Understanding the Role of Mutuality in Customer-Supplier Relationships
Empirical Evidence from Russian Markets

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Introduction

The aim of the paper is to contribute to understanding of key supplier relationships patterns and responsibilities shared among partners in terms of relationship maintenance and relationship functions execution. These research aims are tested in research context of transition economy on example of 208 Russian companies from various industry sectors. We describe buyer-supplier interaction by analyzing relationship functions executed by parties in order to maintain and develop this relationship, which can be regarded as parts of a joint relationships governance mechanism. Our main proposition is based on the idea that analysis of distribution of responsibilities to execute these functions (buyer, supplier or jointly) could provide relevant information on key supplier relationship patterns. In certain sense we apply an approach, based on the IMP interaction model (Håkansson, 1982), and regard the interaction processes among parties through relationship functions and thus relationship governance perspective.

When investigating the patterns of supplier relationships in Russian companies, researchers face almost a total lack of previous investigations and have to combine findings from a highly limited number of existing studies with theories and models tested previously in a different research context.

Current paper represents an attempt to create a new approach to analysis of relationship patterns through relationship functions execution and test it in a diverse business environment of a transition economy. Russian firms are in a process of creation of organization-wide strategic thinking what should influence strategic thinking in frames of suppliers relationships. As to P.Cousins and R.Spekman (2000), strategic approach to supply symbolizes the importance of enterprise wide thinking where functional units inside the firm and key suppliers from the firm's supply chain all work in concert to bring value to the marketplace. The more actual are these aspects for the firms in emerging and transition economies, like Russia, where currently take place the ongoing processes of networks and chain formation and re-configuration. Local firms face steadily increasing pressure from the side of multinational companies and global competition. We assume that these changes have direct influence on the supplier relationships, seen as source of possible competitive advantage creation through interaction and collaboration. Taking into consideration historical development of Russian economy and transition from planning to market interactions, we imply that one of the most interesting directions of research investigation could be mutuality of interaction as a measure of equality between parties to a relationship (Ivens, 2002). It is possible to assume that there should be significant trend towards asymmetry in customer-supplier relationships due to unequal market development and rapid transition processes. When analyzing the patterns of key supplier interaction we regard mutuality as one of the factors contributing to creation of potential to co-create value and thus increase competitiveness of both partners, and probably the whole supply chain.

To compensate existing lack of studies and references on Russian markets, we have designed the study as two waves: the first wave (n=208), oriented on the purchasing status in the firms and strategic aspects, which could influence supplier relationships. The second wave of research was addressed to the same companies and the same respondents, but with some time distance. At this stage respondents were asked to identify a key supplier, and to respond to the questions according to their experience of interaction with this key supplier. During the first wave of survey we were able to identify some key features of Russian companies' strategies in supply chain management and supplier relationships, which could influence our further results. We have identified overall low level of long-term planning in Russian companies, high profit orientation in supplier relationships and at the same time understanding of high priority to develop long-term relationships with suppliers and integrate supply chain to secure future competitiveness of the firm.

The main question of the dyadic relationship analysis and key supplier interaction patterns was implied to draw some light on the nature of relationship: symmetry or customer/supplier dominance, the role of power in the relationship, mutuality and joint coordination of interaction. Our approach to mutuality understanding was based on the distribution of responsibilities among parties in terms of execution of certain interaction-related functions. On the base of existing research literature we have created a list out of 23 relationship functions, requiring certain adaptations and investments from each side, and creating additional relationship value for both chain members and end consumers when executed jointly. These functions are representing four main groups (the numbers of functions correlate with the number in the list proposed to the companies, since we have mixed all the functions when presenting them to the respondents):

1. **Creation of flexibility and adaptability through interaction**: *Information delivery, monitoring of interaction (f1), Creation of information systems to support the interaction (f7), Use of information systems (f8), Market research in supply market (f10), Joint research and*

development of new products (f13),Legal support of purchasing process (f11), Law consulting (f15).

