Competence Transfer in Cooperative Supplier-Buyer Relationships: The case of MNCs and their local suppliers in Brazil

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Abstract

Resource-sharing, relationship building, and network development have emerged as increasingly focal areas of attention in the areas of strategy, industrial marketing, and purchasing. Much of this work would seem to be descriptive and conceptual in nature, paying rather less attention to the nuts and bolts of the "how to" everyday managerial aspects of relationship management, and the component managerial mechanisms adopted.

In purchasing in particular, supply chain management places the emphasis on accessing of resources held by supplier firms, and the coordinating and synchronising of activities and action down the channel, in the interests of a given focal firm. The direction of flow is usually assumed to be from supplier to buyer, despite the fact that supplier-buyer relationships are frequently discussed as being the site of reciprocal exchange.

This paper goes beyond the resource identification and transfer question, to consider a specific issue: that of transfer of *competences*. The focus here, also, is not flows from a supplier to his buyer, but vice versa. This transfer of competences has not only direct consequences for the buyer, but also different levels of indirect consequences relating to development both of relationships and of networks.

The transfer of competences between firms is an area of high potential in research terms, including the study of the nature of partners in relationship, and appropriate managerial practices. This paper starts by discussing the area of transfer of competence and its specificities, along with a review of the literature. This literature review reveals several areas of focus in the area, traditionally: the competence transfer object; the actor (s) under study; and the "level" of transfer (reasons for, organisation for, and outcomes).

On the basis of a proposed conceptual framework emerging from this literature review, we then describe an exploratory study carried out involving four cases of multi-national buying firms and their relationships with their local suppliers in Brazil, thus introducing an international dimension. Focus in particular is on technology and knowledge dimensions of competence transfer. Special attention is paid to managerial tools and practices adopted by the firms involved with a view to facilitating the transfer processes.

Findings lead to proposals regarding further study of inter-organisational transfer of competence. These proposals focus on mechanisms relating to the types of competences transferred, the degree of strategic interest, the specific type of relationship acting as vector for the transfer, the objectives set, the results-assessment system, and transfer tools employed.

Keywords: Competency transfer; Cooperative relationships; Sourcing; Sub-contractors

Introduction

A top-ranking manager in one of the MNCs interviewed at the start to this research made a rather strange, but interesting, remark when we raised the research subject discussed here:

« Yes, we do that. You can ask anyone here and they will confirm it. But when you talk about it, don't use the term "transfer of competence". We do it but without really realising we do. Without using that exact term »

Strangely enough, the advice given comforted us in the idea that the research theme developed in this paper was one of interest. It seems to us that the area of transfer of competence is one that would benefit from an improved definition, thus allowing a better understanding of certain types of management practice in a relationship context.

The specifics of the inter-organisational transfer of competences relate to the object under study i.e. competences. Inter-organisational competences represents a complex issue for transfer due given that they result from a certain "alchemy" (Durand 2000) of knowledge, practices and attitudes collectively implemented in the framework of routines within the firm.

The purpose of the research presented here is to better define and frame the field of transfer of competences with a view to setting the scene for future work in the area. The exploratory nature of the research has led us to select a precise area of study so as to obtain situations in which the probability of the existence of transfer of competence is high. Given the complex – some would even say paradoxical – nature of the purpose motivating competence transfers in a competitive setting, the first choice made was to restrict the research field to vertical relationships of a non-competitive kind (Garette 1995). Most studies on technology transfer focus on international transfer situations (Zhao 1992 ; Mowery 1996). We thus chose to adopt an international context for this study, with particular focus on Brazil, a region which has demonstrated itself to be particularly attractive for foreign investment (Montgomery 1999 ; McKinsey & Co 2000) and which has shown itself to be deficient in terms of productivity in numerous sectors of activity, as compared to Western Europe and Japan (McKinsey & Co 2000). Moreover, we chose to centre the study on competences in the area of logistics. In effect, the field of logistics has recently undergone significant evolution (Colin 2002) and South American countries still have much progress to make in this area (Zinn 1999).

