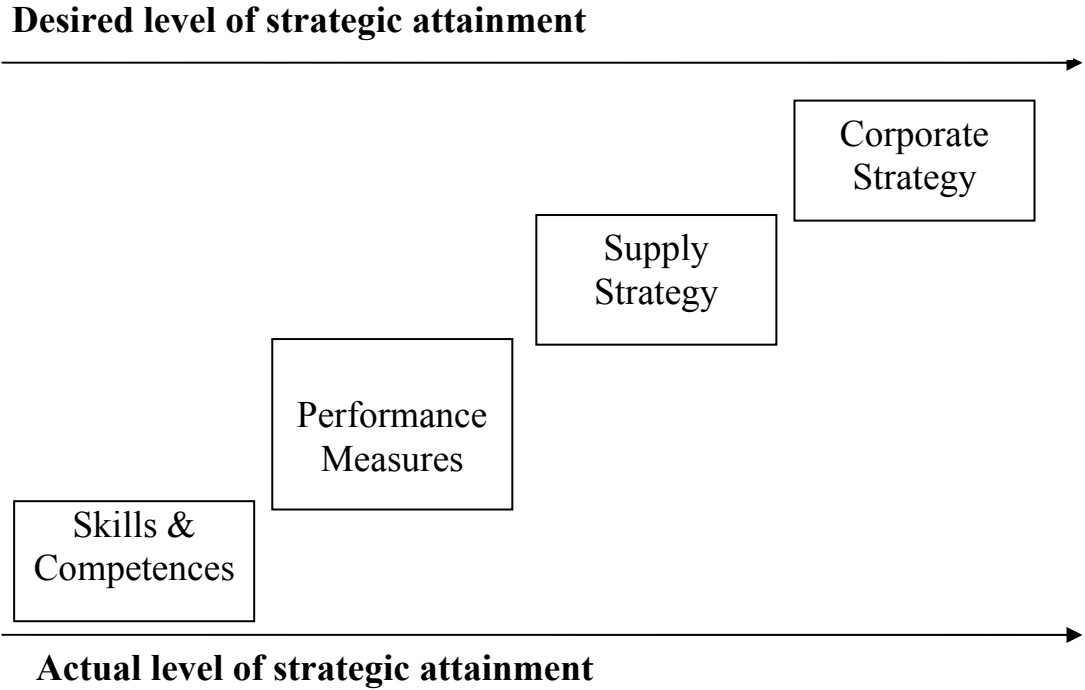


Fig. 2. Strategic Purchasing Alignment Model
 Source: [Cousing, Spekman, 2000, p. 6].

