Customer Relationship Management

From a Buyer's Perspective in a B2B Relationship

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Acknowledgements

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Writing this thesis has been both challenging and truly rewarding in terms of developing ourselves and our knowledge within this area. We hope this thesis will do the same for the reader and create an interest in reading about the relationship between two companies.

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Abstract

Every day companies need to constantly perform in order to keep their customers satisfied, whether the targeted group is an individual or an organization. One method for doing this is called Customer Relationship Management (CRM). The focus of CRM is on the relationship between sellers and buyers, focusing on creating benefits for both parties and resulting in a long lasting and valuable partnership. The purpose of this study is to create a better understanding on how CRM is used in a B2B setting. In order to reach this purpose, research questions focusing on the process of selecting a supplier and the benefits of using CRM were developed. Using these research questions as a guide, relevant literature was reviewed which resulted in a conceptual framework that guided the data collection. In order to collect data, a qualitative, case study on one of the world's largest truck manufacturer was conducted. Data was collected through two interviews with high positioned employees and through the use of documentation. Observing it from the buying firm's point of view gave us the opportunity to see how they chose which supplier to start a relationship with, and how they are seeing their current suppliers and the CRM they are exposed to. The findings indicate that although CRM is creating several benefits for both the buyer and supplier, it is not used enough as it should be in order to maintain a healthy relationship. The research also indicates that when a large-sized global company is selecting which supplier to start a relationship with, a complex and thorough process is followed.
Sammanfattning

Varje dag behöver företag konstant prestera för att hålla sina kunder tillfredsställda, oavsett om målgruppen är privatpersoner eller andra företag. En metod att göra detta kallas Customer Relationship Management (CRM) och är nära besläktat med relationsmarknadsföring. Tonvikten ligger på relationen och genom att försöka skapa fördelar för parter så kommer det förhoppningsvis generera i ett värdefullt och långt varande samarbete.


Studien visar att trots att CRM skapar åtskilliga fördelar för både köparen och säljaren så används det inte tillräckligt som det borde för att underhålla en hälsosam relation. Studien indikerar också att när ett stort globalt företag väljer vilken leverantör att starta ett samarbete med så följs en komplex och noggrann process.
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1. Introduction

This first chapter will introduce the idea of customer relationship management and how it has evolved during the past years. It will further discuss how the concept has and is used by organizations in business to business environments. The chapter will end with the purpose and research questions, and finally the demarcations of the thesis.

1.1 Background

According to Payne and Frow (2006) Customer Relationship Management (CRM) has become more and more important over the last decade due to the emerging global markets. Even if the term CRM is relatively new it has its roots in relationship marketing which has been used as a tool for improving long run profitability by focusing on managing current customer relationships rather than winning new ones (Popovich & Injazz, 2003). Publications on the significance of relationship marketing can be traced back to the 1970s while its origin can be seen in ancient times, but it was not until the 1990s relationship marketing became a topic of great interest (Payne & Frow, 2006). Today, it is a necessity for organizations to deliver high value to its customers by improved communication and personalized products and services (Popovich & Injazz, 2003). This can be accomplished by CRM strategies which seek to give quality service delivered with passion rather than exclusively focusing on price (Stewart, 2005).

The concept CRM is used widely and the term is defined differently by many authors, therefore SCN Education (2001) has divided the concept into six main parts presented below:

- Customer needs
- Partnership.
- Increasing profits
- Loyalty
- Value
- Satisfaction

Combined these parts gives an overall view of CRM from both the buyers and the sellers perspective. All the part can be seen as goals for organizations when performing CRM strategies meeting customer needs, creating satisfaction, increasing profits etc.

By creating loyal customers a company can save the switching costs which according to SCN education (2001) are five times the cost as retaining an existing customer. Having a loyal B2B customer is not only about the maintenance of the relationship overtime, it is also about nurturing the relationship to encourage re-buys and a level of support (Rauyruen & Miller, 2005).

Millions of dollars are spent each year by organizations that sell to consumers trying to examine what customers think of their products and services and what will motivate them to buy more. In contrary evidence shows that Business to Business (B2B) organizations do not put as much effort in to their customer relationships. A B2B contract are often of high value and due to the fact that in a standard B2B organization about 80 percent of the revenue comes from 20 percent of the customers makes this research area about CRM in B2B organizations even more interesting. (Stewart, 2005)
1.1.1 Buyer-Seller relationships

Suppliers are not perceived as a homogenous group by vehicle manufacturers. There are different categories among a company’s suppliers which are determined by variables such as the degree of supplier involvement or the transfer of information. The different buyer-supplier relationships are presented in table 1.1 which is based on the buyers and suppliers specific investments. These are investments in for example buildings, people, equipment or other investments that are difficult or expensive to transfer to another relationship and therefore they will probably lose value when redeployed to another supplier or customer. Each of the different cells in the framework contains low and high-performing relationship, saying that each type of relationship can be well or poorly managed depending on how well they are maintained. (Perez & Sanchez, 2001)

<table>
<thead>
<tr>
<th></th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Captive buyer</strong></td>
<td><strong>Strategic partnership</strong></td>
</tr>
<tr>
<td><strong>Buyer’s specific investments</strong></td>
<td>Low</td>
</tr>
<tr>
<td><strong>Market exchange</strong></td>
<td><strong>Captive supplier</strong></td>
</tr>
</tbody>
</table>

*Source: Adapted from Perez and Sanchez, 2001*

When a *strategic partnership* occurs, both buyer and supplier are have committed highly specific assets into the relationship. The products are highly customized and require strong technology and engineering capabilities, and the market is characterized by high-growth and competitiveness. The complexity of the relationship requires close interactions between the parties and results in a disadvantage when it comes to redeploying investments. (Ibid)

In a *market exchange* relationship, neither of the parties makes special investments. The products are highly standardized that requires little or no customization to the final product, and it requires little engineering effort and support from the suppliers. The market is highly competitive and there are many available alternatives at low switching cost, this makes it easy for either the buyer or supplier to shift to another business at any time. (Ibid)

In the *captive buyer* cell, when the buyer makes high levels of investments and the supplier’s investments are low involves complex products that require some customization. The market consists of a few large, well-established suppliers which gives them the bargaining power and a large level of control. It is vital for the buyer to maintain the relationship due to the few numbers of suppliers and the high switching costs making it hard for the buyer to shift to others. In spite of the frequent need for information exchange, the relationships are fragile due to high levels of distrust. (Ibid)
The captive supplier relationships involve complex products typically developed and owned by the supplier. The supplier making the investments is trying to maintain the relationship by putting more effort in the relationship than the buyer. This is because the buyer has no difficulties switching to another business partner. Although there is a high level of trust in this type of relationship, the information exchange is less compared to the other three types. (Ibid)

Perez and Sanchez (2001) further argues that all of these four different relationships have one thing in common; selection criteria. The study shows that quality, delivery and price are most important when conducting a transaction no matter what kind of relationship there is, especially in the automotive industry. (Ibid)

1.2 Problem Discussion
Zahay and Griffin (2004) defines CRM as “the process of segmenting customers and tailoring relevant offerings to them to create value for the firm”. This process is integrated to manage relationships by focusing on customer maintenance and relationship development (Popovich & Injazz, 2003). Companies used to be able to satisfy their customers’ needs with standardized products and mass marketing, but nowadays the needs and preferences of customers are under constant change which requires firms to define smaller and smaller segments (Ibid).

According to Bull (2003) CRM can be used as a tool to identify the right customer groups in order to help deciding which customers to retain. To be able to accomplish this, firms have to distinguish between transaction and relationship customers. A transaction customer is described as one with little loyalty with its main focus on getting the best deal possible. Relationship customers are often more loyal and prepared to pay a higher price in exchange for a range of reliable goods or services. Many people argue that it would be beneficial to organizations if they could distinguish between these two types and focus on relationship customers. (Ibid)

The aim of CRM is being used differently by different companies and some of them use CRM to gain short-term revenue or to reduce costs through the automation of sale or service processes ultimately putting more responsibility on the customer for self service. These aims do not build any long lasting relationships and given the large investment CRM often requires these goals can not be justified based on productivity or short-term profit improvements. The aims of a company should according to Lawrence (2002) consist of cementing a long-term, collaborative relationship based on shared trust. (Lawrence, 2002)

Companies are spending billions of dollars on CRM technologies and databases collecting all kinds of information about its customers while the human resources which are a crucial element of CRM sometimes are forgotten. Other companies view CRM as a one time related effort and therefore outsource to consultants while in reality successful CRM will need both technical and human resources working together for a long period of time (Gentle, 2002). According to Lawrence (2002) there are many instances when employees are the last to be consulted about the possible uses, features and benefits of CRM and when the systems are installed employees improperly use the systems capabilities.

If CRM is performed correctly and in the right steps your marketing staff should be able to reach the right people with the right message at the right time (Gentle, 2002). In B2B organizations many of the factors discussed above are overlooked which can result in organizations awareness about an unhappy customer not being discovered until the business is
lost to a competitor (Stewart, 2005). It should not be considered as an add-on for a supplier to find out its customers most wanted needs; it should be continuously conducted by the firm, “the secret of keeping your customers happy is to continue paying them attention” (Ibid).

Research has aimed to shown the benefits for the seller when performing successful CRM but the buyer benefits just as much especially in B2B industries. The buyer gains benefits from the sellers attempt to satisfy the needs of the buyer by becoming a dependable and high quality supplier; this is especially true for larger well known companies where becoming a supplier brings many benefits (Wilson, 2006). The buyers selection process thereby becomes a very important part in CRM, a seller should by constant CRM try to affect the buyers’ supplier selection process in terms of meeting their needs and satisfying their demands (Ibid).

