

Supplier relationship management: do portals boost collaboration?

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Keywords: supply chain management, collaboration, portals

Abstract

This article concentrates on the relationship between companies and their suppliers and places a particular focus on the impact new technologies have had on the ways in which procurement and purchasing processes are handled. Among the numerous technological solutions available within the context of e-procurement, this study will concentrate on buy side solutions known as collaborative portals.

This article's objective is to investigate whether or not the advantages the company expects to gain from implementing such a portal could translate into positive external benefits which not only create value for the company in question but, as a byproduct, for the other players in the portal's network.

We carried out the research by conducting an in-depth analysis of a business case about Ferrari's portal entitled "Partners of Ferrari S.p.A." The research team analyzed the advantages gained by Ferrari's suppliers by distributing questionnaires to them.

The results of the empirical analysis provided supporting evidence which allowed the research team to highlight which functions of the portal have the greatest impact on the supplier's value drivers. In particular, we found that suppliers have a positive opinion of the portal; they consider it to be a useful tool in terms of strengthening both their integration and relationship with the client. Of secondary importance, the same suppliers also identified the portal as an effective means of improving the quality of logistics services. However, they had a lesser opinion of the portal's ability to help them cut costs.

Introduction

In recent years, companies operating in many different sectors have experienced significant cost increases in terms of the impact of goods and services (Gadde e Hakansson, 2001; Baglieri e Stabilini, 2005). In many cases, companies are spending between 50% and 80% of total sales for the purchase of materials, components, and systems. Both international studies and recent national observations confirm that this is a growing trend (Cammish e Keough, 1991; Van Weele, 2000; Baglieri e Stabilini, 2005).

Consequently, effectively managing relationships with suppliers is a factor of ever-increasing importance in terms of creating value for a company. With great visionary capacity, Kraljic (Kraljic, 1983) made clear distinctions between the management of both purchasing and procurement and provided a series of logical recommendations. In recent years, many authors, departing from Kraljic's research, have further developed the original purchasing model with regards to the type of materials being purchased and the consequent diverse operational processes associated with their procurement (for example, Van Stekelenborg and Kornelius, 1994; Olsen and Ellram, 1997; and recently Stabilini, 2005a). Other authors have concentrated their research on the content of the buyer-supplier relationship, both in economic-financial terms as well as with respect to the competences and organizational solutions necessary to proceed toward stable relationships based on trust resources (e.g. Bensaou, 1999; Gelderman and Van Weele, 2000). The arrival of new technologies has allowed for the development of electronic procurement solutions which have had a significant impact on buyer-supplier relations, first in terms of content and second regarding the dynamics of the actual relationship. Information and Communication Technologies (ICT) have also caused a strong acceleration throughout the supply chain in terms of integration. In addition, ICT have created increasing awareness of the necessity of procurement management both as a general theme and as a discipline.

Applications for the capabilities offered by these new technologies along the procurement process are in constant evolution. They all promise a greater efficiency in procurement processes, the improvement of logistics and operations performance, the best usage of industrial assets, the reduction of time to market, the increase in the quality and punctuality of the customer services, better performance in terms of ROA, and, finally, the optimization of the company's investments. Originally, scholars were particularly concentrated on the ways in which electronic procurement solutions contribute to increase value for investors. The different forms of electronic procurement solutions provide support for the (often drastic) cost reductions within the transactional and communicational categories (Smeltzer e Ruzicka, 2000; Croom, 2000). In addition, solutions such as: electronic catalogues, online auctions, intelligent agents applications, and electronic marketplaces bring about improvements within cost categories directly related to procurement. However, they often also inspire structural modifications within procurement processes, based on innovations in organizational procedures, which allow the company to achieve significant advantages that often cannot be perceived or measured in the short term (de Boer, Harink and Hejiboer, 2002, p. 25-33).

E-procurement represents only one of the possible ICT applications for purchasing management. In numerous industrial sectors, the demands for integration throughout the supply chain require the research of more pronounced solutions. Some such solutions include collaborative inter-company portals capable of both supporting all of the primary processes of the companies participating in the network and, within the technological platform, merging all of the functions and services provided by: cataloguing tools, Request for Quotation, Co-design, PDM, ERP, SCM, CRM ed E-commerce (Li et al., 2005). Collaborative portals can be categorized within the context of the aforementioned demands for integration. For many companies, collaborative portals (which serve to integrate purchasing processes) have become both experimental terrains and programs characterized by relevant levels of investment within the past few years (Wilder et al., 1999).

In spite of the general diffusion of collaborative relationships, to date there are very few studies about the contribution that the collaborative portals bring about in terms of value creation nor do there seem to be any analyses of the role they can play in the integration of the supply chain's actors. Following the Blankeburg et al. model (Blankeburg et al. 1999), we can assume that thanks to a collaborative portal the company and its suppliers take on an intertwining relationship that brings about positive results in terms of mutual commitment throughout the supply chain. Portals are also beneficial with regard to mutual dependence between the players within the network, which can certainly increase the relevance of switching costs. Therefore, a collaborative portal can contribute to value creation for a buyer company since it represents a means of strengthening two fundamental elements, mutual commitment and dependence, in the creation of value through business relationships in a network.

This article's objective is to investigate whether or not the advantages the company expects to gain from implementing such a portal could translate into positive external benefits which not only create value for the company in question but, as a byproduct, for the other players in the portal's network. In this article, we will therefore assume not the buyer's perspective but the suppliers' one. This methodological formulation is unique with respect to existing literature on procurement management. Scholars who study this theme usually focus on the benefits and advantages for buyers while ignoring the supplier's standpoint. However, it is necessary to consider the supplier's viewpoint if it is assumed, as is most often the case, that the profound sharing of information, synchronization of planning, coordination of operational flow, and the business model in general are at the base of collaboration (McIvor e McHugh, 2000; Li et al, 2005). If this is how the issue stands, in our opinion the following research question must be raised: what is the value perceived by suppliers when one of their clients introduces a collaborative portal?

Research Methodology

Regarding the study of Operations and Technology Management, the academic community has only recently made advances in terms of recognizing the need to generate new models and theories which take into consideration profound changes brought about by ICT (Lewis, 1998). Consequently, research methods based on data analysis, optimization, and statistical simulation and modeling have been deemed less suitable in favor of empirical methods based on field research and case studies (Meredith, 1998). According to different authors, the analysis of business cases is a good starting point for theoretical development through the profound comprehension of empirical phenomena and the context in which they are verified (Dubois, Gadde 2002; Easton 1995; Yin 1994).

According to our literature review, there are not case studies which focus on the strategies companies adopt when introducing a collaborative portal to its suppliers. We therefore had to reorient our methodological approach toward the analysis of field cases.

Because of the difficulty we encountered in defining the constructs of our research question, in light of the lack of existing scholarship, we decided to direct our work toward the analysis of a business case thereby guaranteeing that the material possess enough of the essential elements necessary to represent a significant analytical challenge.

After identifying numerous possible candidates, the obvious choice emerged from a project in the process of implementation that seemed well adapted to the development of an original model.

The chosen case represents an example of a portal's development within the context of an ample evolutionary strategy in terms of relationship management with the company's suppliers, which also resulted in the quest for greater efficiency in purchasing procedures.

The chosen company operates in the automotive sector and, in recent years, has been ever-increasingly concentrated on cost reductions and productivity increases throughout the supply chain.

The case in question, Ferrari SpA, presents some of the characteristics that emphasize the role of suppliers who are required to simultaneously reach high standards of qualitative and technological excellence and have the flexibility and efficiency typical of automotive manufacturers.

The case presented here is the fruit of qualitative and quantitative data gathered during the course of the last year. The principle sources of information came from the Ferrari SpA's resources and were provided to us by the Head of the Purchasing Department and his collaborators.