2. **Processes optimization for better commercial competence, supply performance capability, price competitiveness and organizational effectiveness:** *Investments and processes-related: Participation in production planning (f2), Investments in supply chain development (f6), Rationalization of business processes in order to cut costs (f3), Logistics optimization (f16), Documentation processes planning (f20), Optimization and improvements of calculation system (f21), Trainings and education of personnel, involved in interaction (f9), Implementation of TQM system (f22), Implementation of JIT system (f23).*
3. **Problems identification and coordination of interaction, as well as social intergration:** *Analysis of problems in supply chain (f17), Problem solution in supply chain (f5), Joint interaction coordination (f19), Development of interaction between the parties (f4).*
4. **Customer orientation oriented relationship functions:** *Market research for better response to customer needs (f12), Monitoring and assessment of customer satisfaction (f18), Technical support of customers (f14).*

Our study implies that execution of these relationship functions (or better said – responsibility to execute these functions) can lead to different for the parties involved outcomes in terms of decrease or increase in the need, market and transaction uncertainty (Håkansson, Johanson, Wootz, 1976). As Ford, Håkansson and Johanson, 1980, there are several questions, which can help to describe and understand each single buyer-seller relationship, and these questions are: What can you do for me? How do you see me? What are you prepared to do for me, compared to what you do for others? Which variations are there in these "whats" and "hows"?

We have asked the respondents to analyze, who is currently performing certain functions and who would the want to execute these functions in future – customer organization, supplier or should they be executed jointly? Thus we tried to describe the interaction process without evaluating it directly, but asking the respondents to propose the scenario of the changes desired (if desired) in terms of responsibilities allocation concerning every single function in future. By introducing also future plans of the companies, we include dynamic aspect in our approach. It is to be considered, that the relationships analyzed in case of our paper, are all relationships of a customer company with selected key supplier – or one of the key supplier if this is the case in company's suppliers' portfolio. This circumstance puts more emphasis on expected party's participation in the scope of functions execution, the level of mutuality and trust by sharing responsibility with a partner. At the same time the future picture of desired responsibility allocation can provide us with some knowledge on the satisfaction with current situation, plans to extend the relationship and can help thus to evaluate our data.

Table 1 present an overview of the functions in order as in the questionnaire, as well as main descriptive results of the survey – indicating shares of the companies (%) corresponding with each of the answer options.

To provide more explanation for the findings of our analysis, we have also addressed the concept or relationship style (Ivens, 2002). In order to comment on the results of responsibility allocation and changes desired in frames of relationship with key supplier, we have decided to include in the analysis some of the variables used by Ivens to describe the relationships style – as trust (Doney, Cannon, 1997), relational planning (Ivens, Pardo, 2003), mutuality (Ivens, Pardo, 2003). Finally, we have applied the concept of satisfaction and defined main characteristics of customer satisfaction in frames of supply chain relationships, as orders management, quality of products, price-quality ratio, quality of additional services, friendly interaction, personal interest, respect of respondent as personality).

Methodology and sample description

Due to access problems there are just a few few empirical studies of Russian firms' behaviour in the market (Hallen&Johanson, 2004). Indeed, the usual methods of data gathering (self-administred questionnaire with introduction letter) is a doubtful tool when applied to firms in transition economy, in particular considering the factor of the closeness and low readiness to share knowledge and information (Mikhailova&Husted, 2003). Thus due to specifics of emerging markets and markets in transition, as well as closeness of Russian firms, we have selected face-to-face completely structured interviews as a mean for data gathering. The sample was partly based on quotation on regions to be included, company size and industries according to the industry structure of Russian economy, and partly on random selection of companies inside of clusters defined. Nevertheless, the final criterion for the choice of the company was the agreement of company's management to participate in the survey**.** The questionnaire was pre-tested in

form of semi-structured interviews with representatives of the 6 Russian firms. Results of the pre-test have confirmed that the structure of the questionnaire, the logic and the content of the questions are very well understood by the respondents.

Table 1

Overview of the relationship functions and distribution of responsibility in frames of buyer and key supplier relationship