1.3 Purpose and Research Questions
Based on the problem discussion presented above, the purpose of this study is to create a better understanding of how B2B relationships are developed and how companies use CRM. In order to reach this purpose the following research questions are stated below:

RQ1 - How can the process of selecting suppliers be described?
RQ2 - How can the benefits of CRM be described?

1.4 Demarcations
This study will focus on Customer Relationship Management (CRM) from a Business-to-Business perspective. Since most studies reviewed about this subject have focused on the sellers’ perspective, the research questions will be answered from the buyers’ point of view. We will closely look into strategic issues connected to CRM within a large multi-national enterprise.
2. Literature Review

This chapter will present and review previous scientific studies related customer relationship management from a business to business perspective. Firstly, studies connected with the process of selecting suppliers will be presented. Secondly, studies related to values and benefits created from a business to business relationship will be described. In the last section of this chapter the conceptual framework will be presented.

2.1 Selection process in a B2B relationship

The selection of what relationships to join in other words the selection of suppliers is becoming more and more important for many organizations. The selection process determines the quantitative and the qualitative factors in order to select the best suited supplier (Chan, 2003). The supplier who gives the buyer the most overall value which is a function of factors such as price, delivery, and quality will in most cases be selected as a partner. The increased competition and shorter life cycles of products has made it important for companies to always have the right suppliers who constantly deliver on their promises (Ibid).

2.1.1 Criteria’s for selection

Making the right choices in supplier selection significantly reduces the material purchasing cost and improves corporate competitiveness, which is why experts believe that the supplier selection is the most important activity of a purchasing department. Supplier selection is complicated by the fact that suppliers may have different performance characteristics for different criteria. For example, the supplier who can supply an item for the lowest per unit price may not have the best quality or service performance among the competing suppliers. Supplier selection should therefore be seen as an "inherent multi-objective decision that seeks to minimize procurement cost, maximize quality and service performance concurrently". The decision of selecting a supplier should be made on an orderly sequence of steps. They have therefore broken down the problem into more manageable sub-problems through a multi-level decision hierarchy presented below (see figure 2.1). (Weijun and Zhiming 2007)

![Diagram: Supplier selection hierarchy]

Figure 2.1: Supplier selection hierarchy

Adapted from: Weijun and Zhiming, 2007, p.4
The top level in the hierarchy above represents the goal of the problem while the last level consists of alternative suppliers. The general criteria’s which are usually considered when selecting a suppliers are presented in level two, these are price, quality and service. In the third level these factors are divided into sub-criteria’s which could affect the supplier selection.

Once the hierarchy has been structured the criteria’s should be evaluated and weighted, where the sub-criteria’s combined gives an overall score of the Level 2 criteria’s, ultimately finding the best suited supplier. The Sub-criteria on-time delivery in this model is by other researchers considered as a more vital factor when selecting a supplier as more and more companies are using just in-time deliveries to reduce the storage and handling costs.

Putting more weight on on-time deliveries is especially important in manufacturing industries since the competition is high and just in-time deliveries are seen more in this industry than any other. Spekmans (2001) uses a stricter model when selecting a supplier the first step in the figure follows traditional forms of supplier evaluation.

2.1.2 Spekmans model

Both present and new suppliers are evaluated and have to pass threshold criteria to enter the next stage (see figure 2.2). The second stage contains a reduced set of potential suppliers and is selecting strategic partners among them. An effect of this kind of screening is that the threshold will limit the second stage of the process so it only contains potential suppliers meeting certain criteria’s.

Standard criteria such as quality, price, and delivery are described as “necessary-but-not-sufficient” conditions when considering potential suppliers compared to Weijun and Zhiming who consider these factors vital when choosing a supplier. Finally, the organization conducting this two stages approach will have left those suppliers who complied the most with the evaluating criteria’s and are therefore best suited as business partners (Ibid).

Figure 2.2: Selecting a strategic partner

Adapted from: Spekman, 2001, p.79

2.1.3 The use of scorecards

One way of evaluating current suppliers is by using scorecards, it is an acknowledged method of measuring the effectiveness of companies’ suppliers. A typical scorecard measures factors such as product quality, on-time delivery and payment terms, and the goal is to achieve continuous improvement among suppliers. Each factor is ranked by its importance and receives a percentage depending on how critical the factor is to the organization.

Each head category consists of several sub-categories which receives grades according to the suppliers’ performance. The head category then receives a total rating depending on the mean
score of the sub-categories. The final score of the supplier is determined through a function of the head-categories where the percentage of importance is taken in consideration. Each company has different demands on their suppliers but in most cases a company will have a lowest allowed score on their scorecards. A supplier who falls below this score will be included in an action plan, where hey together will try to improve the performance of the supplier. If the plan fails and supplier keeps falling below target scores the company will start looking for alternative relationships. (Kay 2005)

Scorecards are used differently by different companies some companies put more weight on monitoring and measuring strategic suppliers and partners. These companies are most likely not industry leaders in their line of business, you can focus on what is most important but if you do not have screws you will not be able to ship a product and customer satisfaction will not be reached. (Ibid)

The outcome of the scorecard is dependent on how it is used, the more supplier events monitored, the higher the odds of extreme performance improvement (See figure 2.3).

Figure 2.3: Performance improvements

![Performance Improvements Graph]

Adapted from: Kay, 2005, p.41

The figure above shows three different groups of organizations, where companies are placed depending on how well they handle their international and domestic suppliers. Companies with well working methods of monitoring a large part of their supplier are placed in the Great companies’ category. By becoming better at monitoring domestic and international supplier events a company can improve its odds of achieving extreme improvements in supplier performance. Figure 2.4 shows that by having large control over the performance delivered by a supplier the perfect orders will increase with a substantially more amount compared to companies that do not. The choice of determining whether to search for new suppliers or maintain your current relationships becomes easier and the possibility of making a correct decision will increase. (Ibid)

2.1.4 Analytic hierarchy process (AHP)

AHP is described by Bhutta and Huq (2002) as an approach used in multifactor decision-making environments, and is structured for managers to determine scores and weights for different criteria’s when comparing different suppliers. It is a method developed for prioritizing alternatives, driving managers to assessing weights to various criteria. The alternative with the highest total weighted score is selected as the supplier of choice.

In Bhutta and Huq’s (2002) illustration of the AHP approach they assume that there are four criteria’s used when a company evaluates suppliers which are stated below:
- Quality
- Manufacturing costs
- Service
- Technology

These factors are used in the hierarchy of decision when selecting a supplier (see figure 2.4), figure 2.4 assumes that there are three suppliers who are interesting for the company using the AHP approach to evaluate their suppliers, ultimately choosing the most suitable supplier.

**Figure 2.4: Hierarchy of decision**

![Hierarchy of decision diagram]

**Source:** Bhutta and Huq, 2002, p.132

The first step in the AHP procedure is to develop a matrix that will compare each criterion under the consideration of another criterion shown in table 2.1.

**Table 2.1: Criterion comparison**

<table>
<thead>
<tr>
<th></th>
<th>Manufacturing</th>
<th>Quality</th>
<th>Service</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Quality</td>
<td>1/3</td>
<td>1</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Service</td>
<td>1/9</td>
<td>1/5</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Technology</td>
<td>1/7</td>
<td>1/7</td>
<td>1/5</td>
<td>1</td>
</tr>
<tr>
<td>Column totals</td>
<td>1 3/5</td>
<td>4 1/3</td>
<td>15 1/5</td>
<td>20</td>
</tr>
</tbody>
</table>

**Source:** Bhutta and Huq, 2002, p.132

In this pair-wise comparison the number one is placed diagonally from the upper left-hand corner down to the lower right-hand corner. The scores range from number one up to number nine where a number one is considered as equally preferred and number nine is considered as extremely preferred. Using this scale, table 2.1 shows that manufacturing is extremely preferred to service hence the number nine is printed in intersection of manufacturing and service in row one. Staying in row one the figure also shows that manufacturing is moderately preferred to quality consequently the number three can be seen in the intersection of manufacturing and quality in row one. This gives the scores in column one where quality is 1/3 of the importance compared to manufacturing and where service receives the score 1/9 when compared to manufacturing. The other cells are filled in an identical manner. (Ibid)
These scores are then used to calculate new row averages where the most important criteria receive the highest score and when compared with each supplier the buyer will have an easier job of selecting the most suited vendor for the part or parts. The most important benefit with this process of selecting suppliers is that it forces the buyers to actually develop the hierarchy themselves. Buyers are forced to seriously consider the different factors and compare them to one another to justify the relevance of each criterion. (Ibid)

2.2 Values and benefits from CRM

The importance of customer satisfaction is becoming more and more noticed in B2B firms, some companies are taking customer feedback more seriously, by measuring satisfaction to improve loyalty, advocacy and profits. It is important for companies to know what kind of relationships they are in what pros and cons are created from each relationship. If it is important for the seller’s to evaluate their customers it is even more important for the buyer to evaluate their suppliers, is the CRM performed by the supplier at a desirable level from the buyers point of view? An increasing trend is showing that companies are becoming more aware of the use of suppliers to create competitive advantages. (Hosford, 2007)