In order to analyze the benefits derived from using the portal, we formulated a questionnaire which was then submitted to Ferrari's 650 suppliers. The document was distributed via Partner, the name of the company's collaborative portal. The questionnaire was uploaded into a specific section of the portal and communication about the file was sent to the suppliers through the portal. In order to encourage the suppliers to fill out the form, the questionnaire was made visible on the screen immediately after the user had downloaded the file. It is interesting to note that a particularly high number of questionnaires were completed, which is a general testament to the portal's important role in qualifying the communication between all of the actors in the supplier relationship. Two weeks after the file was uploaded, 46 questionnaires had been returned; at the end of the 8 weeks set aside for the survey's completion, 161 questionnaires were received. Of these 161 documents, 155 were deemed usable for the empirical analysis. The number of returns exemplifies a particularly favorable result when compared with the average number of returns achieved by more traditional field research mechanisms such as questionnaires sent by mail, telephone surveys, etc.

Drafting the questionnaire proved to be a particularly arduous task comprised of many revisions as the company was adamant the research group not render the questionnaire's completion a taxing operation. Keeping this stipulation in mind, the research team set out to make the document's

compilation as efficient as possible while not compromising the necessity of gathering the quantity of information necessary for a successful analysis. We proceeded as described below.

First of all, we maintained that the subdivision of the questions presented within the questionnaire should help aid the responder's comprehension. Therefore, all of the active functions contained in the portal were homogeneously regrouped in the following manner:

- Publication of orders, contracts, and quality procedures
- Company communications and event management
- Publication of delivery plans
- Archiving of designs
- Publication of information relative to both suppliers' performance and quality control problems

Secondly, the team identified the key impacts to be taken into consideration in order to evaluate the benefits achieved through use of the portal:

- Economic impact (intended as an efficiency recovery with respect to any processes which affect transactions with the client)
- Impact on logistics procedures (referring to the improvement in delivery process performance)
- Impact on the relationship (any growth or strengthening in loyalty in terms of feeling either a sense of belonging or the existence of reciprocal trust)
- Impact on procedures relative to new product development (intended as an improvement in performance in any activities relating to NPD processes)

The first three benefit categories were chosen based on evidence presented in relevant literature. Reduced spending in terms of logistics service and supplier relationship management are the dimensions of cost reduction considered to be the principle drivers of value creation through the use of ICT in supply chain management processes (Smeltzer e Ruzicka, 2000; Croom, 2000). The fourth value driver for the supplier is based on the importance of the NPD process within the investigated context.

In continuation, the functions were matched with the benefits and the team then proceeded to identify the principle relationships suitable for an initial exploratory investigation. The choices were seconded by Ferrari's management on the basis of their experiences during the three years since the portal's implementation.

The table below synthesizes the only intersections we deemed relevant to the current analysis.

Table 1 Relationship between investigated functionalities and benefits

| | Economic Impact | Impact on logistics procedures | Impact on the relationship | Impact on NPD procedures |
|---|-----------------|--------------------------------|----------------------------|--------------------------|
| Publication of orders, contracts, and quality procedures | x | x | x | x |
| Company communications and event management | | | x | |
| Publication of delivery plans | x | x | x | |
| Archiving of designs | x | | | |
| Publication of information relative to both suppliers' performance and quality control problems | x | x | x | |

To complete the discussion about the methodology, it should be specified that the responses to each question were assigned a gradation based on Likert's scale. After utilizing software to elaborate the responses, the team decided to use a discreet scale of 1-5 in which a value of 1 was given the meaning "very negative impact" and a value of 5 "very positive impact." A central value of 3 was deemed "neutral" meaning that the function had not produced any substantial perceived impact.

Other relevant information was collected from available public sources such as company balance sheets and internet sites.

The use of multiple informational sources was based on the necessity of ensuring that the principles of iteration and triangulation of sources be respected (Yin, 1994; Eisenhardt, 1989).

Data Analysis

Before entering into the details of the empirical analysis, it is necessary to illustrate the principal stages which lead up to the portal's development. In our opinion this explanation is necessary in order to highlight some of the aspects which could have influenced part of the evidence which will be subsequently presented.

Ferrari started the project of implementing a collaborative portal, called Partner, in 2001. The preliminary stage of the project consisted of some technical investigations related to the design of both the technological platform and the website features, including security.

Once the platform was completed, the initial phase of the project was launched in June of 2002 with the goal of including all of the suppliers of direct materials. In particular, this first stage of the project was greatly inspired by the desire to create a community that would help to: strengthen relationships with suppliers, heighten the level of reciprocal trust, and create a greater sense of belonging within the Ferrari world. With this last goal in mind, participation in the portal community was conceived as a means for suppliers to share in Ferrari's company and further understand the company values. Furthermore, the portal would offer participants the opportunity to increase visibility within their respective markets as dealings with the Ferrari brand would allow suppliers to garner a certain prestige with other actors and potential clients within the business community.

To reach this objective, the project team adopted various solutions. Among the most effective were the support offered to suppliers during the implementation phase and the time allotted for testing the new communication method. It is important to highlight Ferrari's determination in making the system's use compulsory for all suppliers, both strategic and operational. In addition, at this initial stage, use of the portal was confined to the people operating in the only purchasing department in order to maintain the traditional interfacing role between the company and its supplier base.

This process was prolonged approximately until the end of May 2003. During this time, a series of fine tuning exercises were put into place along with operations designed to optimize the previously launched services.

Once the suppliers had been gathered, Ferrari management recognized that the portal had the possibility and potential of being utilized on a broader scale – that of maximizing efficiency in purchasing processes. The Partner team began to move towards the development of services and functions capable of influencing the management processes related to: production, logistics, and product quality and development.

Through this service extension, Ferrari expected a rationalization of information exchange with its suppliers which would have brought about an efficiency recovery within internal processes. Obviously, there were also expectations regarding the improvement of the suppliers' processes. These expectations came from the fact that the portal offered the possibility of simplifying certain activities — all of the data necessary to plan and manage production and logistics in the most accurate manner could be retrieved from within the portal.

This phase should have been completed by the end of 2003 but experienced great delays which subsisted throughout 2004. The reasons behind the delay can mostly be attributed to the complexity of fine tuning the functions of publishing/tracking the designs and handling Engineering Change Requests sent to the suppliers. The implementation of these functions began in the last few months of 2003 and was completed in the first semester of 2004. The third phase of the project, the stage marked to promote the diffusion of collaborative processes between Ferrari and its suppliers through use of the portal, was launched in the last few months of 2004. This stage of the project is still in progress; consequently the research team chose to omit the analysis of benefits gained through this function.

With reference to the period in which all of the activities necessary for the implementation of the first two phases of the project were completed (June 2003 – December 2004), the team proceeded to investigate the impacts that the different functions generated for the suppliers.

It was determined that the suppliers appreciated the portal's impact on their relationship with Ferrari in terms of the functions which handled the publication of orders, contracts, and quality procedures. The average response of 3.74 expresses that the function was able to marginally strengthen the relationship. It is interesting to note, as evidenced in Exhibit 3, that about 55% of the suppliers experienced either a marginal (29.8%) or a strong (24.5%) consolidation of the relationship. Evidently, the suppliers favorably judged Ferrari's initiative to create a more transparent relationship with its suppliers by taking those documents which could aid in the rapid resolution of possible legal issues and making them public and easily accessible. Another favorable impact was linked to logistics delivery procedures, with an average value of 3.62 (Exhibit 2). About 50% of those surveyed indicated that use of the portal brought about logistics advantages which were unimportant for 25.5% of the

cases and significant for 24.2%. This positive impact can be attributed to the quickness and ease with which information relevant to the speed and quality with which the suppliers' shipping processes are made available. However, the suppliers' almost unanimously maintain that this function did not have any economic impact (62.1%) and did not manifest any substantial impact on NPD processes (71.7%) (see Exhibit 1 and Exhibit 4).