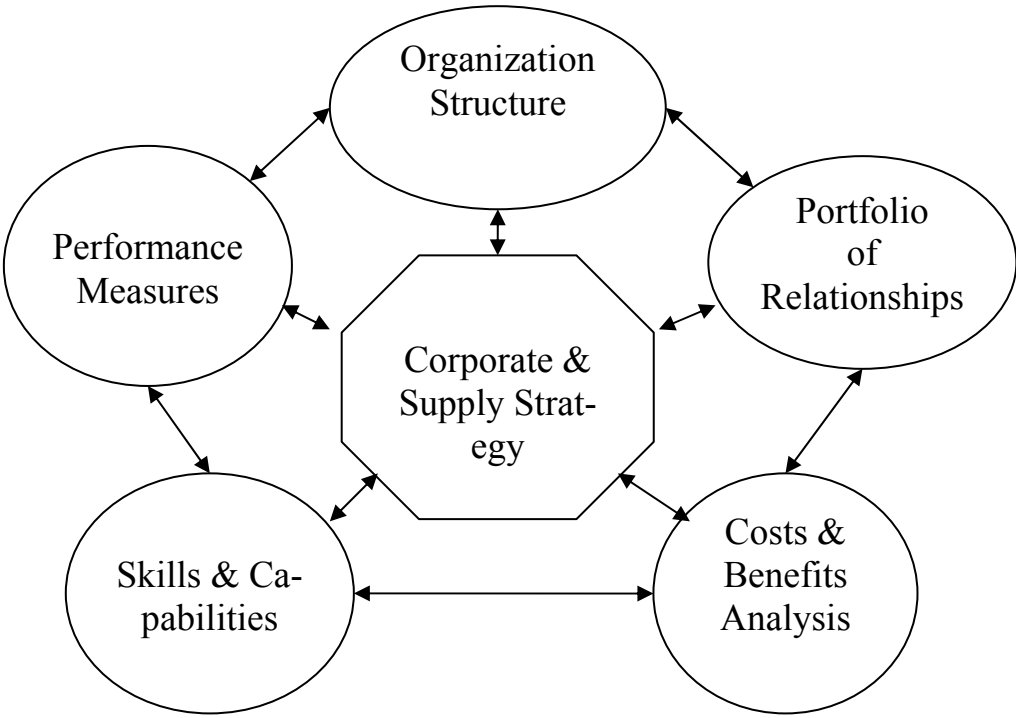


Fig. 3. Strategic Supply Wheel

Source: [Cousing, Spekman, 2000, p. 9].

Purchasing strategy

Analyzing purchasing strategy and the status of purchasing in the firm, we investigated whether purchasing strategy was developed (81,6% of the firms in our sample) and documented (56% of the firms). At the same time, only 6,9% of firms have a long-term documented plan for 5–10 years on purchasing. We have compared the results received with ones from the study of P.Cousins and R.Spekman [2000]. The first 4 ranks are quite similar in both studies, stressing understanding of the same strategic priorities by firms both in Russia, and UK. Nevertheless, there are some differences — as concerning supplier base reduction and outsourcing — being more prioritized in UK, and take last places in Russian firms ranking.

The main aims concerning further development of supply chain include – supplier relationships development (87%), operative effectiveness improvement (63,9%), business processes development (46,2%), personnel management improvement (43,8%), time management improvement (27,9%), participation in R&D (17,3%), outsourcing (9,1%).

Table 7

Key Areas of Strategic Focus in Purchasing Strategy

	Rank	Share of firms	Compared rank*
Costs reduction	1	86,5%	1
Long-term supplier relationships	2	76%	3
Lead-time reduction	3	75%	4
Quality improvement	4	74%	2
Purchasing and sales activities alignment	5	48,1%	-
Just-in-time system creation	6	48,6%	-
Improved time-to-market	7	39,4%	7
Firm's flexibility improvement	8	39,4%	-
Stock reductions	9	37%	-
Integrated supply chain creation	10	21,6%	-
Supplier base reduction	11	15,9%	5
Joint R&D	12	16,8%	10
Outsourcing	13	10,6%	8

* Rank according to the study of [Cousins, Spekman, 2000].

Relationships portfolio

By analyzing relationship portfolio, we tried to understand the most important aspects of supplier relationships, that firms use to evaluate the

interaction, as well the definition of the key supplier by assessment of the supply volume that the key supplier is responsible for (this volume varies and is assessed at 100% (3,4% of firms), 80-99% (11,5% of firms), 50-79% (37,3% of firms), 30-49% (26,4% of firms), 10-29% (16,8 % of firms)).

Investigation on the main features of supplier relationships, we have evaluated 18 possible characteristics, based on social, strategic and economic aspects of relationships [Håkansson, 1982].

The first rank among the characteristics has the factor of the quality of the goods supplied, stressing function character of interaction (96,1% of firms). The second important factor is cost reduction (88,9%) and profit (88,8%) underlying the economic side of buyer-seller interaction. Finally, the 4th place has the factor of trust (85,4%). This aspect is presented in research literature, supporting the hypothesis that in economies with high level of uncertainty trustworthy relationships replace the role of market governance structures and decrease thus the uncertainty level [Sergienko, 2002].

It is highly remarkable, that the most strategic features (as firms goals compatibility, supplier's innovation potential and supplier's investments in interaction) have weaker positions than social and economic ones.