2.2.1 Successful-problematic matrix

Leek and Turnbull (2006) suggests process and outcome dimensions can examine whether relationships are successful or problematic. The ease or difficulty of dealing with suppliers or customers refers to the process of the relationship (see table 2.2). The outcome dimension in the table below relates to a number of variables such as sales value, value creation or competitive advantage, the two dimensions of outcome and process are integrated to yield four different typologies which are defined further below. (Leek and Turnbull, 2006)

<table>
<thead>
<tr>
<th>Process</th>
<th>Outcome</th>
<th>Problematic</th>
<th>Successful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problematic</td>
<td></td>
<td>Problem Child</td>
<td>Rough Ride</td>
</tr>
<tr>
<td>Successful</td>
<td>Easy</td>
<td>Under Performer</td>
<td>Smooth Achiever</td>
</tr>
</tbody>
</table>

Source: Leek and Turnbull 2006, p.3

**Problem Child**

Managing this kind of relationship where the process of dealing with the relationship is problematic and the outcome expected or sought is not achieved is difficult. The relationship offers little benefit in terms of value or competitive advantage and the interactions between the parties are complicated and taken as a whole it appears that there is little to be gained from this relationship. Taking the factors in consideration it may be wiser for the company to end such a relationship. (Ibid)

**Easy Under Performer**

The outcome of this relationship does not offer any significant competitive advantages or value but the management is compared to a problem child relationship smooth. According to
Leek and Turnbull an easy under performer relationship may be using resources that could be deployed more usefully elsewhere but such relationships can be maintained and endured because of anticipated future returns on the investment. (Ibid)

**Rough Ride**

This is a stormy relationship where both parties challenging each other to be innovative and creative which means that the process of this relationship is difficult. The outcome is still successful and these kinds of relationships are very positive (Ibid), large and influential supporting industries often lead to competitive advantages (Kotler, 2006).

**Smooth Achiever**

This type of relationship is perceived to be a top performer, the outcome is positive and the process is easy to manage. Just because a relationship is placed in a specific category such as smooth achiever or rough ride does not mean that it will remain there. Challenging relationships can be turned into successful ones and on the other successful can turn into problematic relationships. Successful relationships are often overlooked by companies and if they remain unchallenged or if not enough resources are invested into a relationship it can deteriorate. (Ibid)

**2.2.2 Value through Dependence**

Through relationship marketing theory and practice it has been proven that dependence between partners is a crucial issue in determining the value created for both partners in a business relationship (Roemer, 2006). According to Roemer (2006) dependence is low when a partner has valuable outside alternatives. Roemer (2006) discusses four different relationships (see table 2.3, which are determined depending on whether the dependence is low or high on the buyers side of the relationship or on the seller side of the relationship.

<table>
<thead>
<tr>
<th>Buyer’s Dependence</th>
<th>(1) Symmetric Dependence</th>
<th>(2) Buyer’s Dependence</th>
<th>(3) Supplier’s Dependence</th>
<th>(4) Symmetric Dependence</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2.3: Distribution of dependence in Buyer-seller relationships.

Adapted from: Roemer, 2006, p.93

The relationship is symmetric if the dependence is equally distributed between the partners (Types 1 and 4) and if the dependence differs, the relationships are symmetric (Types 2 and 3). Type one relationships has high dependence since both parties do not have any valuable outside alternatives, here conflicts are unlikely to occur. In this case, we can expect a
collaborative, long-term relationship Type four relationships also lack the likelihood of conflicts arising since neither party is dependent on each other and a partner could easily switch to another if a conflict would occur. In the two remaining relationships management problems are more likely to occur, the less dependent partner might exploit the other business partner. In type three relationships where the supplier is dependent on the buyer, CRM is especially important to create value for continuous cooperation. (Roemer 2006)

Wilson (2006) writes that suppliers are putting a lot of effort into satisfying buyers by exceeding expectations and delivering high quality products and services, it could therefore be said that it is type two and three relationships where the dependence differ the most that value can be created. In type three relationships where the supplier is dependent, the buyer will gain value through on time deliveries and high quality while the supplier will gain increased sales. In type two relationships the supplier can most likely increase the price and through higher margins gain value. Moreover, the supplier is flexible in choosing alternative strategies and the likelihood of exiting the relationship and switching partners is high.

2.2.3 Value through successful relationships

Galbreath (2002) describes the best relationships as interdependent. Both parties involved will gain the most value if they rely and trust each other to do what is necessary to benefit the relationship. Suppliers need to gain trust through successful CRM, where communication and collaboration can be used as tools. To further maximize the value, the relationship has to be effectively understood, organized and leveraged throughout the business. This will result in a win-win situation for a business.

In most industries today, partners and suppliers are playing a great role in business’s ability to generate revenue and profit. This is due to the fact that organization’s affiliates are becoming more and more integrated in firm’s core process, everything from product development to planning and managing the enterprise. One way to understand these relationships, and their interdependencies, is through three primary attributes defined and described as: the goal of the relationship; the resulting key value outcome of the relationship; and the key ingredient for its success. Table 2.4 summarizes these attributes for maximizing value in B2B relationships.

<table>
<thead>
<tr>
<th>Table 2.4: Relationship interdependencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>Speed to market</td>
</tr>
<tr>
<td>Improved innovation</td>
</tr>
<tr>
<td>Accelerated business velocity</td>
</tr>
<tr>
<td>Maximum quality</td>
</tr>
<tr>
<td>Efficient inventory management</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Adapted from: Galbreath, 2002, p.11

Being a “high-velocity” company is described as the essence of what supplier relationships is all about; it enables organization to do more and therefore create more value to the relationship. This is done by focusing on own core competencies. Since there is no longer possible as a single business to be all things to all people, letting other do the things they can do better is a necessity. Integration of an organization’s people, processes and technology with their key suppliers is essential for the relationships and will result in further value creation.
Integrating effectively the supply chain is becoming one of the most important points of competitive differentiation for any business, competing on their supply chains is becoming more important for companies rather than competing on their products. (Ibid)

“Without close partner and supplier integration, businesses cannot achieve their desired business velocity, and maintaining velocity is essential to long-term growth and success.’ (Ibid)

2.3 Conceptual Framework
The conceptual framework will describe the main points that will be studied in this thesis (Miles and Huberman, 1994). The theories presented above in chapter two has been review and analyzed, and the theories believed to be the most suited and relevant to answer the research questions are presented below. The theories regarding the process of selecting a supplier are the first to be outlined followed by the theories that explain how values and benefits are created from a relationship.

2.3.1 Conceptualization of RQ1 -The process of selecting a supplier
It is just as important for companies to make the right choices when selecting a new supplier as it is to constantly evaluate its current suppliers. This research question will therefore rely on two theories. The first theory by Weijun and Zhiming (2007) explains how companies should evaluate and select its suppliers; this theory will be used since it is recent and covers the whole selection process. Weijun and Zhiming’s (2007) model of supplier selection consists of four levels which are shown in table 2.5 below:

Table 2.5: Summary of selection process

<table>
<thead>
<tr>
<th>1. Objective</th>
<th>2. Criteria’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>- find a supplier</td>
<td>- Quality, Price, Service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Sub-Criteria’s</th>
<th>4. Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Delivery, Warranty, Capacity, Turnaround, Reliability, Technical level, Defects</td>
<td>- Suppliers considered</td>
</tr>
</tbody>
</table>

Adapted from: Weijun and Zhiming, 2007, p.132

The second theory by Kay (2005) describes how current suppliers are evaluated and weather companies should search for alternative suppliers, this study will be used since it is recent and uses an acknowledged method for evaluating current suppliers. Kay (2005) uses scorecards as a method of evaluating current suppliers. The following issues will be taken in consideration when studying supplier evaluation and the use of scorecards.

- **Categories**
  - E.g. Product quality etc.
- **Sub Categories**
  - E.g. Shipping Damage etc.
- **Suppliers monitored**
  - E.g. Amount, Types, Evaluation
- **Action plan for bad performance**
  - Length, Actions etc.

The study by Kay consists of categories and sub-categories individually chosen by companies using the scorecards. Kay further describes that the performance of companies conducting the evaluation depends on how well and how many of the suppliers are monitored. Kay states that
companies putting more weight on strategic partners and suppliers are most likely not industry leaders.

2.3.2 Conceptualization of RQ2: Value created from B2B relationship

To examine what values and benefits are created from a successful B2B relationship, and to gain a wider understanding of this topic two different theories will be used. The first one is Galbreath’s (2002) study where he uses three different attributes for describing the interdependence within a relationship and what values that are created. This theory will be used since it is extensive and will give a solid foundation for the interview guide. An overview of the theory is given below in table 2.6:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Key ingredients for success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality revenue growth</td>
<td>Electronic integration</td>
</tr>
<tr>
<td>Profit improvements</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Increased customer share</td>
<td>Continuous communications</td>
</tr>
<tr>
<td>Fewer returns</td>
<td></td>
</tr>
<tr>
<td>Decreased costs</td>
<td></td>
</tr>
<tr>
<td>Higher customer satisfaction</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from: Galbreath, 2002, p.11

The study lists several goals, outcomes and key ingredients for success in a relationship. This thesis will put emphasis on the value outcomes of a relationship and the key ingredients for success since it is directly connected to the research question.