The survey also included a specific question intended to help the team analyze any eventual benefits related to the management of both company communications and events organized for the suppliers. The question referenced one of the portal's specific functions which allows the company to manage event organization by tracking and confirming the invitations and confirmations. These activities take on notable importance for Ferrari considering the large numbers of events, such as the PODIO FERRARI, that the company organizes to reward those suppliers who have distinguished themselves through excellent performance during the course of the year. As previously highlighted in the summary about the various projects centered on the portal's implementation, it must be considered that Ferrari management attributed notable relevance to the portal's role in the creation of a supplier community. This generated high expectations about the benefits linked to the strengthening of communications and event organization. The results of the investigation (see Exhibit 5) show that, for almost 60% of the suppliers, the communication about events produced a positive outcome for the relationship; in particular, almost 22% of suppliers in the survey maintained that the relationship with Ferrari was strongly reinforced due to this service. It must also be mentioned that, for the remaining 40% of suppliers, the service did not produce any impact on the relationship. However, with the exception of one case, no negative impacts on the relationship were reported. No decisive indications about the impacts caused by the function in question emerge from the study. Therefore, it is useful to further delve into the analysis in order to understand the true causes behind the lack of impact on such a large percentage of suppliers. This type of investigation could provide us with useful indications for eventually re-examining the communication methods in relation to the different user profiles contained in the portal. A possible solution could be to differentiate the messages and send invitations to the various events in a more selective manner.

The fourth area of investigation deals with the general effects publishing the delivery schedule. This function allows suppliers to download and print delivery schedules so that they can stay up to date on the details regarding deliveries in process; it is also possible for Ferrari to track every time a supplier reviews an updated schedule.

Increased visibility of delivery schedules can only assist suppliers in their planning procedures and consequently accomplish an improvement in logistics performance with regard to the speed and punctuality of deliveries (Secchi, 2003). However, the investigation does not appear to overwhelmingly confirm this hypothesis as the suppliers' responses demonstrate only a modest level of satisfaction (3.63 on the 1-5 scale) in terms of improvements in logistics procedures occurring after the introduction of this function. As evidenced from the analysis of Exhibit 7, apart from the 45% of suppliers that reported no impact on their own logistics processes, 24.3% noted an insignificant presence of logistics advantages while 23.7% reported heightened benefits on the logistics front. Also noteworthy, are the 5% of suppliers who experienced marginal logistics difficulties caused by the delivery schedule publication. Similar evidences arise from the data on the impact of the observed function (publication of delivery schedules) and the customer-supplier relationship. Also in this case, the average value of the responses remains around 3.7. As illustrated in Exhibit 8, almost 50% of the suppliers did not experience any specific impact on their relationship with Ferrari. Even greater is the percentage of suppliers (60.9%) who did not experience any economic impact as a result of the function in question (see Exhibit 6).

One of the portal's most complex functions concerns the tracking and publication of designs and modifications sent to the supplier. This function allows the supplier to access the document management system which electronically archives the designs so that they can be consulted freely. At the same time, Ferrari can notify the supply of the presence of a new design or an update which may cause an engineering change request to be sent to the supplier as well as track the suppliers' receipt of this information.

As the current function does not show any evident relationships with either the shipping and product development procedures or relational aspects, we decided to concentrate on analyzing the economic impacts of this function. An accurate handling of designs should, in fact, bring about a minimization in costs associated with disputes related to suppliers' non-compliance and any other costs associated with re-workings/substitutions necessary to make up for this failure to quality level. Investment in this function does not appear to be particularly appreciated by the suppliers who overwhelmingly deemed its impact irrelevant in 64.5% of the cases. As shown in Exhibit 9, only 16.8% attest to having

experienced negligible economic benefits while a mere 6.7% report that use of the function brought about noteworthy economic advantages.

As a final area of investigation, the team proceeded to evaluate the impacts associated with publishing (on Partner) information related to the suppliers' performance. In many companies, it has become standard practice to systematically send performance evaluations to their suppliers; the evaluation is usually based on criteria such as service elements, compliance, costs, etc. The practice is usually beneficial to both parties (Stabilini, 2005b):

- it permits the company to reward the suppliers who exhibit the best performance levels by assigning increased supply quotas while isolating those suppliers who cause production inefficiencies;
- it allows suppliers to monitor their own performance levels and compare them with other suppliers in the same product category thereby permitting them to conduct a type of indirect competitive benchmarking study

The process of communicating with suppliers about performance is a very burdensome one and therefore many companies rely on sporadic communications (monthly, quarterly, or even annually). However, the portal is able to make this type of information transmission much more efficient. Partner includes a special function that allows suppliers to visualize qualitative performance reports related to the orders dispatched within a set time period. Suppliers had a marginal perception of this service with regard to economic and logistics impacts. Examining the first aspect, it emerges from the analysis of the responses how the average evaluation of the service (3.10) demonstrates that suppliers did not feel any impact on the economic front. In fact, over 70% of the suppliers report not noticing any economic impact after the function's introduction while only 19% noted negligible (15.1%) or significant (3.9%) economic benefits (see Exhibit 10). In reference to certain logistics aspects, the average value is slightly higher (3.3) thanks to a greater percentage of suppliers that reported positive impacts on the logistics front with 22.5% noting negligible advantages and 7.3% citing significant logistics benefits (see Exhibit 11.) The function on which publishing vendor ratings did, however, have a greater impact was the relationship between Ferrari and its suppliers. The average value of the responses (3.6) demonstrates the presence of a positive impact on the relationship, though slight. More than one quarter of the suppliers reported having (marginally) consolidated their relationship with Ferrari; however, 16.6% of this group in question did report a significant strengthening (see Exhibit 12.) Most likely before it promoted direct impacts on performance, the publication of the vendor ratings impacted more intangible elements of the buyer-supplier relationship which were linked to the sharing of pertinent information both in terms of strategic (determining the supply share) and operational (definition of shared improvement plans) profiles.

Now that the analysis of each single function is complete, it seems opportune to propose a different perspective which takes into consideration a concise reconstruction of the key data elements. The table below shows the average values of the suppliers' responses for single function and objective.

Table 2 Synthesis of average response values

| | Economic Impact | Impact on logistics procedures | Impact on the relationship | Impact on NPD procedures | Average |
|---|-----------------|--------------------------------|----------------------------|--------------------------|---------|
| Publication of orders, contracts, and quality procedures | 3,21 | 3,62 | 3,75 | 3,36 | 3,49 |
| Company communications and event management | | | 3,81 | | 3,81 |
| Publication of delivery plans | 3,21 | 3,64 | 3,69 | | 3,51 |
| Archiving of designs | 3,16 | | | | 3,16 |
| Publication of information relative to both suppliers' performance and quality control problems | 3,11 | 3,30 | 3,57 | | 3,32 |
| Average | 3,11 | 3,52 | 3,72 | 3,36 | |

First of all, it is interesting to note that the greatest value obtained for any single function refers to the management of company communications and events. This appears to be substantially coherent with the emphasis Ferrari placed on the role of the portal as a means of creating a community capable of developing a strong sense of belonging to the Ferrari world.

A second interesting aspect lies in the evaluation of the effects that the different functions had on each single value driver. Clearly, the element which underwent the most positive impact was the strengthening of the relationship between Ferrari and its suppliers. With an average value of 3.72, it clearly significantly surpasses any impact on logistics processes (3.52) and on economic aspects (3.11)¹. This diverse analytical perspective also confirms how the relational dimension of the portal was opportunistically emphasized by the suppliers who, before noting the presence of other more tangible advantages, perceived benefits associated with the possibility of constructing a supplier relationship based on: mutual trust, sharing of common objectives, and a sense of belonging to the community. The data presented here was also analyzed in function of certain logical viewpoints such as:

- supplier size, expressed according to the purchasing value;
- geographic location;
- whether the company operates on a multinational or merely a local level;
- date of registration on the portal;
- type of supplies (direct or indirect materials).

This type of analysis was conducted in order to try and detect whether or not variations in the evaluation of the portal's impact exist when the dimensions cited above undergo variation. At the moment, no significant relationships have emerged. Therefore, it seems that judgments about the portal's impact are not determined by a supplier's importance in terms of: Ferrari's total purchases, geographic proximity, company culture and dimension, experience using the portal over time, or the strategic and economic relevance of the supplies (direct or indirect).