The Conceptual Framework: Specificities of the Transfer of Competences

Types of competences transferred

The essential specificity of the transfer of competences relates to the object of the transfer i.e. the competences. An exhaustive review of typologies of competences would seem to be a mammoth task, given the extreme semantic diversity to be found in the "resource-based" school of thought. (Arrègle 2000). We will simply endeavour to demonstrate here that different levels of resources and competences exist: the transfer in question can thus be limited to very simple levels, or else rather higher levels. The different classifications are presented in Table 1, listed by order of complexity:

Classification relative to the location of competence	Competence at the individual / group / organisation / network level	(Kogut 1992 ; Doz 1994 ; Meschi 1997)
Classification relative to the utilisation of the competence	Competence linked to a unique/specialised task/ activity / functional / inter-functional	(Grant 1996)
Classification by level of competence	Basic level (specialised competence), intermediate level (functional competences), higher level (inter-functional organisational competences)	(Quélin 1997)
Classification by type of competence	Tangible assets / cognitive capacities / processes and routines / organisational structure / cultural and behavioral dimension	(Durand 2000)

Table 1 : Classification of competences

These competence typologies can be completed by consideration of the nature of the underlying knowledge forming the base of the competence. Winter (1987) for example suggests a six-dimensional bi-polar classification of knowledge: tacit / explicit; impossible / possible to teach ; non-articulated/articulated ; non-observable/observable in action ; complex/simple ; part of a system/ independent . Each of the extremes of each dimension defines ease or difficulty of transfer. Argote and Ingram (2000) demonstrate that knowledge is to be found at three levels in the organisation (that they refer to as « reservoirs »): the actors, the tasks they perform, and the tools they use. The interrelations between these levels form constituent competence networks. The transfer of competence in this case becomes a matter of moving the « reservoirs » from one organisational context to another with a view to recreating the networks which generate the competence.

The definition of a method for transfer of competence must thus take into account the following two basic dimensions of competence:

- the transfer may relate to more or less complex types of competence (functional, organisational, behavioural)
- the knowledge going to make up the competence may be more or less easily transferred (tacit/explicit).

Purpose of the transfer of competences

We consider here that the improvement of the transferee's competences per se is not an objective in its own right as far as the transferer is concerned. The perspective is not one of altruism or abnegation. The development of the transferee's competences must enable/translate as improved returns and service provided for the transferer, or else contribute to his strategic objectives in some way. Three categories of objectives linked to the transfer can be identified.

- Objectives linked to the direct effects of the transfer.

These are of two kinds. On the one hand, financial returns for the transferer at three levels : savings in the relationship with the transferee e.g. incoming quality control cost reductions ; savings made within the activities of the transferer's organisation e.g. less machine down-time; benefits related to optimisation of the transferer's organisational efficiency e.g. improvements in time-to-market. On the other hand the mobilisation of outside resources: the firm has to mobilise outside competences linked to peripheral resources in the firm's external network of relationships. (resources the firm needs for its activities but which are held by other firms).

- Objectives linked to desired indirect effects on the development of competences

These objectives are of three kinds. The first relates to the side-effects of the transfer: in order to carry out the transfer, the transferer is obliged to formalise and analyse the competence in question, which may lead to improvements. Also, when the transferee assimilates then implements the competence his organisational specificities may lead him to improve on it, and share the benefit with the transferer (Paturel 1998). The second is linked to the creation of relational rents: via the transfer of competences the transferer can seek to create idiosynchratic inter-organisational relationships which generate relational rents (Dyer 1998) i.e. profits generated from the use of inter-firm routines, which are thus more difficult for the competition to copy. The third kind of objective concerns the co-creation of competences : competence transfer can be used with the aim of generating common learning processes (Ingham 2000)

- Indirect objectives linked to strategic manoeuvres

Going beyond financial return, competence transfer can have strategic objectives whose returns are not easily and directly calculable. An MNC can thus, for example, when setting up activities in a country market, set up privileged relationships with local suppliers. This allows the transferer to implement and test new forms of organisation (e.g. JIT processes), or else ensure quality control in an outsourcing process. Also, finally, as in the case for Toyota (Dyer 2000), genuine competitive advantage can be created by developing a unique style of network management. The transfer can also act as the basis for the implementation of an organisation in network form. Management of a

network of partnerships means that the focal firm can access specialised complementary competences that it would not necessarily master otherwise in-house. (Dyer 1998 ; Hall 2000). The focal firm will thus seek to promote competence- sharing. Knowledge management by the Japanese car industry is a good example of this. Dyer et Nobeoka (2000) show that Toyota, when transferring its production know-how to its suppliers, developed norms of sharing. The notion of knowledge ownership in this case is one of ownership by the network. The suppliers are encouraged in this way to transfer knowledge between themselves, to the advantage of the network as a whole.