Secondly Roemer’s (2006) study and his framework which discusses relationship interdependencies will be used. This study is used since it is very recently developed and it gives a qualitative description of several relationships and its different possibilities for value creation. The four relationships described by Roemer are:

- **Symmetric dependence** (Both parties have high dependence)
- **Buyer’s dependence**
- **Supplier’s dependence**
- **Symmetric dependence** (Both parties have low dependence)

The theory will be used to investigate where CRM is needed to create benefits in a relationship and what benefits can be created in doing so.
3. Methodology

The previous chapter discussed the theories which were used in the study. This chapter will present how we compared theories with reality. The methodological approach of the chapter is shown in figure 3.1, where the chapter will begin by describing the research purpose and ending with the reliability and validity which is as presented in the figure as function of all the parts in the methodological approach.

Figure 3.1: Methodological approach

Adapted from: Foster, 2006, p.61

3.1 Research Purpose

The purpose of a research is most likely explanatory, exploratory, descriptive or a combination of any of the three (Eriksson and Widersheim-Paul 2003). This study will include all three purposes to a smaller or greater extent; the purposes are described below followed by a detailed description of the purpose selected in this study.

- **Explanatory**: These studies are useful to establish casual relationships between variables. Researches study a situation or a problem in order to explain the relationship between the variables. (Saunders 2003)
- **Exploratory**: These studies clarifies the understanding of a problem and is used to formulate a precise problem and give the researcher the knowledge of what is previously know in the area. (Eriksson and Widersheim-Paul 2003)
- **Descriptive**: Is used to describe a research problem where information already exists. It is also useful when the problem is clearly structured or a concept needs to be described. (Ibid)

This study is primarily descriptive as it aims to describe a process and a concept. Furthermore the study is also somewhat explanatory and exploratory. It is explanatory since the study is attempting to draw conclusions by answering the research questions. The study is exploring the benefits created from CRM from a buyer’s point of view in order to gain a better understanding of the concept. To summarize the study describes the process of selecting suppliers and the benefits created from CRM, but it also begins to explain the connections between relationships and it explores the process and concept to gain a better understanding.

3.2 Research Approach: Qualitative

Holme and Solvang (1997) states that within qualitative methods it is the researchers understanding or interpretation that stands in the center. Qualitative methods can be seen as a gathered concept for a procedure that to a greater or smaller extent combines the following
five techniques; direct observation, participating observation, informant- and respondent interviews and analysis of sources (Ibid).

Qualitative approaches are also characterized by flexibility, in qualitative analysis the researcher has to be able to change the planning of the study. This flexibility is characterized by two issues; firstly if during the study any questions at issue are left out or formulated incorrectly they will be added or corrected. Secondly the planning is flexible in condition to how we approach the research strategy or strategies. This applies to both the questions used and in what order they are asked. (Ibid)

This thesis has used a qualitative approach based on the discussion above and the fact that the purpose of qualitative approaches is to interpret and understand phenomenon (Ibid). A qualitative approach aims to measure and explain (Ibid), since the research questions demands description and explanation this approach has been well suited to answer the research questions.

3.3 Research Strategy: Case study

The purpose of a case study is to take a small part of a large course of events and with the help of the case describe the reality and state that the current case will have to represent the reality. One of the advantages with a case study is that if you are studying an organization you do not have to include every business unit. The study will still give the reader an understanding of how something is performed or works in an organization from the study of one particular business unit within an organization e.g. Organization – Volvo Group, business unit - Volvo Trucks. (Ejvegård, 2003)

A case study has also been used due to the fact that case studies should be used when answering “how” questions and is well suited for qualitative studies (Yin 2003). Yen further states that case studies should be used when investigators have little control over behavioral events and are investigating contemporary events (Ibid).

3.4 Data Collection: Interviews and documentation

When considering the choice of data collection method the researcher should be well aware of the fact that it is a question of determining what method is best suited in practice (Denscombe 1998). The researchers should ask themselves what method is the most appropriate for the task and not only focus on trying to use methods as advanced as possible, instead they should focus on the most relevant (Ibid).

Interviews have been used in this study as a way to obtain profound insights in the topic of CRM (Ibid). The study is in need of detailed information but at the same time the study does not require information from a large amount of sources, an interview was therefore justified as a tool for data collection in this thesis (Ibid). This study used a semi-structured interview were the interviewer had a prepared protocol of what questions were discussed and answered (Ibid). In semi-structured interviews the investigator is open for changes in the protocol in terms of in what order the questions will be asked and letting the interviewee develop his answers and speak more detailed about the topic in consideration (Ibid).

In addition to interviews data will be collected through documentation, which has been used to compare with the theory and to confirm and provide details on the respondent’s answers. Documentation used in this study is organizational reports and plans. The documents were obtained through the respondents and are not official documents available to the public. The
documents will increase the validity of the thesis and combined with the interviews it will increase the accuracy of the study and increase the possibility of convincing the reader (Yin 1994). The reasons for selecting documents and interviews as tools for data collection were based on a number of facts described by Yin (1994) and Denscombe (1998) which are stated below.

- Perceived to give the most relevant information to the topic
- High accessibility to documents and interviews
- Documents can be review numerous of times
- Both tools focuses directly on the case study topic
- Documents are exact and unobtrusive
- Both methods gives insightful information

3.5 Sample Selection
When conducting a case study, one or few samples are used in order to receive as much deep going information as possible. The sample is chosen from several different aspects such as people, organization, circumstances etc. Once chosen as sample, the authors have to motivate the choice. (Denscombe, 1998)

The goal of this case study was to examine a company’s relationship with its suppliers and how they are affected by customer relationship management (CRM). The best suited company would have been a large-sized enterprise with a lot of different suppliers which could result in a lot of qualitative data.

The company chosen as sample for this thesis was Volvo Trucks, which is a large-sized company in the truck manufacturing industry. The reason of this selection was that Volvo Trucks as the second biggest company in the world within its industry. Such a large company is continuously affected by CRM from their suppliers and suppliers with a desire to become a Volvo supplier. To be able to gather qualitative data this study has been performed on the Volvo Trucks plant in Gothenburg, which is the only manufacturing plant in Sweden where entire trucks are built.

The truck manufacturing industry is characterized by high competition among a smaller amount of competitors compared to the automotive industry. The barriers of entry can therefore be considered to be high, which results in suppliers competing with each other over the manufacturing firms. Suppliers’ potential relationship with companies such as Volvo Trucks, a company with a large market share, could result in long term profitable contracts. It is relationships like these which make it interesting conducting a research covering this area.

During this study three interviews were conducted, the first interview with the plant manager of Volvo Trucks Gothenburg. The remaining respondents were chosen in collaboration with the plant manager, who provided contact information to reach the staff he believed had the best knowledge to answer the research questions. The plant manager recommended an interview with the purchasing manager, who he believed to be the best suited man to answer the interview questions.

3.6 Data Analysis
According to Yin (1994) a general analytical strategy should be used in a case study to help the researcher in the process of selecting techniques and in the conclusion of the analysis. This study has used a general analytical strategy which relies on previous theories and studies. The
collection of data, analysis of data and the comparison of data will rely on those studies and theories together with the research questions (Ibid).

The analysis of data collected in this study will also follow Miles and Huberman’s (1994) three flows of activities which are stated below:

- **Data reduction**: The process of selecting, simplifying, focusing, transforming and abstracting the data. The data will be organized so that the conclusions can be drawn and verified.
- **Data display**: Taking the reduced data and displaying it in an organized and compressed way, this to make it easier for conclusions to be drawn.
- **Conclusion drawing and verification**: The study will decide what things mean, note regularities, configurations, patterns and explanations.

The theories presented in the conceptual framework thereby works as a basis for analysis and are analyzed with the empirical data collected in this study. Since this study is based on qualitative data gathered from one case study Miles and Huberman (1994) suggests that a pattern-matching way of presenting data should be used.

### 3.7 Validity and Reliability

Ejvægård (2003) states that research methods must be both reliable and valid in order to generate usable and appropriate research data. If these conditions are not fulfilled, the information collected lacks scientific value. Reliability is described as stating the trustworthiness and usefulness of a measure instrument. The author further explains validity as a researcher measuring what is intended to be measured.

Yin (2003) presents four specific tests that can be conducted in order to determine the quality of an empirical research. Internal validity is excluded since Yin (2003) describes it as more essential when conducting an explanatory research. Seeing this thesis as mainly descriptive, only the three relevant tests will be presented. They are defined as followed:

- **Construct validity**: establishing correct operational measures for the concepts being studied.
- **External validity**: establishing the domain to which a study’s findings can be generalized.
- **Reliability**: Demonstrating that the operations of a study can be repeated with the same outcome.

**Construct validity**

According to Yin (2003), three different tactics can be used to increase the construct validity; the first one is the use of multiple sources of evidence. In this thesis, besides primary data gathered through two different interviews, secondary data and evidence of the answers given in the interviews was collected from the company in form of documentation. By using different sources of data collection, the construct validity of this research increases. The second tactic is to establish a chain of evidence, which is done by allowing an external observer to follow the study from research questions to conclusions. In this study a supervisor has given feedback to the researchers after the completion of every chapter. The final tactic; having a key informant reviewing a draft of the case study report, was done by the plant manager, who reviewed the material from the interviews to eliminate misinterpretations or misunderstandings.
The external validity
External validity is related to generalizing, external validity refers to the approximate truth of conclusions that involves generalizations. The external validity is therefore the degree to which the conclusions in the study would hold for other persons in other places and at other times. (Yin, 2003)

Reliability
To increase the reliability of this research, more than one interviewee was used to gain as much reliable and appropriate information as possible. Yin (2003) mentions the use of case study protocol as one of the tactics to increase reliability, which in this thesis was the interview guide. It was used as a foundation for the interviews, and in preventative purpose to prepare the interviewees by sending them the interview guide in advance. Further it is important to contact as relevant people as possible within the organization. Therefore, the first contact was made by interviewing the plant manager who described the company and provided an overview. Secondly, to achieve more detail knowledge to answer the stated research questions, an interview with the purchasing manager was done. During both interviews a tape recorder was used to prevent any loss of information.