Table 8

Key criteria by supplier relationship evaluation

	Rank	Share of firms
Quality of goods supplied	1	96,1%
Cost reduction	2	88,9%
Profit	3	88,8%
Trust	4	85,4%
Quality of services provided	5	84,3%
Satisfaction	6	82,5%
Quality of interaction coordination	7	79,3%
Supplier's problem solving ability	8	78,9%
Joint problem solving	9	78%
Effectiveness of communications	10	75,5%
Strategic perspectives of this collaboration	11	74,6%
Supplier's commitment	12	69,4%
Close bonds between firms	13	67,5%
Individual characteristics of employees involved	14	56,6%
Goals compatibility	15	52,2%
Supplier's innovations potential	16	50,7%
Supplier's investments in interaction	17	46,5%
Supplier's power potential and use of power	18	32,5%

Organizational structure

Analyzing the role of organizational structure we have asked the interviewees to evaluate the level of purchasing centralization or decentralization (Table 9). According to the results, only 40,2% of the firms have fully centralized purchasing, despite we have expected higher level of centralization. 12,7 % of firms have fully decentralized purchasing organization. 76% of firms have a special purchasing department. Project teams (matrix organization) for purchasing purposes are involved only in 1,9% of firms. Finally, only 6,7% of the firms have buying committee. Only in 61,5% firms responsible for purchasing manager is member of top management team. The results on purchasing activities are mostly reported to CEO (83,7%), Marketing Director (6,7%), Production Director (11,5%), Finance Director (26,9%), Personnel Director (1%).

Table 9

Analysis of the answers on the level of purchasing centralization

(1 — fully centralized purchasing, 5 — fully decentralized purchasing)	Mean	1	2	3	4	5
	2,35	40,2	19,6	18,1	9,3	12,7

Concerning the participation of Russian firm in purchasing consortia, the findings of the study show highly low level (only 8,2% of firms have reported in their participation in any purchasing consortia).

Finally, we have analyzed the process of purchasing-related decision making in the firms by assessment of the impact of different functions on purchasing decisions (Table 10).

Table 10

Analysis of the functions involved in purchasing-related decision making processes

	Rank	Mean (answer anchors: 1 — not involved at all, 5 — fully involved)
Top management	77,2%	4,05
Finance	69,2%	3,90
Production	68,1%	3,70
Accounting	59,2%	3,62
Marketing	56,9%	3,39
Legal support	54,8%	3,33
Product planning	53,8%	3,03
Main user of the product/service purchased	34%	2,39

R&D	27,3%	1,82
Security service	24,6%	2,11
Customs department	19,7%	1,40

Skills and capabilities

61,8% firms systematically measure and evaluate the capabilities in the sphere of purchasing. 68,6% argue that organizational capabilities are documented and clear for everyone in the firm. At the same time, 23% of respondents said that they will have difficulties to re-configure and re-create the capabilities when the key person leaves the company. 82,5% of firms feel the impact of organizational capabilities on the firm's performance. We have evaluated the skills required to become purchasing manager in a company — individual characteristics (86,4%), work experience (85%), education (82,5%), overall business skills (69,1%) and skills and knowledge in international trade (29,8%).

At the same time, when speaking about the dynamic aspects of the organizational capabilities in the sphere of purchasing, the firms do not feel very sure about their potential in integration of all necessary resources (only 50,6%), organization and re-organization of business processes in the sphere of purchasing (only 50%), access to new resources (only 50,3%). A little bit better looks the contribution of capabilities to support of effective communications with suppliers (63%). Finally only 60,5% of the respondents said that purchasing capabilities are oriented on searching new market chances and opportunities and timely adaptation to them.

Performance measurement

Most of the companies argue that purchasing has influence on performance (88,9%) and that reports on purchasing activities are submitted to the top management (70,8%). 69,2% of firms rely on purchasing in terms of business development, 87,6% of firms monitor regularly the purchasing costs, 63,6% of firms think that purchasing specialist are responsible for cost reduction in the company. At the same time the results show different level of use of the main performance analysis tools — return on investment (only 28,4% of firms use it, 42,6% plan to use it in future), terms of payment (90,7% of firms use it now, but only 83,3% plan to use it in future), working capital is analyzed by 77,2% of firms, operating margin — by 71,6%. 51,2% of firms argue that purchasing has influence on these indicators, but only 40,7% of firms measure them regularly, and only in 39,5% firms these calculations and measurement results lead to active actions. 64,8% of firms monthly report to corporate management about the situation in purchasing, 17,3% quarterly, 4,3% half a year, 3,7% — once a year, and 6,8% — never.