Managerial Implications

Anyone who intends to develop a supplier portal should keep in mind certain important indications which emerged from this analysis.

First of all, the analysis confirmed the authors' affirmation from the first phase of this research project in that there exists a relationship between certain design drivers and the obtainment of specific results associated with the portal's implementation (Baglieri and Secchi, 2006). Ferrari's primary objective in making the portal was to create a supplier community with Ferrari at its center. With this objective in mind, the portal was developed favoring the aspects which concern penetration². From the beginning of the portal's launch, the company required all of its suppliers to use the portal thereby exposing the system to the "mass criticism" of the user community. This extreme clarity throughout the course of the portal's implementation, in effect, allowed the company to gain the expected results. The suppliers' evaluations, which can be observed through the Partner's significant impact on the client-supplier relationship, confirm the importance of defining priorities with respect to the various strategic goals of such a project³. By clearly defining priorities, the people entrusted with the task of implementing the portal are better able to determine which of the design implementation drivers - penetration, size and depth according to Baglieri and Secchi (2006) - should carry the most weight. By making this distinction, it becomes easier to define an implementation strategy that will allow the company to present itself to suppliers in a credible manner.

A second reflection concerns the suppliers' evaluations regarding the portal's impact on economic aspects. Even though the program's start-up had been completed more than a year prior to our

¹ The impact on NPD procedures was not taken into consideration as we did not receive enough responses.

² This definition, along with others to follow, can be found in Baglieri and Secchi, 2006.

³ In the investigated case, the main priorities were on the creation of a community, improving the efficiency of procurement procedures, and the development of collaborative relationships with suppliers.

research, the obtained results seem less satisfying when compared with the success attained with regard to solidifying the client-supplier relationship⁴.

In our opinion, this can be attributed to two elements which should be taken into consideration. No matter how many measures are taken to render a system user-friendly, the introduction of a portal is nevertheless almost always perceived as invasive by the major part of suppliers. Suppliers who have many large-scale clients in their book of business risk having to simultaneously utilize many different portals, each having different functions and interface. This also means that a supplier will have to dedicate resources and develop methods of managing the diverse portals. On the contrary, smaller suppliers (who are less technologically inclined as a whole) find themselves having to manage their relationship with the client through a complex technological system with limited capacities. In both cases, it is possible that the efficiencies expected of such a portal are not perceived by the suppliers. Or else, the suppliers could have an outright negative perception of the portal in terms of efficiency because they have to dedicate staff to managing the portal. Therefore, it is vital that a company take these issues into consideration when developing a portal to avoid creating a system that is not supplier-friendly and which may negatively impact the suppliers' organizational structure.

While many suppliers find themselves having to adapt to a portal, thereby submitting to the wishes of their clients, it is also true that these same suppliers rarely see the introduction of a portal as an opportunity to re-organize their own internal processes to fit the new situation. Eventual efficiency recoveries cannot be solely derived from substituting one means of communication with the client for another. A supplier must also rethink the ways in which it performs certain activities in order to maximize the communicative potential offered by the portal. In this situation, the client introducing the portal must have the ability to present the supplier with accompanying inter-company reengineering processes. These suggestions could be a critical element necessary to obtain a positive appraisal from the suppliers' viewpoint regarding the portals ability to favor efficiency recoveries.

This type of support could be a key factor in making the transition to a portal smoother while helping to garner the support of the suppliers. Support offered by the company, both during the implementation and start-up phases, must help the supplier to clearly see how potential efficiency advantages can be put into practice. In order to make these benefits more concrete, the company could ask the supplier to share in the investment. However, this sharing must be in proportion to both the services being used and the benefits conferred. The joint investment, which would consist of paying for services utilized, would offer a direct economic return. This direct return, along with internal benefits linked to efficiency recoveries, would contribute to an increased return on investment.

Conclusions and Research Perspectives

The results, which emerged from the study of 155 suppliers who regularly use Partner, permitted the research team to evidence the areas in which suppliers perceive the greatest benefits in terms of the system's management of diverse value drivers.

The suppliers positively evaluated Partner's role as a means of strengthening their relationship with Ferrari and promoting greater integration. This evaluation is coherent with the company's initial objective, creating a greater sense of community by helping to construct solid and stable relationships based on mutual trust.

With regard to logistics aspects, the suppliers' evaluations indicate a slight downturn — though in negligible quantities. The largest impacts on the logistics front were brought on by the function which allows for the publication of orders, contracts, quality procedures, and delivery plans. These functions promote data retrieval which can favor a higher quality of customer service in terms of delivery procedures.

In relative terms, the objective which received the lowest rating was that of economic nature. In our opinion, this result was not influenced by time constraints since the portal had already been in operation for over a year at the time of the study. This should have been enough time for the suppliers to experience possible benefits offered by the system. The more likely possibility is that the expectations regarding efficiency recoveries were not made fully concrete since most of the suppliers did not take steps to adapt their organization's internal procedures to the new system. This is, of course, our own hypothesis which we plan to further explore in a subsequent research project. At that point, it would be useful to broaden the research in order to verify whether or not the portal was

⁴ Obviously the expressed opinion should be considered in relative terms because, considered in absolute terms, the difference is minimal.

dominated by a buy-side perspective, undervaluing the potential benefits and impacts of the portals on the suppliers processes.

In addition to this possible extension, we think it is necessary to include other companies who have implemented a similar portal into our next study. The current results are obviously influenced by the fact that we analyzed the opinions of only one company's suppliers. In order to make the results more general, the next study should include a wider range of companies who perhaps, when implementing their portals, differently prioritized the strategic goals of their portals.

In conclusion, given the explorative nature of this research, we hypothesized that there was a relationship between the functionality of the portal and value drivers. As previously evidenced, we were not able to find sufficient relevant relationships capable of providing definitive guidance as to where to direct portal investment politics. The results did not allow us to identify which supply categories or types of suppliers should be targeted in order to make it easier for a company to concentrate on determining which dimensions of the portal to develop and accentuate in order to make its user benefits more obvious. We will now take steps toward fine-tuning our hypotheses and further investigating the data.

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Exhibit 1

What impact did the publication of orders, contracts and quality procedures function, accessible on Partner, have on your economic performance?

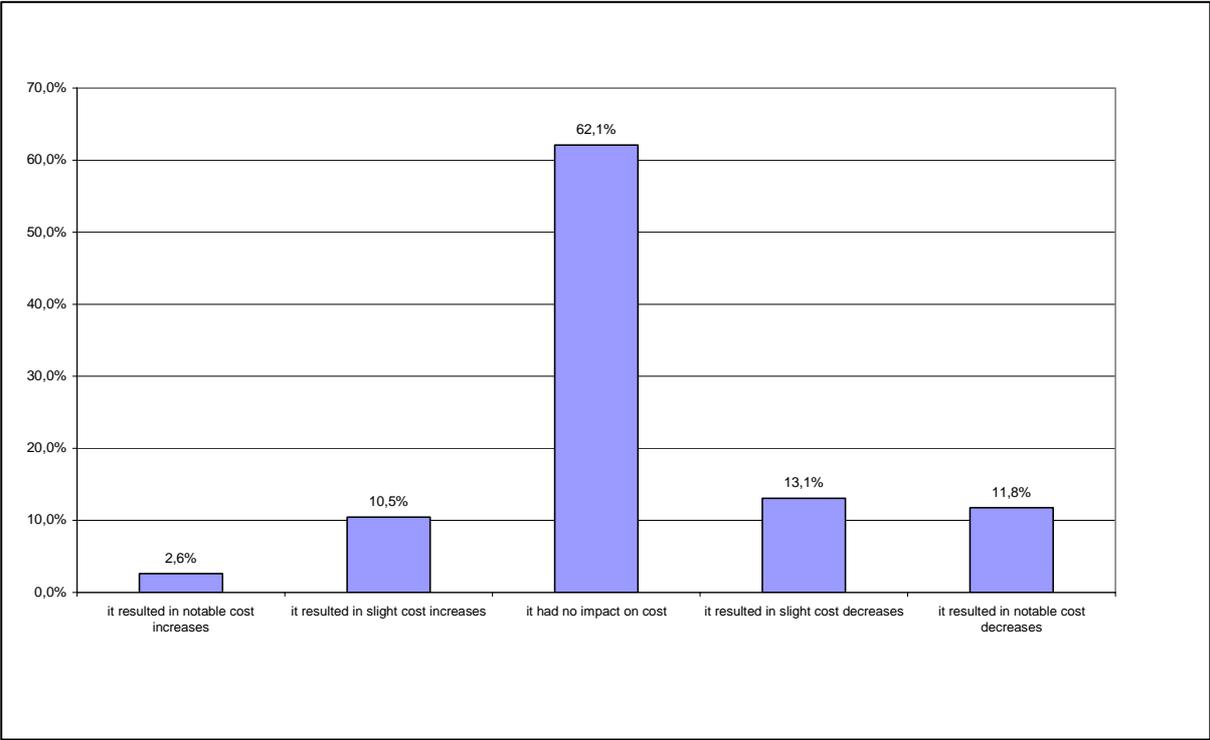


Exhibit 2

What impact did the publication of orders, contracts and quality procedures function, accessible on Partner, have on your logistical performance