Competence transfer and Relationship type

The degree of relationship experience in the partnership conditions the capacity to manage the partnership evolution process (Simonin 1999). In parallel, the desire and ability of the partners to share and to learn will condition their level of commitment and the transfer and learning possibilities (Dyer 2000). The relationship type can be defined, on the one hand, depending on the degree of complementarity of the partners (in terms of objectives, of resources, and of organisational culture) and, on the other hand, in terms of the way the relationship is structured (types of control mechanism, information sharing, mutual trust, informal relations, and quality of management of the relationship interface) Lam, A., (1997). Inkpen and Dinur (1998) show that competence can be defined relative to an environment (cultural, strategic, technological, linked to the decision-making process and the economic environment). The transfer of competences thus requires that the competence be compatible with the transferee's context. Differences in organisational culture and national culture between the partners involved will influence the outcome of the transfer. The importance of context underlines the fact that transfer of competences is not limited to transmitting functional know-how, but also includes the behaviours which characterise these organisational and cultural contexts. This in turn highlights the importance of transfer tools which aim at facilitating socialisation processes to overcome cultural and organisational barriers.

Transfer tools

Research carried out in different areas identifies various tools for the transfer of competences. In the field of inter-organisational competence development, Stein (1997) proposes a classification - on the basis of their degree of complexity - of competence coordination tools which can be used to develop a basis for the study of transfer organisation elements : mutual adjustment, task standardisation, process definition, shared objectives, development of a common strategic logic, and shared norms and values. In a study on co-entreprises, Makhija and Ganesh (1997) propose a classification of transfer mechanisms based on the learning they provide to the transferee (from a basic to a higher-level learning process) : contract, formal authority, standardised procedures, planning, monitoring, performance evaluation, team-work, meetings and formal personal contact, transfer of managers, goal-sharing and sharing of norms, values and beliefs (socialisation). Work by Lecler (1992), and by Dyer and Nobeoka (2001) describes the transfer tools implemented by Toyota, and underline the main innovations : setting up of supplier clubs, social information-exchange areas, Toyota consulting teams providing free assistance to suppliers, set up of voluntary learning teams gathering several suppliers around specific themes; and inter-company staff transfers. The existence of a great variety of tools thus, as demonstrated by Dyer et Nobeoka (2000), favorises the transfer of different types de competences. Moreover, the existence of a team dedicated to the transfer task also helps in the management of the relationship. And the defining of a formal transfer process will also improve overall management of the inter-organisational competence transfer task. The transfer may well, also, be included in the network management practices, based on aspects of socialisation between member firms.

Method

This research is of an exploratory nature. The aim is to propose theoretical and empirical results relative to a new subject, and not to test hypotheses. A hybrid exploratory process has been adopted, based on repeated to-and-fros between theory and empirical observations. (Thiétart 2001), thus respecting grounded theory recommendations (Eisenhardt 1989). Data was mainly collected by face-to-face interviews but at the same time, for triangulation purposes, (Hlady-Rispal 2000), via direct observation or secondary data sources (written documents). The latter were mainly internal documents or, more rarely, external (newspaper articles for the case of Renault and one other firm).

Data collection and analysis was performed using an iterative process (Yin 1984) and involved the following stages :

1) A first series of general analytical categories, inspired by the literature, was established so as to carry out a case study. These categories are presented in Table 1 here (the conceptual framework).

2) A study using secondary data (newspaper articles) gave rise to contact with four firms. Renault in Curitibia was selected for its "exemplary" qualities i.e. the fact it had a formalised competence transfer method. This case study was carried out over a 5-month period, using non-directive interviews and non-participatory observation techniques to help the concepts emerge from the fieldwork.