To further increase the reliability of this study, internal documentation was collected from the sample company. The documents gathered are highly relevant to the research questions and contains direct models which can be compared to theory. Due to secrecy, some of these documents are too sensitive for public reviewing, and will therefore be partly censored.
4. Empirical Data

This chapter will present the empirical data collected from the interviews conducted with Jan Klingberg, purchasing manager and Anders Olausson, plant manager at Volvo Trucks in Gothenburg. Additional data in form of documentation will be described and are used as complementary information to the interviews. The chapter follows the order of the conceptual framework and begins with a brief introduction of the company chosen.

The company selected for this study is as mentioned earlier Volvo Trucks which is the most important part of the Volvo Group as the business unit generated 68% of the sales for the entire group. Volvo produced its first truck in 1928, a year after it was founded. At that time trucks were only regarded as complements to horse-drawn wagons, the railways and sea transportation. Today the truck has become the main tool for transporting goods and Volvo Trucks products are marketed in more than 130 countries and are the second largest manufacturer of heavy-duty trucks in the world.

The selected sample in this study, the Volvo Truck plant in Gothenburg, had a sales value of 27 000 000 SKR last year for CBU-trucks (Completely Built Up), they generally sell an average of 30 000 trucks at an average price of 900 000 SKR per truck. The Gothenburg plant manufactures three different products.

- CBU-trucks which stands for about 70 % of the total production
- CKD-trucks (completely knocked down), these trucks are sent unfinished in boxes to other manufacturing plants; these plants only have the capacity to assemble the trucks. This product stands for 25 % of the total production.
- Frame manufacturing department, in which they produce the frames from scratch and ship them to all Volvo Trucks manufacturing plants, the frames stands for 5 % of the total production.

Volvo Trucks in Gothenburg have about 800 different suppliers. Four hundred of them are truck related suppliers. The other four hundred suppliers are companies which provide Volvo with products like furniture, computers, shoes, clothes, and different kinds of equipment. These suppliers have divided the plant into two different purchasing departments; auto motive purchasing (AP), which handles all purchasing components to the truck, and non automotive purchasing (NAP). These purchasing departments handles the supplier relationships; in terms of monitoring and selection. The purchasing departments are Volvos face towards suppliers and are those departments which will recognize suppliers CRM performance.

4.1 Empirical Data RQ1: Supplier Selection Process

The data collected for this research question is divided into three different sections; selection process, evaluation and supplier monitoring. Supplier evaluation is a large part of the supplier selection process, and due to this factor it has its own section in this chapter. Supplier monitoring of present suppliers is indirectly affecting the supplier selection process since if bad performance is monitored a process may have to be started selecting a new supplier.

4.1.1 Supplier Selection

Both respondents stated that supplier selection and supplier monitoring is of great importance for Volvo Trucks, there is a lot of time and money spent on these processes. It is not just important to make the right choice when selecting a supplier, but also to constantly monitor the suppliers and demand improvement plans from those that do not meet the standards.
Figure 4.1 shows the process that the purchasing department goes through when selecting a supplier for a new component or replacing a previous supplier.

**Figure 4.1: Supplier selection process**

*Source: Volvo Trucks*

*Request for information (RFI):* The Supplier is invited to answer to a request for information for collecting general data about his company and its products or services. This first step introduces all potential suppliers to Volvo Trucks and provides necessary information on whether the suppliers fulfill basic needs. The gathered information works as a basis for evaluation in the next stage.

*Evaluation:* Described as a large part of the selection process, Volvo has developed its own evaluation model which is presented in its own section on the next page.

*Request for quotation (RFQ):* Suppliers are invited to quote on Volvo parts based on a package of specifications and drawings. Here the suppliers will present how the component will be produced, delivered and other practical issues. This stage becomes more or less important depending on the technical level of the product. i.e. high technical level equals high importance.

*Selection: Purchase agreement*

In this last stage, every supplier has to sign a purchase agreement if they are selected as a Volvo Trucks supplier. In Volvo’s purchase agreement there are different objectives and goals a supplier have to agree to when becoming a Volvo supplier. Volvo is a global company with operations in large parts of the world and the main parts of Volvo’s products are exported. It is Volvo’s short-term and long-term objectives to be a world-class company, especially in terms of quality, safety and the environment. Therefore the supplier should be a company with an expressed ambition of being a world-class component manufacturer.

Klingberg is further describing the truck market as an industry undergoing constant development. The customers are constantly raising their requirements with respect to function, quality and safety, and environmental concern is becoming an increasingly important aspect of customer choice. The supplier and Volvo should agree that constant change and improvement is necessary in order to be competitive. The Supplier and Volvo should also agree that every single component must comply with the requirements of the customers and that greater customer satisfaction is the only way for both Volvo and the supplier to achieve long-term increased volume and good profitability.
4.1.2 Supplier Evaluation

The supplier evaluation within Volvo Trucks is named “Supplier Evaluation Model” (SEM), and is used throughout the whole Volvo group. This model is Volvo’s own creation and can be applied for every different supplier having a relationship with a Volvo company (see figure 4.2).

**Figure 4.2:** SEM

```
New business?

Current Supplier

Current or New supplier?

(C)SEM result ≤ 3 yrs.

Do Full SEM

Do SSEM

Supplier is SEM approved
```

**Source:** Volvo Trucks

When a decision is made that a supplier is needed for a new business, such as components to a new truck, the choice stands between a current and a new supplier. If a current supplier is to be considered the first step is to examine SEM results not older than three years. If there are no evaluations within the time limit an SSEM is to be performed, which is a shorter version of the full SEM. If the component requires a new supplier with no previous business with Volvo Trucks a full SEM of the supplier is required.

The *objective* with the SEM is to achieve a good basis for selection of suppliers, structuring the supplier base and for the continuous development of competence and communication as well as result and progress. Furthermore the SEM is used in all cases where the standard of a supplier for production material needs to be defined. It can be used for selecting new suppliers as well as existing ones. Existing suppliers are “coached” by the SEM where it is used as a monitoring and corrective action tool. The purpose of the model is stated below.

- Make available a basis for evaluation of potential and existing suppliers.
- Provide a unified procedure for all Volvo companies to allow full exploitation of the results within Volvo.
- Provide a supplier data set within various components, functional and technological areas.
- Deepen the knowledge about each supplier.
• Act as an improvement tool for developing suppliers and the supplier structure.
• Assist in fact-based decision making.
• Give basic data for running supplier award programs.
• Share information about a supplier to the Volvo Group organizations.

The criteria’s and the sub-criteria that are used when selecting and evaluating suppliers are presented in table 4.1. The respondents were asked to rate the importance of each criteria from a scale of 1 to 3, where one is of average importance, two is considerably important, and three is considered extremely important.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Sub-criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Company profile</td>
<td>Ownership, Global ability, Dependency</td>
</tr>
<tr>
<td>*Management</td>
<td>Customer satisfaction, TQM, Risk management</td>
</tr>
<tr>
<td>*Environment</td>
<td>Environmental management system, Environmental assessment- company level, Environmental assessment – products and services</td>
</tr>
<tr>
<td>*Quality</td>
<td>Quality system, Quality planning and Part quality assurance, Quality performance of deliveries, Reliability, Problem solving</td>
</tr>
<tr>
<td>*Logistics</td>
<td>Logistics system, Delivery precision/service level</td>
</tr>
<tr>
<td>After-market</td>
<td>Documentation, Service literature, Co-operation and support, warranty</td>
</tr>
<tr>
<td>*Competence</td>
<td>Product and industrial technology, Industrial engineering, Customer support and communication, Electronic communication</td>
</tr>
<tr>
<td>Product development</td>
<td>Product development processes and project support, Engineering experience, Product engineering technology, Prototypes, Research and development, Design changes</td>
</tr>
<tr>
<td>*Economy</td>
<td>Price, Financial evaluation, Payment terms</td>
</tr>
<tr>
<td>Productivity</td>
<td>Process of internal cost reduction, Cost targets</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Sourcing process, Subcontractor performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>R 1</th>
<th>R 2</th>
</tr>
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<tbody>
<tr>
<td>2</td>
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</tbody>
</table>

* = Stopping parameters

As to potential suppliers there are some ”stopping parameters” which must be evaluated as approved in order to be selected as a Volvo supplier. These parameters are to be found in the criteria’s: Company Profile, Management, Environment, Quality, Logistics, Competence, and Economy. These criteria’s and their sub-criteria’s are seen as vital to the organization, therefore these parameters have to be fulfilled and no exceptions are to be made. From the respondents answers the only three criteria’s that scored a number 3 from both respondents were; Quality, economy, and logistics. When the respondents where asked to mention the three they believed to be the most important the previously mentioned criteria’s were also chosen. The reasons for these being the most important were according to both respondents that these criteria’s are essential for meeting customers’ expectations and keeping a reasonable price.
4.1.3 Scorecards
As shown in figure 4.2, the SEM model is used when selecting a new supplier, but when it comes to current suppliers and current products scorecards are used for monitoring the performance.

Volvo Trucks is monitoring all suppliers but put more focus on those suppliers that are considered critical to the core operation. The truck is divided into different parts which are; cab purchasing, chassis purchasing, vehicle dynamics, electrical purchasing, parts purchasing, and power train purchasing all these different parts has one or a few important suppliers which are carefully reviewed in this system. After every week the suppliers are graded on their performance (see figure 4.3).