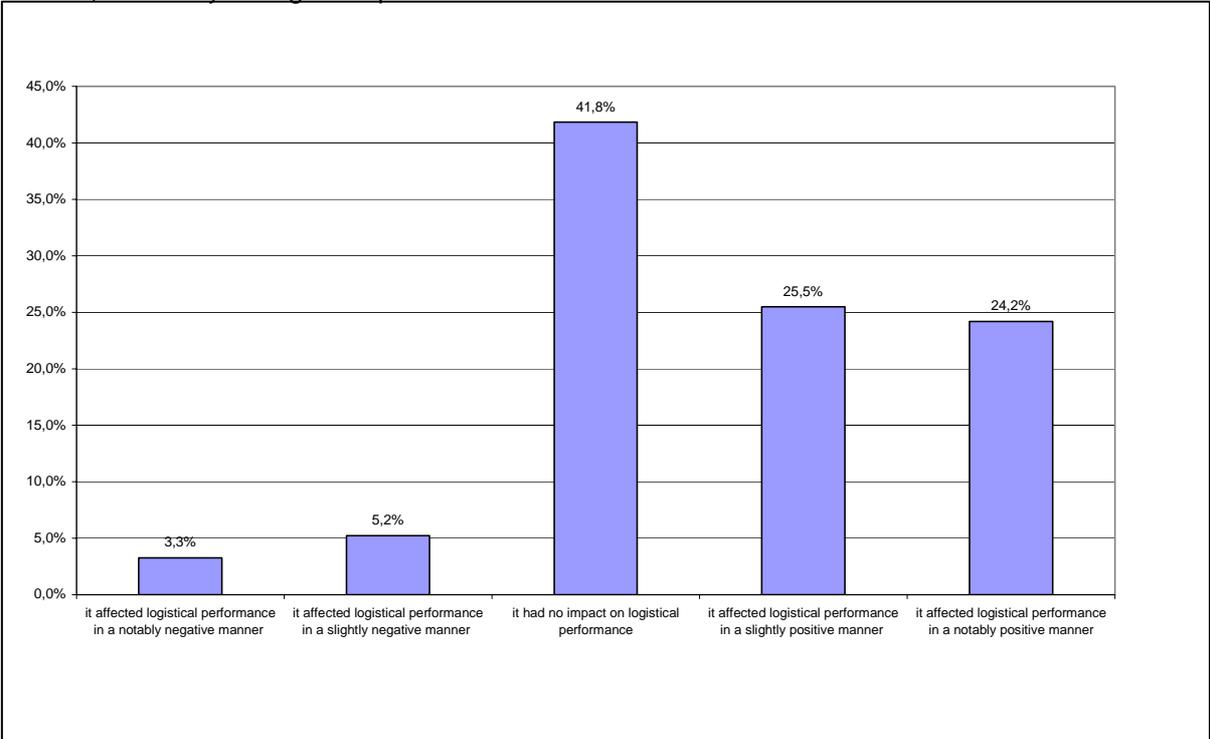


Exhibit 3

What impact did the publication of orders, contracts and quality procedures function, accessible on Partner, have on the relationship between Ferrari and your company (mutual trust, partnership,...)?

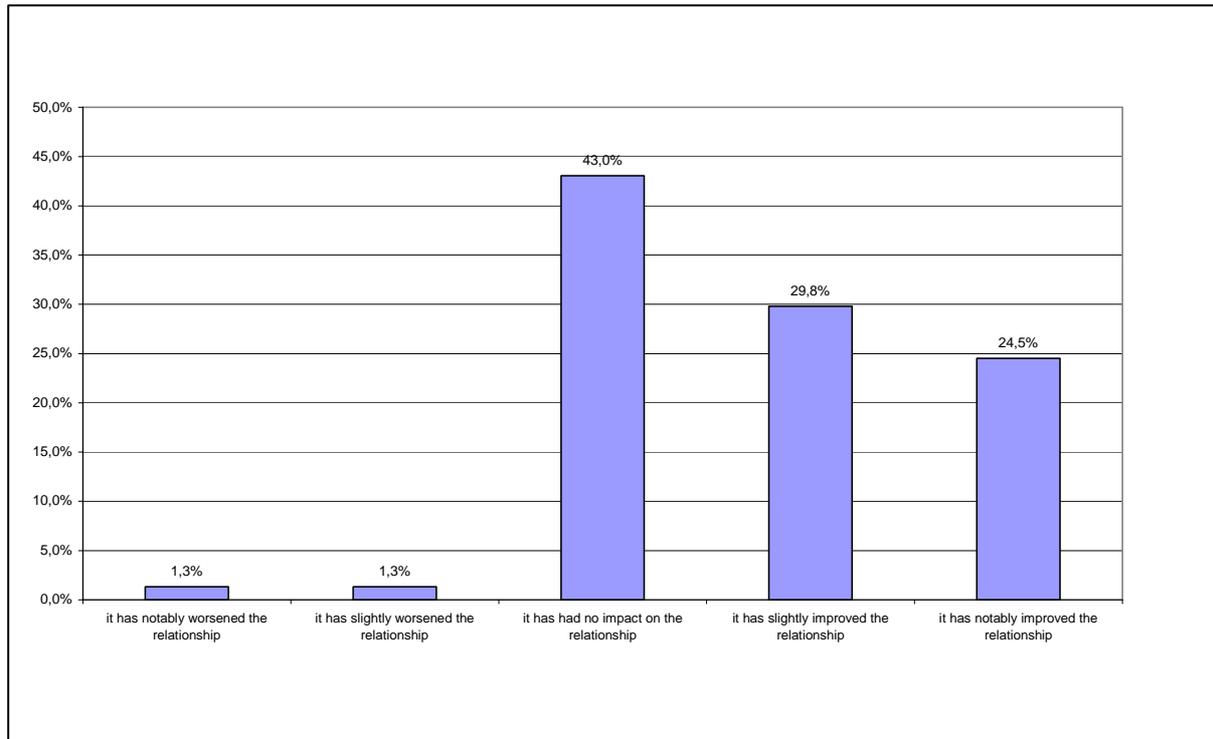


Exhibit 4

What impact has the publication of orders, contracts and quality procedures function, accessible on Partner, had on the performance of your New Product Development process (NPD)?