3) To formalise the analytical categories, the theory was then revisited, and a semi-directive research guide was then developed. Following interviews with the logistics and purchasing managers in Brazilian MNCs, certain firms were selected for more in-depth study (performed over a 2 to 3-day period) so as to put the results from Renault into perspective.

So as to privilege inter-case homogeneity and comparison, the cases selected systematically involve transfer of competences in the logistics area, and relate to relationships between MNCs and their local suppliers in Brazil. They do, however, cover different areas of company activity so as to provide new data enabling confirmation, enrichment, or else contradiction of the proposals made. Focus in this paper is on the Renault case. Two further cases are also briefly described to provide some preliminary comparative perspective for the results obtained with Renault.

The Renault Do Brasil Case

Renault has set up a complete production system in Brazil (a replica of European plant, and not merely a plant for assembly of exported parts) The local integration strategy for procurement (develop the involvement with local suppliers) was immediately adopted in the operating process. Ensuring the high performance level of the supplier – all suppliers - is critical for Renault for correct management of manufacturing operations. One Renault manager told us :

> "Supplier relationship management goes into extreme detail, but it is the detail which can be problematic for us. Our supplier for fire extinguishers, for example, (cars in Brazil have to be fitted with an extinguisher) was unable to deliver. It blocked delivery of the the Scenic model on the factory car park for a full 6 days."

At the very start up of operations, however, the logistics managers note a massive gap between performance levels of suppliers and requirement levels. One manager explained:

> "It's not only the quality of service that poses problems with suppliers. It's also the degree of understanding they have of the Renault operating philosophy. The suppliers didn't understand the importance of our requirement levels."

The logistics managers thus understand that it is appropriate to bring the supplier to not just improve the technical quality of his service, but also to integrate certain organisational modes, and even « philosophies » of action. An in-house consultant is specially flown in from France to set up a team dedicated to "Supplier Logistics Progress" (SLP). A method is designed, based on the referential "Logistics Quality Aptitude Assessment" (LQAA) listing details on seventy tools and modes of organisation which need to be mastered by suppliers. The transfer method has several underlying principles. The 5 main ones are presented below.

- A logistics convention comprises the first contact between Renault and many suppliers. During the convention the suppliers are requested to designate an internal « Pilot » who will be responsible for the relationship with Renault, and in direct contact with a Production Management Engineer (PME). Each PME has the responsibility for a limited number of suppliers.

- A one-week training programme comprising a dozen Pilots is then run. The idea is not only to train in the use of logistic tools, but also make participants aware of the reason behind the Renault

logistics requirements, and encourage relationships between Renault and its suppliers, but also between suppliers themselves. As one of the training organisers said:

> "It isn't simply a training programme. We try to generate an *ambiance*, bringing together a dozen or so suppliers from different firms. They share ideas, tell us about their problems, and get to realise that they are not on their own. They also get to frequent "G" (the Director of the SLP programme), which makes him more "human" in a way. He is no longer just the person forcing them to change the way they organise themselves."

- A self-assessment by the Pilot of the logistics in his own firm, and the drawing up of a plan of action directly follow the training programme.

- A series of audits is carried out by Renault at the suppliers' as and when the recommendations listed in the referential are implemented. These provide the chance not only to assess the supplier, but also to give him advice.

- A good relationship within Renault between the Purchasing and Logistics departments is of particular importance when managing the method. As pointed out by a logistics manager:

> "It is Purchasing who control the purse strings. If they don't back up the SLP managers, it just can't work."

- Renault, however, does not have a strictly coercive relationship with suppliers. The SLP consultants play a role as advisor, and daily monitoring of relations is ensured via an inter-personal relationship between the Pilot and the PME

- The supplier performance measurement tools have been created in direct coherency with the transfer method. Supplier performance is expressed, however, not in terms of levels of learning but directly, in terms of service levels (delivered to Renault). High service levels allow Renault to guarantee extreme production quality levels. The Renault do Brasil plant, after implementing the SLP, saw its average service levels increase across the board of suppliers. Renault do Brasil is the plant which, of all Renault plant, counts the greatest number of suppliers in the upper quadrant in terms of service levels. As regards overall factory performance Renault do Brasil had the lowest level of production stoppages of all Renault plant in 2001. These results are given merely as indicators as there is no absolute proof that the SLP programme is their only cause, even if it looks strongly to be the case.