Figure 4.3: Supplier performance

<table>
<thead>
<tr>
<th>Color</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>red</td>
<td>Supplier, that actually disturb our production</td>
</tr>
<tr>
<td>pink</td>
<td>Supplier, with big risk to disturb and where actions are needed</td>
</tr>
<tr>
<td>yellow</td>
<td>Reduced critical level. Monitor improvements</td>
</tr>
<tr>
<td>green</td>
<td>Not to be considered as critical anymore. If low delivery performance normal routines become valid.</td>
</tr>
</tbody>
</table>

Source: Volvo Trucks

If a supplier is given a red label it means that they are disturbing the production and an action-plan has to be developed. First they determined the status or problem with the supplier; it can be anything from late deliveries or problems with sub suppliers. After this an action-plan is determined, this can for example be daily follow ups, face to face meetings, or telephone meetings 3 times per week. These actions are often carried out by the purchaser.

Since Volvo Trucks relies on on-time deliveries the suppliers are being monitored as the truck is being built. If any parts are missing or are damaged they are logged into a system, and after every week the statistics are reviewed. The most important categories in the scorecard are those parts that are needed for the truck to be built, such as cabs, gear boxes, or engines. Sub-categories are parts that can be added on an already built truck, such as steering wheels or head lights.

Volvo believes that good relationships are most of the time related with good quality and delivery times, but one the other hand good quality and delivery times are often related to good relationships. From our answers the relationship between Volvo and its suppliers can have an impact on the selection of supplier, but it is by far more important when keeping a supplier.

4.2 Empirical Data RQ2: Benefits from CRM
The relationships are often formed depending on what importance the suppliers have to the production. Volvo has stronger and more active relationships with important suppliers, which means more formal communication often discussing performances and improvements. This means that active CRM from key suppliers is important for Volvo.

For value to be created from a relationship, the supplying company needs to conduct continuous successful custom relationship management (CRM). Jan Klingberg is describing
Volvo Trucks suppliers performed CRM as very insufficient, and according to Klingberg this is something that many buying companies are suffering from. More efforts need to be put in by the suppliers in order to satisfy its buyers, which results in a win-win situation. Klingberg describes Volvos situation with its suppliers by saying that “the problematic shows that suppliers are not proactive enough, some of them are but the majority lacks this quality”. He is explaining that the purpose or goal of CRM should be that a supplying company wants to prepare and organize itself in order to meet expectations from the buying firm.

The six possible outcomes of value and benefits through successfully performed CRM (quality revenue growth, profit improvements, increased customer share, fewer returns, decreased costs, higher customer satisfaction) presented in the theory chapter was shown to both the respondents. They agreed that all of these different outcomes are highly linked to well performed CRM, in either a direct or indirect way. It is of great importance for the organisation as a whole to reach these outcomes in order to be as competitive as possible, and in order to do so it is much more complex than just have suppliers which perform CRM successfully, but it is one step on the way. Klingberg adds to the discussion that a good relationship with suppliers will result in the possibility of understanding the market better and gain a lead against competitors. When choosing which outcome is the most probable, Klingberg picked customer satisfaction. This was due to the chain reaction successful CRM will start; a healthy relationship between two firms will result in products and prices satisfying the end customer.

When it comes to key ingredients for CRM, as Klingberg mentioned earlier proactive behaviour is a must for the supplying firm and can be added to the theory’s other three (electronic integration, collaboration, continuous communications). The supplier should strive to keep the buyer satisfied at all times instead of acting when the buyer is unsatisfied. Both respondents agree that when conducting business emphasis should be put on the communication between the parties, not because the others are not relevant but due to the fact that good and working communication makes the foundation of a functioning relationship.

Dependence within Volvo’s relationships with its suppliers was discussed with Jan Klingberg and described as something that is avoided as much as possible. Buyer’s dependence can result in serious consequences if for example a supplying company with great importance to Volvo Trucks whole production ends the partnership. But Klingberg quickly assure that Volvo does not have any of these kinds of relationships, due to their size as an enterprise it is often the other way around. According to the plant manager Anders Olausson relationships where the buyer is dependent on the supplier gives the buyer weak negotiation power, which can lead to lower quality products from the supplier, higher purchasing costs, and late deliveries.

Supplier’s dependence is more likely to occur with Volvo and its business partners, but it is not something that Volvo Trucks is striving to achieve. Klingberg further described it as something negative that Volvo Trucks can take advantage of in the short run but in the long run it will not be beneficial for either party. The business with Volvo Trucks should be important for the supplier but they should but not become too dependent on the relationship. According to Olausson when the supplier is too dependent and Volvo has to decrease its production volumes the supplier can be declared bankrupt and Volvo will have to search for new suppliers. But out of the four different relationships supplier dependence is according to Klingberg the most beneficial relationship for Volvo Trucks as a buying firm.
Symmetric dependence when both Volvo and its supplier either have a low or high dependence of each other is described as the rarest kind of relationship within Volvo Trucks. According to Klingberg these kinds of relationships should be avoided and only causes negative outcomes for both parties. When the dependence is low from both sides the incentive to constantly perform is low, and when the dependence is high from both sides the incentive to look for alternative business partners is dangerously high.
5. Data Analysis

This chapter will analyze the empirical data through comparisons with the theories in the conceptual framework and the data collected in the previous chapter. The chapter has used the pattern-matching technique to analyze the data collected in the empirical chapter. The chapter begins with an analysis of research question one, and ends with research question two.

5.1 Analysis RQ1: Selection Process

According to Weijun and Zhiming’s (2007) the process of selecting a supplier is divided into four different stages and managers should follow these steps in an orderly sequence. The study of the case company found a similar process consisting of four steps also followed in an orderly sequence. The two processes are compared and presented below (see table 5.1).

<table>
<thead>
<tr>
<th>Stage</th>
<th>Weijun and Zhiming’s (2007) theory</th>
<th>Volvo Trucks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Objective</td>
<td>Request for information</td>
</tr>
<tr>
<td>2</td>
<td>Criteria</td>
<td>Evaluation (SEM-model)</td>
</tr>
<tr>
<td>3</td>
<td>Sub-criteria’s</td>
<td>Request for quotation</td>
</tr>
<tr>
<td>4</td>
<td>Alternatives</td>
<td>Selection: Purchase agreement</td>
</tr>
</tbody>
</table>

The theory’s first stage is the company’s objective of finding a supplier. Volvo sees the objective of finding a supplier as obvious and has taken this stage one step further. They are requesting information from potential suppliers to make a basis for evaluation. Weijun and Zhiming’s are stating different criteria’s used for evaluating potential suppliers, while in Volvo’s case the SEM-model is used and can be described as an additional selection process with its own objective, criteria’s and ranking.

Due to Volvo’s complex products suppliers are invited to quote on Volvo parts based on a package of specifications and drawings. Weijun and Zhiming’s theory is not as deep going and has more similarities with the SEM-model, where the elements criteria and sub-criteria’s are used. A comparison of the theory and the SEM-model is presented in table 5.2.

<table>
<thead>
<tr>
<th>Weijun and Zhiming’s</th>
<th>SEM-model</th>
<th>Degree of equality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A company is stating an objective which should be to evaluate and select a supplier.</td>
<td>The objective with the SEM is to achieve a good basis for selection of suppliers, structuring the supplier base and for the continuous development of competence and communication as well as result and progress.</td>
<td>*</td>
</tr>
<tr>
<td>2. There are three main criteria’s which should be used when evaluating a potential supplier; price, quality, and service.</td>
<td>There are eleven main criteria’s which should be used when evaluating a potential supplier. Where the three most important are; economy, logistics, and quality.</td>
<td>*</td>
</tr>
<tr>
<td>3. Price has no sub-criteria,</td>
<td>The eleven main criteria’s</td>
<td></td>
</tr>
</tbody>
</table>

26
while quality and service consists of seven sub-criteria’s altogether.

consist on 37 sub-criteria’s, which makes the SEM-model a very complex and thorough evaluation tool. All the criteria’s has three or more sub-criteria’s.

4. After evaluation different alternative business partners are presented. Where the supplier with the highest score should be chosen.

If a supplier has fulfilled the criteria it will be SEM approved and therefore considered as a potential supplier.

Codes: +agrees  -disagrees  *agrees to some extent

With only one disagreement point in the table the SEM-model can be considered to some extent support the theory. The objective with the SEM-model is of more importance, since it aims to be used for future developments rather than just a basis for supplier selection. The theory seems to simplify the second and third stage used for supplier evaluation by using only three main criteria’s and a few sub-criteria’s. In opposite, the data shows that Volvo is using far more criteria’s and combined with the stopping parameters which has to be fulfilled it makes it a far more comprehensive model. The final stage is the most similar, resulting in a number of potential suppliers in both theory and practice.

The use of scorecards has also been studied in the case company and compared with the theory presented by Kay (2005), who describes how current suppliers are evaluated and weather companies should search for alternative suppliers. The study by Kay consists of categories and sub-categories individually chosen by companies using the scorecards. Kay further describes that the performance of companies conducting the evaluation depends on how well and how many of the suppliers are monitored. Kay suggests that a scorecard should include the features in figure 5.3. Kay's scorecard has been compared with a scorecard from Volvo Trucks, the differences and similarities are presented in table 5.3.