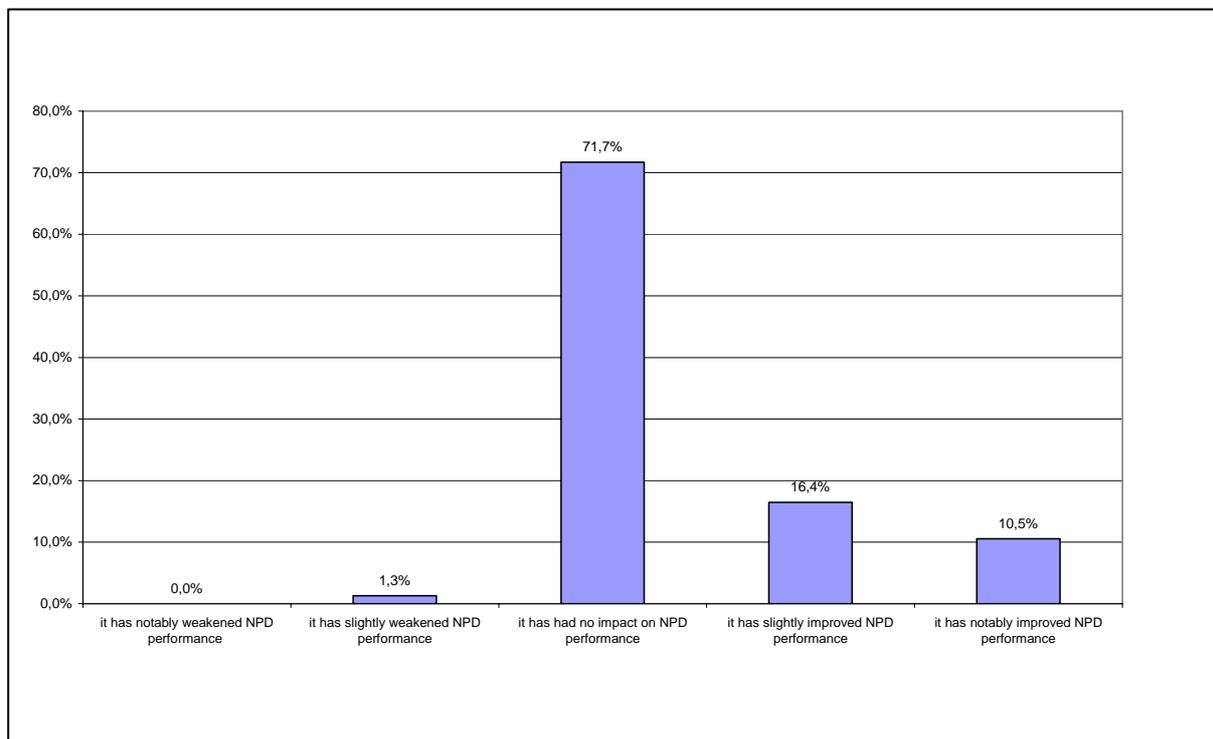


Exhibit 5

What impact did the event communications function, accessible on Partner, have on the relationship between Ferrari and your company (mutual trust, partnership,...)?

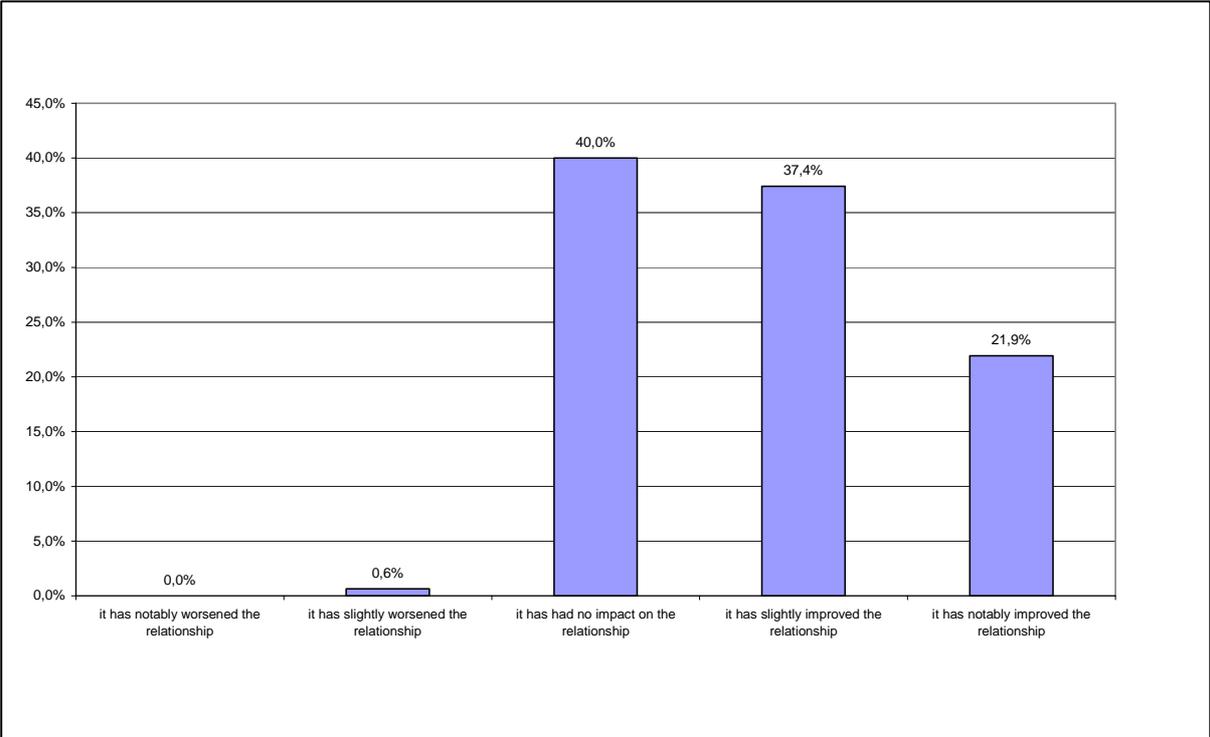


Exhibit 6

What impact did the publication of delivery plans function, accessible on Partner, have on your economic performance?

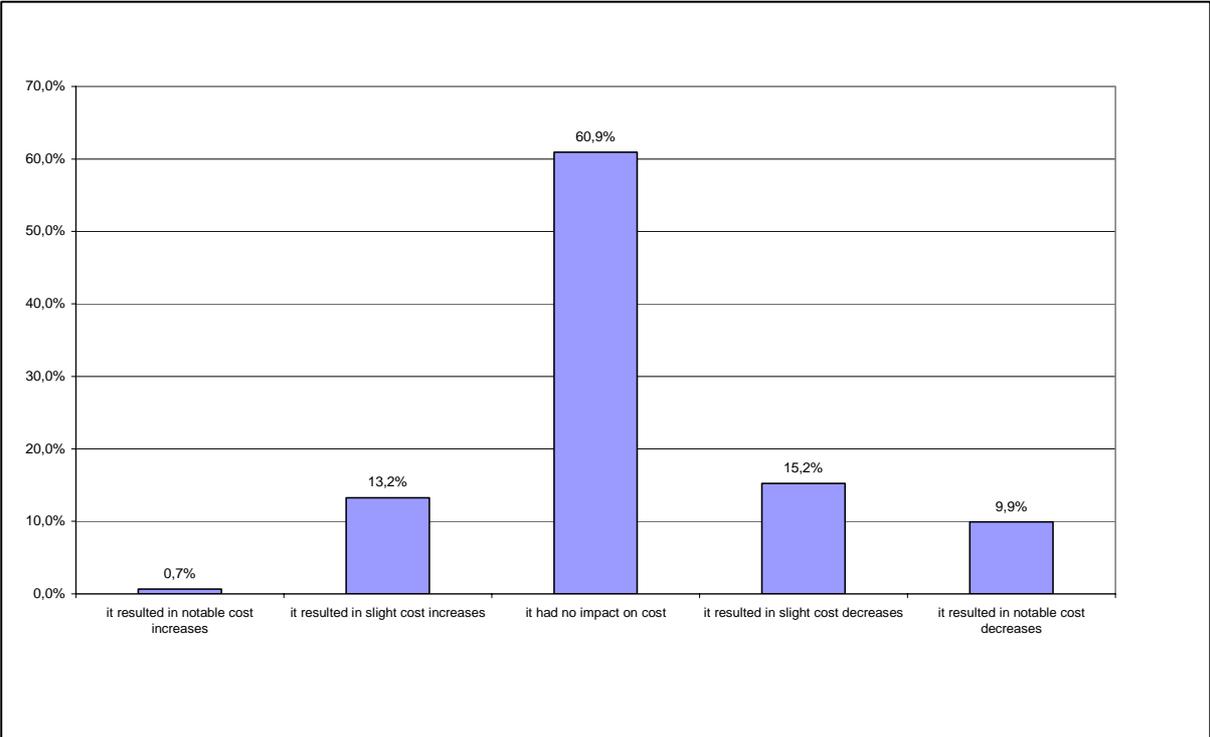


Exhibit 7

What impact did the publication of delivery plans function, accessible on Partner, have on your logistical performance?