Presentation of the two additional cases

The Alpha-Pharmacie Case

Alpha is a French-origin MNC manufacturing pharmaceutical products and cosmetics.. Alpha recently set up a production plant in Brazil. The firm encountered logistics problems at the outset, that a logistics manager qualified in no uncertain terms :

> "No lacking in competence, but a 'couldn't care less' attitude, that's what we were faced with. Our suppliers and service providers were used to working with other drug companies and respecting the quality procedures in the sector […] The problem we had was that when a supplier told us 'tomorrow » over the phone, that really meant delivery « in ten days time »."

The newly-arrived Alpha Director reviewed his internal organisation and defined strict supplier relationship management procedures. The idea is not that of improving the competences of his suppliers per se, but rather their behaviour. A procedures manual on relationship organisation is distributed to the suppliers. Meetings are organised so as to « get to know each other », as one Alpha manager put it. Alpha's logistics team organises factory visits for its suppliers. New supplier performance measurement tools are designed to integrate such issues as « trust » and « relationship quality ». In Alpha's case there is no « method » as strictly speaking. Nor does Alpha attempt to transfer technical competences. On the other hand Alpha does have the ambition to develop its

suppliers' competences at a more organisational – and even « behavioural », or « cultural » level (Durand 2000). Specific tools are created in this respect: manuals, meetings, and visits. Supplier performance measurement also includes new indicators linked directly to this objective . There is no dedicated transfer team, but the director of logistics devotes a significant share of his time to setting up and monitoring the actions discussed.

The Beta - telecom case

Beta is a Japanese MNC which manufactures a broad range of electronic products, and with plant in Brazil since the 70s, specialised in the telecom area. Long-term relationships have been established with local suppliers. These suppliers represent 50% of Beta's total purchases and end-product quality is highly dependent on the suppliers' performance. Suppliers undergo a strict selection process, carried out by a dedicated « Supplier selection development and qualification » team.

A method in the form of a set of procedures to be respected, specific to Beta, has been devised to accompany the supplier in his relationship with the firm. It is focused on accompanying quality improvement as regards products, services, and respect of delivery deadlines. In case of problems identified at the supplier's, Beta carries out an audit and suggests improvements relative to the procedures manual. In that respect, meetings are organised both at Beta's and at the supplier's to precisely define the points to be improved upon and jointly decide upon a plan of action. The audits are only triggered at the supplier selection stage, or else in case of a problem arising within the relationship.

Following problems encountered, for three of their four most important suppliers, Beta set up actions going beyond the usual method used for following up of suppliers. The problems in question were essentially related to respect of deadlines. Following the audits Beta realised that the three suppliers in question would not be able to respect the deadlines unless certain modifications were made to their production processes. Full technical back-up was set up by a group of engineers: individual training, meetings, factory visits, and staff exchange (Beta engineers worked at the supplier's for a 6-month period). Further to the method being implemented, frequent follow-up meetings were organised.

Discussion

Table 2 below sums up the categories used to analyse the Renault case, and puts the results into perspective with the contrast with information from the two other cases.

Renault has set up a formalised method along with a dedicated team, and uses a broad range of transfer tools. The aim is not that of simply transfer of techniques and of know-how, but one of transferring conceptions of management. In contrast with Japanese firms, however, (see Lecler 1992 ; Laseter 1999 ; Dyer 2000), staff transfer techniques are not used. The legal boundaries to the firm in this respect remain unbroken. Moreover, cooperation is organised based on a unilateral – descending hierarchy – mode. On the one hand the transfer is seen as having to take place from Renault towards the supplier, and no systematic consideration of suggestions made by the suppliers takes place unlike Chrysler (Stallkamp 1998) or Toyota (Dyer 2000).

On the other hand no real tool exists to build interconnections between suppliers, such as exists in Honda (Laseter 1999) or Toyota (Dyer 2000), even if the importance of such interconnections is recognised (will to privilege relations between suppliers during training sessions). Alpha also seeks to develop in its suppliers something more than just technical competences. Although no formalised transfer method exists, alongside the distribution of a procedures manual, meetings are organised to facilitate communication on more « tacit » aspects of the relationship, which are also taken into account for performance assessment purposes.