More results on the purchasing measurement analysis are presented on Tables 11 and 12.

Table 11

Analysis of purchasing monitoring

	Rank	Mean	Answer anchors: 1 — never, 5 — regularly				
			1	2	3	4	5
Purchasing price	1	4,72	0,5	0,0	2,9	19,9	76,7
Quality	2	4,64	0,0	0,0	7,8	20,0	72,2
Inventory levels	3	4,36	1,5	2,5	13,2	24,0	58,8
Cost effectiveness of purchasing	4	4,29	2,0	2,0	17,7	22,2	56,2
Capital turnover rate	5	3,85	7,6	8,1	19,2	21,7	43,4
Service level of purchasing	6	3,69	5,0	10,4	29,2	21,3	34,2
Tied-up capital	7	3,65	10,1	8,5	22,2	24,9	34,4

Table 12

Analysis of the measurement tools

	Rank	Mean	Answer anchors: 1 — never, 5 — regularly				
			1	2	3	4	5
Purchasing portfolio	1	3,95	8,3	4,4	16,7	25,5	45,1
Risk analysis	2	3,83	9,3	8,3	11,8	31,4	39,2
Make-or-buy – analysis	3	3,75	11,4	4,5	21,8	22,8	39,6
Purchasing market research	4	3,54	13,4	7,9	19,8	28,7	30,2
Value chain analysis	5	3,53	10,9	9,4	22,8	29,7	27,2
Supplier classification	6	3,44	13,9	10,9	20,3	27,2	27,7
Purchasing portfolio	7	3,39	14,4	8,9	22,8	31,2	22,8
Supplier classification	8	3,26	16,7	14,7	18,1	26,5	24,0
Purchasing market research	9	3,22	18,5	11,0	23,5	24,0	23,0
Benchmarking	10	3,09	19,9	11,9	25,9	23,4	18,9
SWOT-analysis	11	2,83	29,2	13,4	17,8	24,3	15,3
Value chain analysis	12	2,75	25,4	22,3	17,6	21,8	13,0
SWOT-analysis	13	2,71	31,1	12,6	25,3	16,8	14,2

Buying strategies of Russian firms

The analysis of the firm's buying strategy is one of the main elements of contextual factors, contributing to understanding of firms' dyadic buyer-

seller interaction. The approach was conceptualized by N.Campbell [Campbell, 1985] and is based on several concepts of interaction models [Sheth, 1972, Webster & Wind, 1972], incorporating the idea on the interplay of marketing and purchasing strategies and their determinants. The full description of the two-sided interaction process was presented in the IMP-model [The IMP Group, 1982], stressing the interaction between two active parties.

As well as the IMP Model, the approach, proposed by N.Campbell, gives equal weight to buyer and seller characteristics and emphasizes main characteristics, describing the strategy types — command, cooperative and competitive.

Due to the features and methodology of our study, we concentrate just on one side of exchange — buyer’s side, and evaluate buying strategy only. Nevertheless, these results are assumed to contribute to further understanding of the dyadic relationships on the second stage of this study.

Our scale has been based on the buying characteristics and buying strategies description, proposed by N. Campbell (see Tables 13, 14).

Table 13

Main buying characteristics

	Buying strategy	
	Competitive	Cooperative
	Many	Few
Number of suppliers		
Proportion of purchases held by main suppliers	Low	High
Number of new suppliers taken in recently	Several	Few
Proportion of business given to new suppliers	Moderate	Low
Willingness to accept special adaptations	Unwilling	Willing
Desire for standardization of the product	High	Average
Technical dependence on suppliers	Low	High
Emphasis in buying	Price	Service quality

Source: [Campbell, 1985, in: Ford, 2002, p. 398].

Based on the analysis done, we have classified the companies in the sample and identified 4 clusters on the basis of the criteria of buying strategy type [Campbell, 1985] and level of purchasing capabilities development. These are the preliminary results of analysis, requiring investigation on the base of more variables to be included (see Table 15). Nevertheless, already these results allow us to make some implications on the strategic features of the sample firms behavior.

Two characteristics were proved to be not effective for classification — adaptation requirements by firms and price as the main factor for firm’s buying strategy. We assume that this may be connected with high cost re-

duction orientation by the firms in the sample and high perceived level of competition, influencing firms' buying strategies.