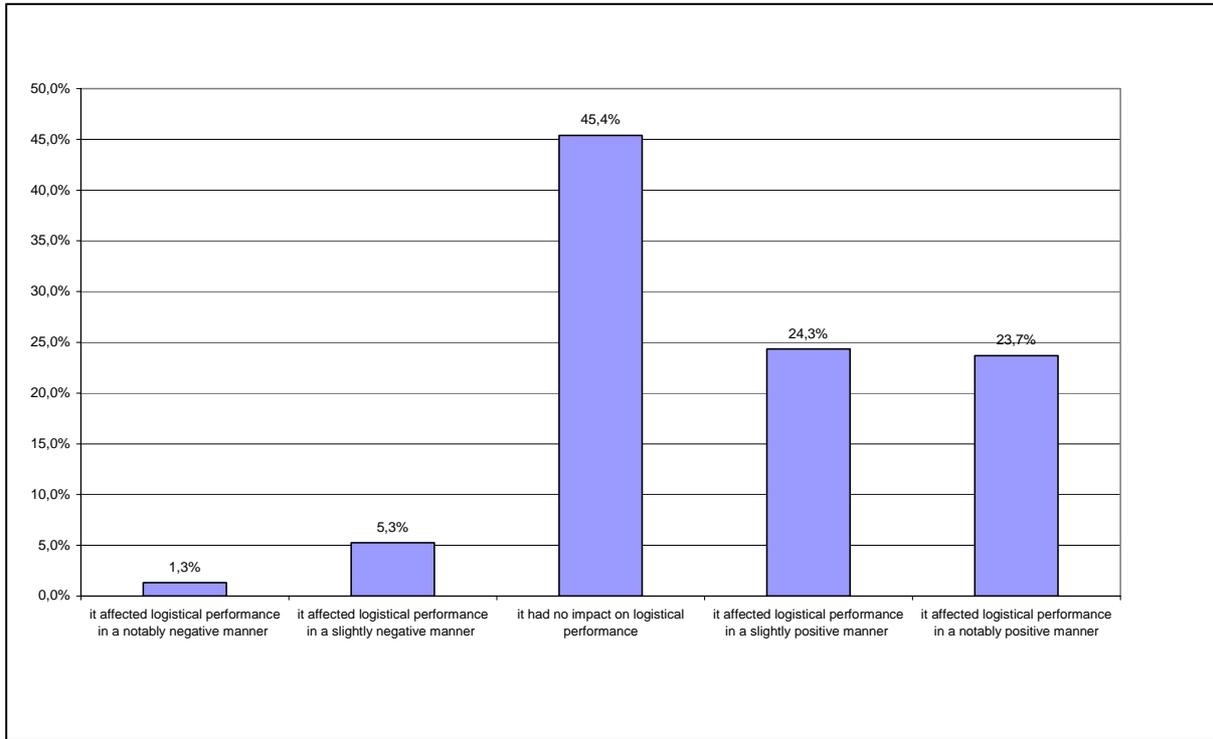


Exhibit 8

What impact did the publication of delivery plans function, accessible on Partner, have on the relationship between Ferrari and your company (mutual trust, partnership,...)?

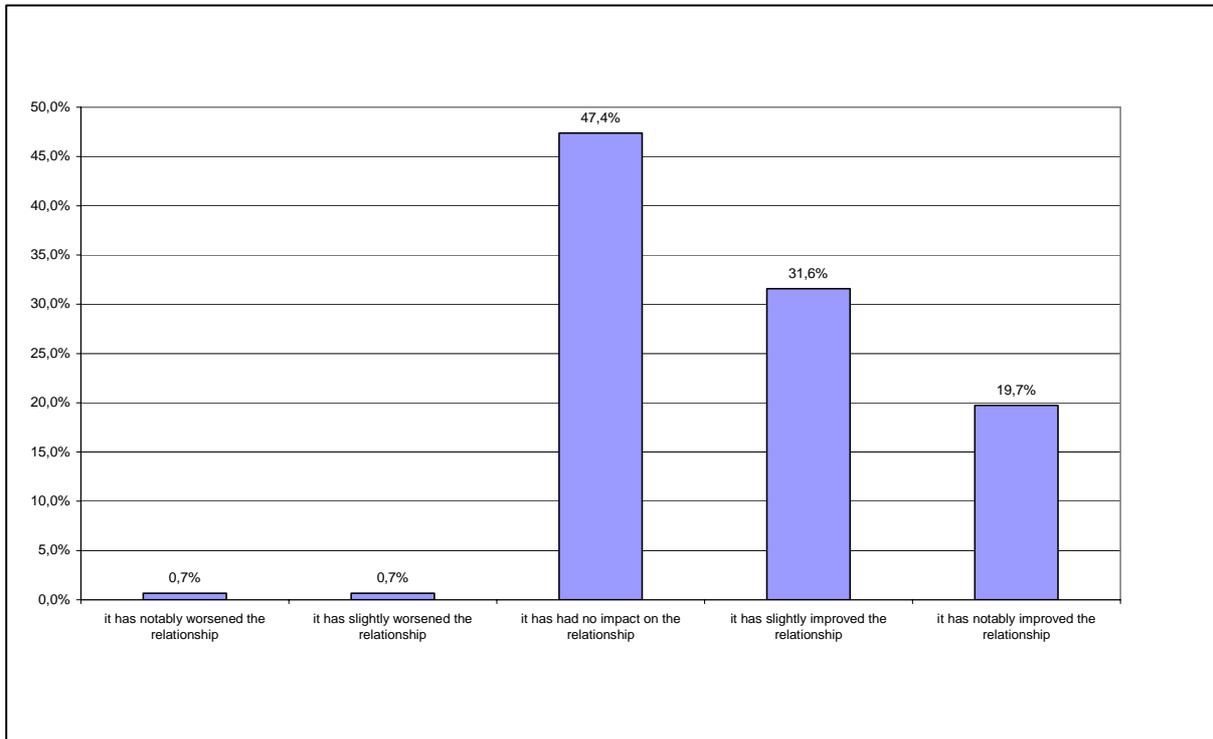


Exhibit 9

What impact did the publication of drawings function, accessible on Partner, have on your economic performance?