As regards Beta's strategy more emphasis is placed on the development of technical competences (upgrading of the suppliers) and monitoring of them. One particular situation, however (with three suppliers), led to the use of more elaborate tools (staff exchange to transfer management practices, training sessions, teamwork, follow-up meetings).
Gamma sees supplier development more as a question of objectives setting and incentives.

<table>
<tr><td colspan="2"><u>TYPES of COMPETENCE</u>
• Level of competence
Functional / Organisational / Behavioral
• Type of constituent competence knowledge
Explicit / Tacit</td></tr>
<tr><td colspan="2">Renault
Transfer of logistics know-how, managerial know-how
Attempt to have certain behaviour, « operating philosophies » shared and adopted
Transfer of different types of knowledge : explicit (referential of logistics techniques) and tacit (relational aspect of the training, advice-audits)</td></tr>
<tr><td>Alpha: Will to influence behaviour. Tacit transfer of knowledge (establish trust, get to know each other, integrate modes of behaviour)</td><td>Beta: Transfer of logistics know-how, limited to explicit knowledge (listed in a procedures manual). In the case of the 3 suppliers: tacit knowledge (staff exchange)</td></tr>
<tr><td colspan="2"><u>OBJECTIVES OF THE TRANSFER</u>
• Directs effects: Financial returns / Mobilisation of external competences
• Indirects effets on competence : Side effects / Creation of joint competences
• <u>Indirects effects on strategy : Utility of transfer to company strategy / network management</u></td></tr>
<tr><td colspan="2">Renault
Search for improvement in suppliers' service quality of (direct effect)
Indirect effects on the competence not taken into account
The transfer is integrated into the strategy due to the choice of local suppliers and the importance of the role of suppliers in the quality of the end-product
First stages in the management of a network (creation of links between suppliers during the training)</td></tr>
<tr><td>Alpha: Mobilisation of external competences
Spin off effect : modification of internal organisation to facilitate relationship management
Indirect strategic effects not taken into account</td><td>Beta: Objectives limited to the development of the quality of service</td></tr>
<tr><td colspan="2"><u>TYPE OF RELATION</u>
• Formel and regular control
• Trust and interpersonal relations
• Will to share competences
• <u>Possibility of informal relations (socialisation)</u></td></tr>
<tr><td colspan="2">Renault
Audits and creation of performance measurement tools linked with the transfer method
PME - Pilot Relationship
Training and advice enabling sharing of competences
Personnels contacts during the training an informal PME – Pilot relationship</td></tr>
<tr><td>Alpha :
Performance measurement linked with transfer method
Regular meetings</td><td>Beta:
Performance measurement, but not linked with the transfer method
Case of the 3 suppliers: audits, staff exchange</td></tr>
<tr><td colspan="2"><u>TRANSFER TOOLS</u>
Existence of dedicated team | Codification of competences | Training
Existence of formalised process | Audits, visits | Socialisation of the relationship
Relationship management tools | Team work | Socialisation at network level</td></tr>
<tr><td colspan="2">Renault
SLP (dedicated team). Formalised process. PME – Pilot relationship + Audits. LQAA referential and specific performance measurement tools. Contacts during training. No real teamwork, but advice during audits. One-week training course. Socialisation of the relationship via relation by PME – Pilot contacts + contacts during training course. Creation of first inter-supplier contacts (during training)</td></tr>
<tr><td>Alpha : Personal investissement by the Director of logistics Manual and spécific performance measurement tools.
Regular meetings</td><td>Beta : No formalised process (reaction to a specific situation). But special mechanism used enabling tacit knowledge transfer and socialisation : staff exchanges</td></tr>
</table>

Table 2: Analytical categories

The above elements lead us to discuss certain proposals. These are not, given the nature of the research, of the cause-effect kind, but rather concern the definition of inter-organisational transfer of competence. They provide a first approach to delimiting this field of study.

Proposal 1 : Competence transfer methods comprise mechanims which are not only linked to the transmission of functional aspects. They also include socialising mechanisms, which serve in transmitting organisational and behavioural aspects of transfer.