Table 14

Evaluation of some criteria of firm's buying strategy

	Mean	(1) fully disagree, (5) fully agree				
		1	2	3	4	5
Our strategy is based on multi-sourcing approach	3,83	12,0	4,8	18,3	17,8	47,1
We are trying to reduce the number of suppliers by developing long-term relationships	3,26	16,5	12,6	25,2	19,4	26,2
We are not trying to reduce the number of suppliers because we don't want to depend on one particular supplier	3,26	15,6	14,1	24,9	19,5	25,9
Our key supplier is responsible for the substantial amount of supplies	3,29	16,0	11,2	25,2	22,8	24,8
We are constantly searching for new suppliers	3,69	8,7	10,6	21,6	21,6	37,5
We are actively involving new suppliers in interactions	3,39	10,6	17,8	22,1	20,7	28,8
New suppliers are responsible only for small amounts of supplies	3,43	8,7	11,6	30,4	26,1	23,2
We are ready to adapt to meet requirements of particular supplier	2,98	22,0	14,1	26,8	18,0	19,0
We require adaptation of products supplied to fit our requirements	4,54	1,9	1,4	7,2	19,8	69,6
We depend on technical aspects of our suppliers	2,97	20,6	18,6	24,5	16,2	20,1
The main purchasing factor for us is price	3,72	7,2	7,7	25,6	24,6	34,8
The main purchasing factor for us is quality	4,36	1,9	4,9	9,7	22,3	61,2
The main purchasing factor for us are additional services	2,51	26,3	25,9	28,3	9,8	9,8

Matrix “Buying Strategy — Purchasing Capabilities” (n=182)

		<i>Purchasing capabilities</i>	
		High capabilities development	Low capabilities development
<i>Buying strategy</i>	Competitive buying strategy	“ advantage-oriented ” n=63	“ opportunity oriented ” n=25
	Cooperative buying strategy	“ value creation-oriented ” n=55	“ relationship exploiting-oriented ” n=44

To classify the cases we have mainly used the buying characteristics (see Table 7), characteristics on the economic role of purchasing.

Most of the sample firms are competitive-oriented, despite this almost half of the firms put emphasis on capabilities development. The main characteristics of each cluster include:

“Advantage-oriented” (n=63)

These firms follow multi-sourcing approach and try to get advantages from having portfolio of suppliers, thus reducing the chances for possible dependency on supplier. These firms are constantly searching and actively involving new suppliers in interaction. Advantage-oriented firms have very high quality orientation when taking purchasing decisions.

There is strong economic focus on purchasing — objectives of purchasing are understood all around in organization, purchasing is responsible for business improvement and frames cost objectives for new products and services.

These firms tend to be really oriented on the purchasing capabilities development, put emphasis on team work and knowledge exchange among employees and try to align the goals and objectives in purchasing with the aims and objectives at all levels of the firm.

“Opportunity-oriented” (n=25)

The buying strategy of these firms is rather oriented on multi-sourcing approach — they are particularly stressing the necessity to be independent from the suppliers, actively search for new suppliers and involve them into

interaction. When taking purchasing decisions, these firms are price- and quality-oriented, but in comparison to other firms in the sample, the quality factor has the weakest positions in this cluster.

Purchasing has very limited economic status in these firms and there is hardly emphasis on purchasing capabilities development. These firms don't try to invest in supplier interaction and are more occasion-oriented.

“Value creation-oriented” (n=55)

The buying strategy of these firms has elements of both competitive and cooperative approaches – they tend to use multi-sourcing strategy, but nevertheless tend to reduce number of suppliers in order to create long-term collaboration. Key supplier in these firms is responsible for the substantial amount of supplies, and there is no that active search for new suppliers on the regular basis. More than this, these firms stress the fact that new suppliers are responsible only for small amounts of supplies.

In comparison to other clusters, these firms have the highest level of readiness to adapt in order to meet requirements of a particular supplier, supporting thus their orientation on long-term win-win collaboration.

The “value-oriented” firms in our study are really both price- and quality oriented, proving their “value-orientation”. They have also strongest — I comparison to other cluster — service-orientation.