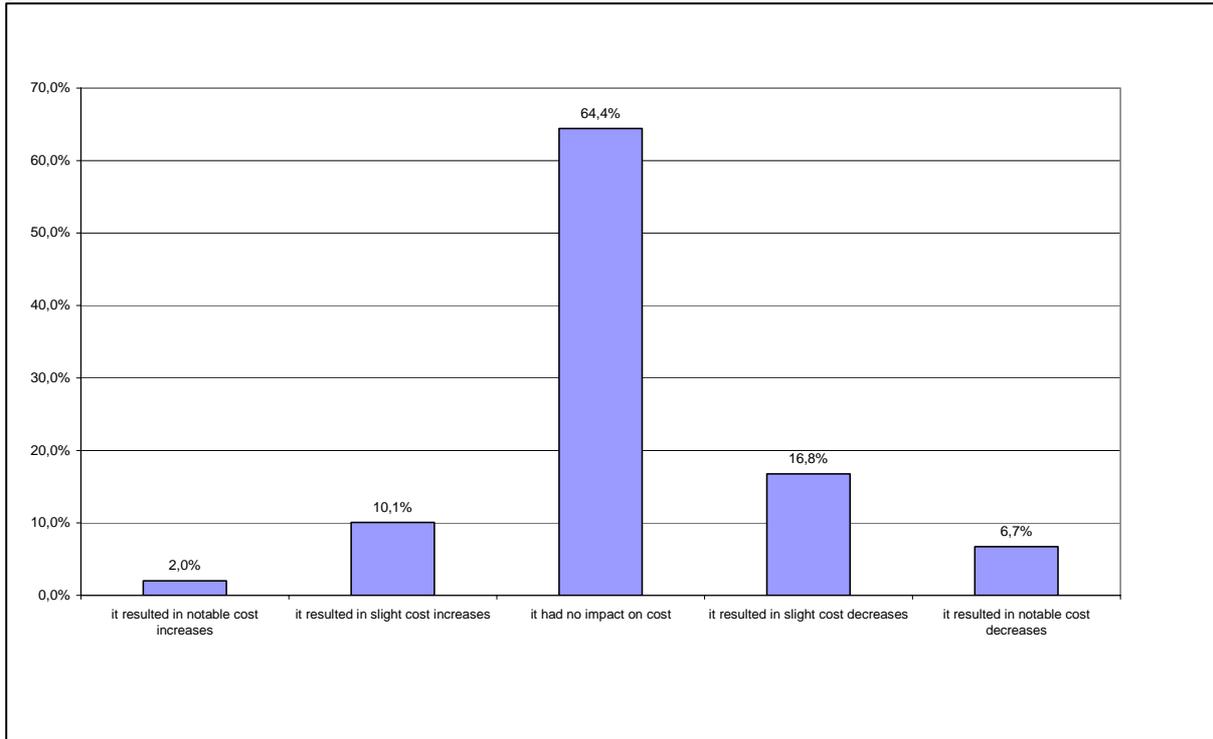


Exhibit 10

What impact did the publication of vendor rating and quality issue function, accessible on Partner, have on your economic performance?

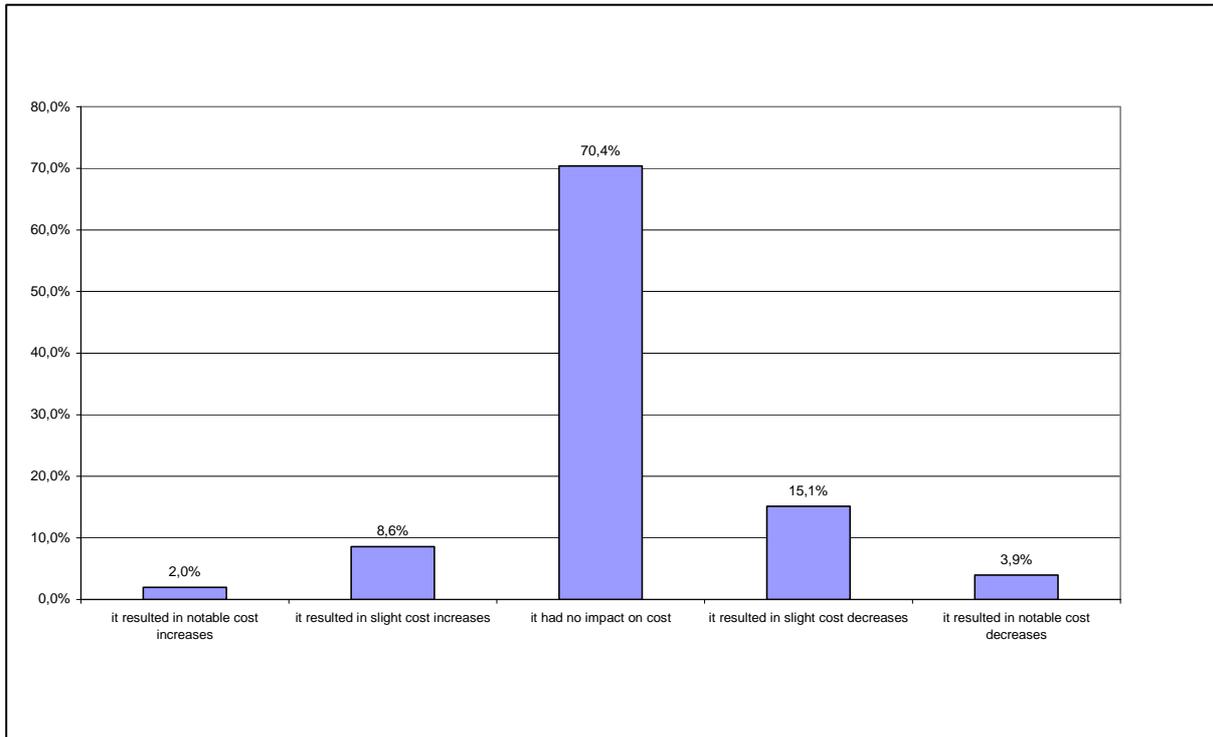


Exhibit 11

What impact did the publication of vendor rating and quality issue function, accessible on Partner, have on your logistical performance?

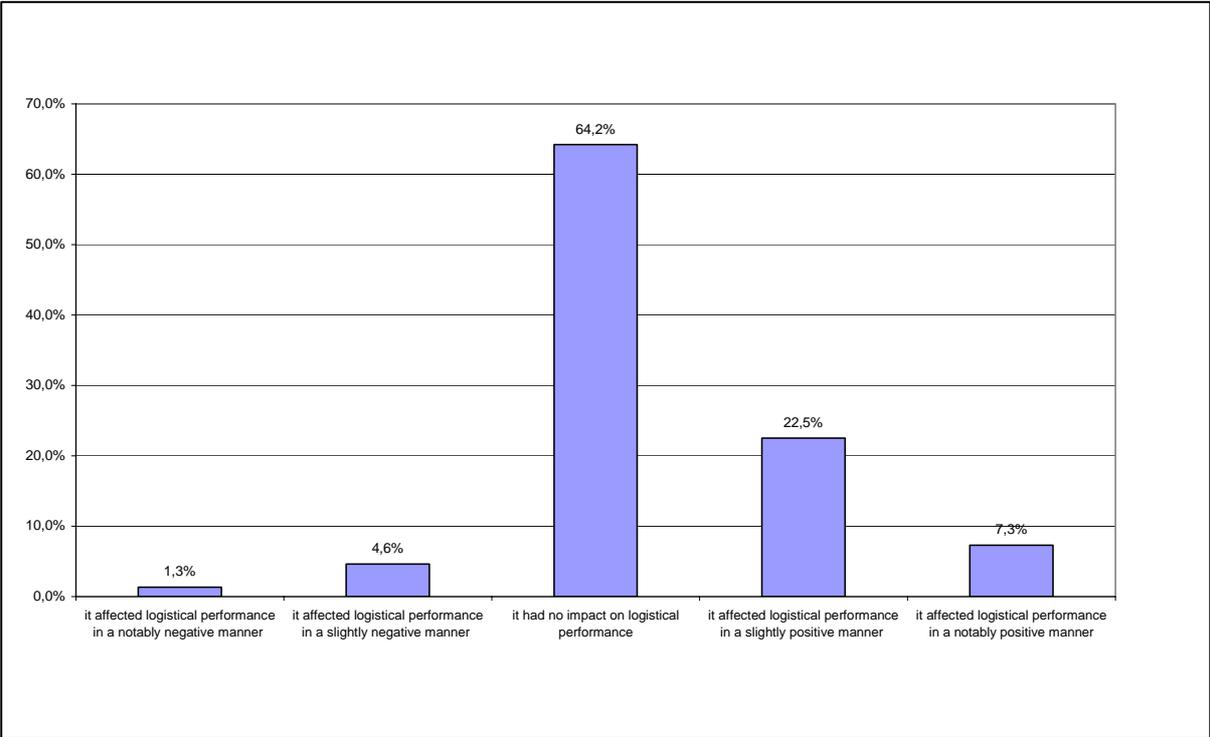


Exhibit 12

What impact did the publication of vendor rating and quality issue function, accessible on Partner, have on the relationship between Ferrari and your company (mutual trust, partnership,...)?