The competences displayed in the cases demonstrate several, and varying, levels of complexity (Grant 1996 ; Quélin 1997). Increasing levels of complexity can be found, with tools of different kinds being employed in the transfer process depending on the level of the competences transferred. This ties in with the proposals by Makhija and Ganesh (1997), illustrated by the method calling upon a broad range of tools used by Renault or by Japanese manufacturers. In Alpha, a more partial method aimed at the transfer of more tacit elements is to be found, whereas in Beta the basic method aims at the transfer of technical competences alone, plus a more complete method implemented in a specific situation.

Proposal 2 : A transfer method is based on the existence of a dedicated team and a formalised process

Of the cases studied here, only Renault demonstrates the existence of a dedicated formal transfer process team, as for Japanese car manufacturers (Lecler 1992). The Alpha logistics director, however, with the transfer process in mind, devoted part of his time exclusively to organising meetings and developing specific performance measurement tools. Béta also set up a team of engineers to handle specific transfer needs vis-a-vis three suppliers. The three firms display relationship management tools. Only Alpha does not have a competence codification referential. (work exclusively on tacit aspects). Renault and Alpha have developed performance measurement tools directly linked in with their objectives relative to the development of suppliers' competences. Audits and visits are organised in the four companies, but these are performed essentially for control purposes, apart from the Renault case where the auditors' role formally includes an advisory capacity. Training only occurs with Renault, and in a special situation with Beta. Only Renault implements approaches to improve socialisation (Makhija 1997) (informal exchanges, means to improve relationships between suppliers…). With Alpha this dimension is limited to meetings, demonstrating a desire to develop more tacit aspects of transfer at the supplier's, rather than technical competences.

Proposal 3 : Strategic objectives relating to the transfer are not limited to direct returns (in financial terms or in terms of mobilisation of the external competences) but also include indirect returns of different kinds (development of the competence, or implementation of strategies based on the transfer)

The Renault, Alpha and Beta managers recognise the importance of the supplier's role in organising their operations. Renault justifies the setting up of the competence transfer method by the necessity for development of suppliers with a view to improving Renault's own performance. Alpha and Beta seek respectively to solve problems and to ensure certain quality standards. Only Renault takes into account the importance of creating special inter-organisational linkages (logistics convention, one-week training), whilst stopping short of the structured management of an inter-firm network for learning purposes per se, and the search for inter-firm learning possibilities. (Prévot 2003). Renault, then, reveals a greater realisation of the strategic importance of the transfer than does Alpha or Beta. This most likely explains the larger spread of transfer tools implemented, and the greater degree of formalisation of the method. On the other hand, Renault does not develop a network strategy based on the competence transfer process as do Japanese firms in the same sector (Dyer 2000 ; Laseter 2001)

Conclusion

Renault has developed in its Brazilian plant a specific method, and specific mechanisms, for competence transfer towards its suppliers. This relates to Renault's will to strongly increase involvement and develop collaboration with local suppliers, whilst taking into account their low levels of competence. The Renault case is useful in a study of competence transfer in highlighting the interest

behind, and mechanisms of, the process. The case may appear rather specific however. Two other cases have thus been presented, also in Brazil and in the logistics competence area, but from different sectors of activity. These two firms do not have an equivalent level of development of competence transfer. The findings concerning these two firms help to underline the proposals concerning Renault. Renault's specificity is also nuanced by comparison with Japanese firms in the same sector of activity, for which competence transfer represents the cornerstone of their strategy based on network management. With Renault the socialisation mechanisms are only present in the initial phase (contacts made during the training sessions) and do not really enable multi-lateral exchange of competences. The Renault case thus offers some progress in terms of the definition of a competence transfer method without the latter linking into the specificities of industrial organisation as the Japanese firms in the sector do. The information it provides seems interesting, as it presents novelties which are reproducible. The Renault case also provides the occasion to highlight the advantages and particularities of the transfer of competences. This shows itself to be a management tool whose scope goes beyond the traditional supplier-customer relationship issue. The diffusion of competences comes up against a logic of « protection » well-known in the area of strategic management (protection vis-a-vis competitors, of course, but also more generally relative to other actors in the environment,so as to avoid indirect transfer towards competitors). And yet inter-organisational competence transfer represents a major asset in that, via the development of partner organisations, it facilitates the deployment of the transferer's strategy.

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