<table>
<thead>
<tr>
<th>Table 5.3: comparison of scorecards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scorecard - Kay (2005)</strong></td>
</tr>
<tr>
<td>According to Kay (2005) a company should monitor their suppliers with the help of scorecard.</td>
</tr>
<tr>
<td>According to Kay a scorecard should include several head categories, where the supplier is graded each week or during a determined time limit. Categories could be product quality or delivery time, but are individually chosen by the company.</td>
</tr>
</tbody>
</table>
Data Analysis

| Each head category consists of several sub-categories which receives grades according to the suppliers’ performance. | Sub-categories are parts that can be added on an already built truck, such as steering wheels or head lights. Suppliers are graded. | * |
| A company should monitor all suppliers both domestic and international. There should be equal focus on all suppliers. | Volvo Trucks is monitoring all suppliers but put more focus on those suppliers that are considered critical to the core operation. | * |
| A company will have a lowest allowed score on their scorecards. A supplier who falls below this score will be included in an action plan, where they together will try to improve the performance of the supplier. | Volvo grades their suppliers depending on whether they disturb the production or not. Those that disturb the production are included in an action plan, where the performance is improved. | + |

Codes: +agrees  -disagrees  *agrees to some extent

The main difference between theory and the case company was that the theory is focusing on the suppliers while Volvo Trucks starting point and focus are on the final product. The theory suggests that companies should look at the suppliers’ product quality, delivery time etc but investigation showed that Volvo Trucks are looking at the final product i.e. the truck. If anything is missing from the truck or is damaged they log that into a system which shows who delivered that particular part. Compared to the theory which would log every suppliers delivery times and quality.

5.2 Analysis RQ2: Benefits of CRM

Galbreath’s (2002) theory identifies six common outcomes of value and benefits when performing successful CRM. These are presented and compared to the empirical data in table 5.4.

Table 5.4: Value outcomes

<table>
<thead>
<tr>
<th><strong>Galbreath’s (2002) value outcomes</strong></th>
<th><strong>Empirical data agree/disagree with theory</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality revenue growth</td>
<td>+</td>
</tr>
<tr>
<td>Profit improvements</td>
<td>+</td>
</tr>
<tr>
<td>Increased customer share</td>
<td>+</td>
</tr>
<tr>
<td>Fewer returns</td>
<td>+</td>
</tr>
<tr>
<td>Decreased costs</td>
<td>+</td>
</tr>
<tr>
<td>Higher customer satisfaction</td>
<td>+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Codes: +agrees  -disagrees  *agrees to some extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The empirical data shows an additional value outcome; better market understanding which leads to competitive advantages.</td>
</tr>
</tbody>
</table>

The empirical data collected from the interview with Jan Klingberg verifies Galbreath’s (2002) theory on possible outcomes from well performed CRM. Despite these results, the data
is critical and is describing the process of reaching these outcomes as more complex than having suppliers that successfully performs CRM. The most probable outcome of CRM selected by the interviewee was increased customer share. Further, the analysis of the empirical data shows that another outcome not included in the theory, is that if a supplier manages its relationship well, the buyer will receive greater knowledge about their current market and gain a competitive advantage.

Galbreath’s (2002) theory is additionally listing three key ingredients that are to be used in order to reach the six different outcomes. These are presented and compared with the empirical data in table 5.5.

<table>
<thead>
<tr>
<th>Table 5.5: Key ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Galbreath’s (2002) key ingredients</strong></td>
</tr>
<tr>
<td>Electronic integration</td>
</tr>
<tr>
<td>Collaboration</td>
</tr>
<tr>
<td>Continuous communications</td>
</tr>
</tbody>
</table>

Codes: +agrees  
-disagrees  
*agrees to some extent

The empirical data shows an additional key ingredient; proactive behavior.

The data collected in the empirical chapter confirms Galbreath’s (2002) theory that the three ingredients presented above is necessary to for gaining as much benefits as possible in a B2B relationship. The theory does not rank the factors and can therefore be seen as equally important, this contradicts the data collected from Klingberg who stated that continuous communications should be seen as a more vital factor compared to the other two. Further, Klingberg provided an additional key ingredient; proactive behavior. According to Klingberg for a relationship to work and create advantages for both the buyer and the seller it is essential that the supplier is showing proactive behavior.

Galbreath’s theory describes the ingredients and outcomes of successfully performed CRM, while Roemer (2006) describes when values are created from relationships depending on the parties’ dependence of each other. Roemer also gives suggestions on where CRM can be used to create value. Roemer’s theory is presented and compared to the data collected in the table below (see table 5.6).

<table>
<thead>
<tr>
<th>Table 5.6: Relationship dependency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relationship dependency</strong></td>
</tr>
<tr>
<td>Symmetric dependence</td>
</tr>
</tbody>
</table>

These kinds of relationships should be avoided and only causes negative outcomes for both parties. When the dependence is low from both sides the incentive to constantly perform is low, and when the dependence is high from both sides the
<table>
<thead>
<tr>
<th>Party</th>
<th>Description</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer’s dependence</td>
<td>The supplier can most likely increase the price and through higher margins gain value. Moreover, the supplier is flexible in choosing alternative strategies and the likelihood of exiting the relationship and switching partners is high.</td>
<td>+</td>
</tr>
<tr>
<td>Supplier’s dependence</td>
<td>When the supplier is dependent on the buyer, CRM is especially important to create value for continuous cooperation. The buyer will gain value through on time deliveries and high quality while the supplier will gain increased sales</td>
<td>*</td>
</tr>
</tbody>
</table>

Codes: +agrees  -disagrees  *agrees to some extent

Both theory and collected data agrees that CRM becomes especially important when suppliers are dependent on the buyers, it is important for the supplying company to have constant communications with the buying company. According to the theory it is desirable for the buying firm to join these kinds of relationships but the data shows that a moderate dependency is more beneficial. Theory and data agrees that buyer dependency is undesirable for the buying firm since the likelihood of the relationship ending is high. The theory states that symmetric dependency leads to long lasting relationships which is confirmed to some extent by the collected data but according to the respondent, such a relationship should always be avoided.
6. Findings and Conclusions

The previous chapter presented a comparison between theory and empirical data, this chapter will present the findings and conclusions of this thesis by answering the research questions stated in chapter one. This chapter will also show that the thesis has created a better understanding of how B2B relationships are developed and how companies are exposed to CRM. Each question will be answered in separate sections followed by implications for management, theory and future research.

6.1 RQ1: How can the process of selecting suppliers be described?

The empirical data of this research question indicate that every supplier conducting business with the sample company has gone through a thorough step by step selection process. The process is a four step procedure developed within the sample company and is used by the whole enterprise. The first step in the process is to gather information about the possible supplier or suppliers. The suppliers are asked to provide the buyer with material for evaluation such as necessary information and statistics. Suppliers that are far away from fulfilling the buying company’s needs and expectations are eliminated in this stage and do not move on to the second stage.

The second stage is to evaluate the supplier on set of predetermined criteria’s and sub-criteria’s. This stage is the most complex and time consuming stage, and therefore also described as the most important. The sample company uses their own supplier evaluation model which consists of eleven criteria’s and 37 sub-criteria’s. Seven of these main criteria’s are stopping parameters which means that they do not only have to be fulfilled but the suppliers also have to exceed certain thresholds. The depth and length of the evaluation process is dependent on whether the buying company has any previous experience of the potential supplier, if the supplier is a current supplier or has been a supplier during the previous three years, previous evaluation scores are viewed and a shorter version of the SEM is performed.

If a potential supplier passes the evaluation it will move on to stage three, where the supplier is asked to quote on the component or part demanded by the buying firm. Here they will present how the component will be produced, delivered and other practical issues. The fourth stage is to determine which supplier to select. In this stage the grades scored in the evaluation and the performance shown during the quotation are taken in consideration and weighed together ultimately selecting the best suited supplier. The supplier and the buying company should agree that constant change and improvement is necessary in order to be competitive. They should also agree that every single component must comply with the requirements of the customers and that greater customer satisfaction is the only way for both the buyer and the supplier to achieve long-term increased volume and good profitability.

After investigating how the process of selecting a supplier can be described the following conclusions can be drawn:

- Stopping parameters when selecting a potential supplier are; company profile, management, environment, quality, logistics, competence, and economy
- The most important criteria’s among the stopping parameters are; economy, quality, and logistics.
- The selection process becomes more important depending on the technological level of the product.
• The process is not only used as a selection tool but also for structuring the supplier base and for the continuous development of competence and communication as well as result and progress.

• The study found that scorecards are used to monitor present suppliers, the scorecards help improve current suppliers and their performance through action-plans and can thereby prevent buying companies from going through the whole supplier selection process.

6.2 RQ2: How can the benefits of CRM be described?

This research found that the sample company experienced the following benefits from relationships with suppliers and their performed CRM; quality revenue growth, profit improvements, increased customer share, fewer returns, decreased costs, higher customer satisfaction, and better market understanding. The last benefit; better market understanding, was not included in the theory, it was added by the respondents saying that if a supplier manages its relationship well, the buyer will receive greater knowledge about their current market and will gain a competitive advantage.

To be able to reach these benefits the study found that the following key ingredients are to be used; continuous communication, electronic integration, collaboration, and proactive behavior. The sample company provided an additional factor; proactive behavior which was not included in the theory. The sample company believes that the supplier shall strive to keep the buyer satisfied at all times instead of acting when the buyer is unsatisfied.