This cluster has the strongest economic focus on purchasing and tries to create maximum value from the purchasing-related knowledge. There is strong trend to purchasing capabilities development, in particular concerning team-work and knowledge-sharing, as well new product development.

“Relationship exploiting-oriented” (n=44)

This is the only cluster with low multi-sourcing orientation. These firms tend to reduce the number of suppliers for creation of long-term collaboration. The key supplier is mostly responsible for substantial amount of supplies. There is no active search for new suppliers or active involvement of new suppliers in interaction. These firms have also — in comparison to other clusters — lowest price- and quality-orientation.

Having moderate to low economic focus on purchasing, these firms fail to develop purchasing capabilities, and tend thus to exploit existing relationship. We may assume, that this “collaboration” will mostly be one-sided, and not truly “win-win” situation.

Detailed cluster characteristics are presented in the Table 16. (see below)

Table 16

Clusters' characteristics description

	1	2	3	4
Buying strategy				
Our strategy is based on multi-sourcing approach	3,9	4,2	4,6	2,5
We are trying to reduce the number of suppliers by developing long-term relationships	4,0	1,8	2,7	4,0
We are not trying to reduce the number of suppliers because we don't want to depend on one particular supplier	2,8	4,0	3,8	2,5
Our key supplier is responsible for the substantial amount of supplies	3,9	3,2	2,5	3,6
We are constantly searching for new suppliers	3,5	4,2	4,4	2,5
We are actively involving new suppliers in interaction	3,2	3,8	4,1	2,2
New suppliers are responsible only for small amounts of supplies	3,8	3,1	3,3	3,4
We are ready to adapt to meet requirements of particular supplier	3,6	2,4	2,7	3,0
We require adaptation of products supplied to fit our requirements	4,6	4,2	4,6	4,5
We depend on technical aspects of our suppliers	3,6	3,6	2,4	2,7
The main purchasing factor for us is price	4,2	3,9	3,4	3,4
The main purchasing factor for us is quality	4,6	4,0	4,5	4,2
The main purchasing factor for us are additional services	3,0	1,6	2,6	2,3
Economic role of purchasing				
Objectives of purchasing are understood all around in organization	4,6	3,2	4,5	3,4
Purchasing has responsibilities for continual improvement of business	4,7	3,2	4,1	3,0
Purchasing reports of cost savings to corporate management	4,4	3,0	3,8	3,1
Purchasing frames cost objectives for new products and services	4,2	2,4	4,0	3,2
Purchasing capabilities development				
Organizational culture of our firm supports our purchasing strategy	4,0	1,8	3,7	2,4
We aim to become leaders in the purchasing competences	3,8	1,4	3,8	2,2
Team work and knowledge exchange among our employees is important factor of our success in purchasing	4,3	2,2	4,4	2,9
We aim to align the goals and objectives of our purchasing specialists with the aims and objectives at all levels of our firm	4,1	1,9	4,2	2,8
Number of cases in cluster (n=187)	(55)	(25)	(63)	(44)

Conclusion

Analyzing the results of the evaluation of different aspects of purchasing strategy and purchasing capabilities, we came to the conclusion of highly diverse and unstable structure of responses.

The purchasing strategy assessment shows that at the moment the level of strategic maturity of the firms is increasing, but strategy formulation not always leads to strategic thinking. Not surprisingly high are the economic and social aspects of relationship evaluation and aims for further development of purchasing strategy. These results confirm the assumption, that increasing level and intensity of competition force companies to improve performance and search for new sources of advantage creation. At the same time social factors are still regarded more as stability and security factors, decreasing the overall uncertainty level in the economy, and not as the factors, facilitating strategic cooperation.

The results of the cluster analysis made represent just the first attempt to classify the firms in our sample on the base of their buying strategy features, purchasing economic status perception orientation towards purchasing capabilities development.

The implications made in the first stage of research will be used for additional specification of dyadic relationships analysis of supplier relationships in Russia in the second stage of the study — dedicated to the investigation on the nature and main features of dyadic buyer-seller relationships. We will analyze, whether selected strategic approaches and firm's buying strategy have influence on the level of dyadic interaction and relationships value creation.

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