The study found that dependence is also a factor affecting what kind of benefits that are created in B2B relationship. When the parties are moderately dependent on each other the sample company argues that the relationship will be most beneficial, since relationships where the parties are too dependent on each other one can damage from the others decreased production volumes. I.e. a supplier is very dependent of a buyer and the buyer is forced to lower its production volume, the supplier can be forced to file bankruptcy and the buyer will have to search for a new supplier. This contradicts the theory which argues that when the supplier is highly dependent on the relationship the buyer will gain the most benefits, such as fewer returns, decreased costs, and higher customer satisfaction. Although the sample company does not fully agree, they believe this to be true in the short run.

Based on these findings the following conclusions are stated:

• Higher customer satisfaction is the one benefit most likely to occur as an effect of CRM.

• Continuous communication is the most important ingredient to reach the benefits of CRM.

• Short term benefits (the long term benefits, but for a shorter period of time) for the buying company are most likely to occur when the supplier is dependent on the relationship.

• The ultimate relationship for benefit creation consists of a buyer and a supplier moderately dependent on each other. (i.e. to benefit the most, supplier and buyer should not be too dependent on each other)
6.3 Implications and Recommendation
This final section consists of recommendations for management, theory and future research within the area of CRM and supplier selection.

6.3.1 Implications for Management
The empirical data shows that the sample company’s suppliers performed CRM is alleged to be insufficient, the fact that the sample company believed it to be insufficient leads to a suggestion for an action-plan.

This thesis believes that a buying company experiencing a low performed CRM from any seller is missing potential benefits. Since the sample company is experiencing this from at least a few suppliers the study suggests an action-plan where the sample company should initiate contact with the supplier and in that way improve the communication and relationship between the parties.

Since the sample company is a part of a global enterprise they have great knowledge in the area of CRM and of what benefits can be gained. This might not be the case with their suppliers, and this is why they could therefore inform their supplier of the benefits that stands to be gained from well performed CRM and that it is beneficial for both parties. That way the supplier which requires improvement in this matter can gain the incentive to try to improve.

The supplier selection process in the sample company is more detailed and structured compared to the theory. This study can only suggest that the sample company keeps on developing their evaluation and selection process to be able to meet future demands from customers and governments.

6.3.2 Implications for Theory
In terms of supplier selection the empirical data somewhat contradicts the theory. This study suggests that the theory should explain that the process of supplier selection may differ depending on the technological level of the component in question. Although consisting of the same amount of stages, Volvo Trucks supplier selection process appeared to be much more complex and advanced compared to the theory. The theory includes three main criteria’s, but the amount of criteria’s used may also differ, another important conclusion that should be taken in consideration is that the criteria’s may also differ in importance. This study suggests that stopping parameters (criteria’s that have to be fulfilled) should be included in the theory to further emphasize importance of a criterion.

In relation to the benefits created from CRM the theory needs to clarify what benefit is the most common and what benefit that should be sought. The empirical data also suggests that an additional benefit should be added to the theory; better market understanding. In terms of the key ingredients needed for reaching these benefits more explanations of how these factors may be used could be added. Even in this case the empirical data has an additional factor which should be added to the theory; proactive behavior.

Thus, it can be concluded that the following topics should be overlooked by the theory:

- If better market understanding should be added as a benefit in the theory.
- If proactive behavior can be seen as an additional ingredient for reaching value outcomes.
• If the supplier selection process should be different depending on the technological level of the product.

• If companies should use stopping parameters when evaluating suppliers, and how many criteria’s should be used for the best evaluation result.

6.3.3 Implications for Future Research

This study has covered the buyer’s process of selecting what relationships to join, in other word the supplier selection process, but it has also described the benefits created from CRM. CRM is large topic of research, and this thesis has only looked at the phenomenon from the buyer’s point of view and in B2B relationships.

Most research within the area of CRM is concerning B2C relationships; therefore this thesis suggests that more research should be done within B2B relationships. Not only because there is a shortage of research but also because B2B organizations do not put as much effort in to their customer relationships. A B2B contract is often of high value and about 80 percent of the revenue comes from 20 percent of the customers, and the fact that the second largest truck manufacturing company in the world acknowledges that their suppliers CRM is sometimes unnoticeable requires future research.

Another interesting area for future research which was discussed in chapter one under problem discussion is the aim of CRM. During the investigation of the sample company, hints of suppliers not even knowing what aims they have with CRM was discovered.

The following topics could be studied in the future;

• If the aims of CRM differ between different kinds of companies.

• To look deeper into if CRM is performed differently in different kinds of B2B industries and relationships.

• Researcher could look deeper into how or if the supplier selection process differs from industry to industry.

• Look deeper into the differences between B2B and B2C and the performed CRM.

• Research deeper into following factors and their connections to CRM; partnership, increasing profits, loyalty, value satisfaction, customer needs
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2007-05-02, at 9 am

**Interviews**

Klingberg, Jan, Purchasing Manager, Volvo Trucks Gothenburg, 2007, May 10th, 11 am

Olausson, Anders, Plant Manager, Volvo Trucks Gothenburg, 2007, May 7th, 14 am
Appendix

Interview guide
Some questions in this guide will be followed by a why or why not question depending on the answer given by the interviewee.

RQ1: How can the process of selecting a supplier be described?
1. Can you describe the process of selecting a new supplier?
2. As a global company, do you have any policies or programs that are followed when selecting new suppliers?
3. What criteria’s are used for selecting a new supplier?
   - Quality
   - Price
   - Service
4. What sub-criteria's are included in the main criteria's mentioned above?
   - Delivery
   - Warranty
   - Capacity
   - Turnaround
   - Reliability
   - Technical level
   - Defects
5. How do you rank the different criteria, what makes one more important over another?
6. What would you say are the three or more most important criteria’s?
7. How do you evaluating current and existing suppliers?
8. Are scorecards used as a method?
9. If yes, what categories do you use to evaluate and keep score of suppliers?
10. How do you rank these categories?
11. Are the categories divided into sub-categories?
12. Are suppliers evaluated in different ways? (due to their importance)
13. Is there a plan of action for bad performing suppliers?
14. If yes, what kind of plan?
15. What does it takes for you to start the process of selecting a new supplier over a current?
16. Is there anything you would like to add to this topic?
**RQ2: How can the benefits of CRM be described?**

1. How would you describe your supplies CRM?
2. What values are created?
3. Can you see any relations between successful CRM and the following outcomes?
   - Quality revenue growth
   - Profit improvements
   - Increased customer share
   - Fewer returns
   - Decreased costs
   - Customer satisfaction
4. Is there any of the points above you consider having no relations to CRM?
5. Which of the point above would you say is the most likely outcome of successful CRM?
6. What would say are the most important reasons for performing CRM?
7. What role do you think dependence plays in a business relationship?
8. Having dependence in your mind, when do you believe benefits will be created to the buyer?
9. When do you think the seller gains the most benefits?
10. Will a relationship benefit from the dependence being equally high in a business relationship?
11. Will a relationship benefit from being equally low?
12. Is there anything you would like to add to this topic?
**Forskningsfråga 1: Hur kan processen av val av ny leverantör beskrivas?**

1. Kan du beskriva erat tillväggagångssätt när ni väljer en ny leverantör?
2. Som globalt företag, har ni några speciella program eller policies som följs när en ny leverantör väljs?
3. Vilka kriterier används när ny leverantör väljs?
4. Vilka sub-kriterier kan inräknas i föregående kriterier?
5. Hur skulle du rangordna dom olika kriterierna, vad gör en viktigare än en annan?
6. Vilka skulle du säga är dom tre viktigaste kriterierna?
7. Hur utvärderar ni nuvarande leverantörer?
8. Använder ni er av scorecards?
9. Om ja, vilka kategorier använder ni er av för att utvärdera och poängsätta era leverantörer?
10. Hur rangordnar du dessa kategorier?
11. Är kategorierna indelade i sub-kategoriär?
12. Är leverantörer utvärderade på olika sätt beroende på hur viktiga dom är?
13. Har ni någon åtgärdsplan för leverantörer som inte når upp till standarden?
14. Om ja, vad för slags plan?
15. Vad skulle behöva hända för att du skulle välja en ny leverantör över en av era nuvarande leverantörer?
16. Finns det något som du skulle vilja tillägga om detta ämne?

**Forskningsfråga 2: Hur kan förmånerna av customer relationship management beskrivas?**

1. Hur skulle du beskriva era leverantörers ”customer relationship management” (CRM)?
2. Vilka och fördelar och förmåner skapas?
3. Kan du se någon relation mellan väl genomförd CRM och följande slutsats, varför/varför inte?
   - Ökad marknadsandel
   - Minskade kostnader
   - Kund tillfredsställelse
   - Ökad vinst
   - Quality revenue growth
   - Fewer returns
4. Vilken av slutsatserna ovanför skulle du säga är den mest sannolika utgången av väl genomförd CRM?
5. Vad skulle du säga är syftet med att leverantörer genomför CRM?
6. Vilken roll tror du beroende ”dependence” spelar i en relation mellan köpare och leverantör?
7. För att ni som köpare ska få ut så mycket som möjligt av en relation, vilken typ av ”dependence” söker ni?

8. När både ni och eran leverantör är till hög grad beroende av varandra, vad är fördelar/nackdelar med den typen av relation?

9. När både ni och eran leverantör är till låg grad beroende av varandra, vad är fördelar/nackdelar med den typen av relation?

10. Generellt sett, är era leverantörer mer beroende av er än vad ni är av dom?

11. Finns det något som du skulle vilja tillägga om detta ämne?