Distribution of responsibilities to execute the following functions in key-supplier relationship:	Current responsibility, % of respondents			Future responsibility, % of respondents		
	Buyer	Supplier	Jointly	Buyer	Supplier	Jointly
(f1) Information delivery, monitoring of interaction	25,9	15,4	58,7	15,5	16,5	68,0
(f2) Participation in production planning	65,5	6,2	28,4	52,6	6,3	41,1
(f3) Rationalization of business processes in order to cut costs	49,5	5,6	44,9	31,6	7,8	60,6
(f4) Development of interaction between the parties	15,8	2,0	82,2	5,6	1,5	92,9
(f5) Problem solution in supply chain	16,5	10,5	73,0	4,6	13,7	81,7
(f6) Investments in supply chain development	32,4	20,5	47,2	8,5	21,0	70,5
(f7) Creation of information systems to support the interaction	22,7	12,7	64,6	8,2	12,6	79,2
(f8)Use of information systems	20,3	6,0	73,6	7,7	5,5	86,8
(f9) Trainings and education of personnel, involved in interaction	48,9	8,0	43,2	23,2	11,0	65,7
(f10) Market research in supply market	59,3	11,1	29,6	43,7	7,4	48,9
(f11) Legal support of purchasing process	40,2	4,5	55,3	30,2	5,5	64,3
(f12) Market research for better response to customer needs	52,1	8,9	38,9	34,4	8,9	56,8
(f13)Joint research and development of new products	27,4	13,1	59,4	15,5	9,9	74,6
(f14) Technical support of customers	44,3	18,8	36,9	30,6	19,4	50,0
(f15) Law consulting	45,5	5,1	49,4	32,2	5,6	62,2
(f16) Logistics optimization	32,6	11,1	56,3	17,6	10,6	71,8
(f17) Analysis of problems in supply chain	35,2	7,1	57,7	15,8	6,0	78,3
(f18) Monitoring and assessment of customer satisfaction	60,9	5,7	33,3	38,9	8,4	52,6
(f19) Joint interaction coordination	13,0	2,5	84,5	7,1	1,5	91,4
(f20) Documentation processes planning	39,7	3,6	56,7	27,6	3,6	68,8
(f21) Optimization and improvements of calculation system	32,1	4,1	63,8	18,7	3,6	77,7
(f22) Implementation of TQM system	38,0	13,0	48,9	25,1	13,7	61,2
(f23) Implementation of JIT system	17,7	19,3	63,0	6,2	24,4	69,4

Operationalization

In order to make create an overall picture for the survey participants when working with functions proposed, we decided to use a single-item nominal scale for each function. This approach limited our possibilities in terms of multivariate data analysis, but increased our chances to receive full data on all the 23 functions. When planning this part of our study, we put emphasis on creating a picture of distribution of responsibilities among partners in key-supplier relationships that could propose new findings and stimulate further research. But our approach implied certain limitations due to its simplicity and descriptive character. Additional variables we have included in our analysis to enrich the findings – trust, relational planning and mutuality – we operationalized on the base of the scales used in the study of Ivens (2006). These variables were measured on a 5-point Likert scale.

Sample description

The firms in the sample represent several Russian regions. Firms vary in terms of: the number of employees (70-250 (45,6%), 250-500 (21,8%), 500-1000 (12,1%), 1000-2000 (10,2%), more than 2000 (10,2%); market share (less than 5% - 18,3%; 5-15% - 21,6%, 15-25% - 21,6%, 25-50% - 14,9%, 50-75% - 9,1%, 75-100% - 3,8%); way of foundation (privatization of the former state enterprise – 49,8%, start-

ups after 1991 by Russian entrepreneurs – 43,9%, start-ups by attraction of foreign investments – 2,4%, other – 3,9%); year of foundation (before 1900 – 2,5%, 1901-1930 – 5,9%, 1931-1950 - 2,3%, 1951-1970 – 10,9%, 1971-1990 – 6,4%, 1991-2000 – 35,6%, 2001-2006 – 15,9%). The respondents have been mostly represented the top management of the firms (CEO, procurement and purchasing directors, vice directors), as well as partly purchasing managers.

In our study we have asked respondents to specify the key supplier and answer to the questions according to the firm's experience with the given supplier. 16,3% of respondents argued that their firm is also key customer for the chosen supplier, while 57,7% of the firms are "important, but not a key account for this supplier". The duration of collaboration varied from 3 months to the period longer than 30 years. Most of the firms (71,2%) base the interaction on annual contracts, 16,8% - on long-term contracts. At the same time, 71,2% of firms argue that the renewal of contracts is processed almost automatically.

Main findings

Our main sphere of interest was connected with the distribution of responsibilities for execution of certain relationship functions in frames of key supplier relationships. Due to methodology used, we are able to apply only descriptive analysis to our data, but the findings are nevertheless quite interesting and propose possible directions for future research. Before presenting main findings, we have to point to some interesting additional results of the study. Firstly, 74% of firms report that both sides equally contribute to the success of given relationship! At the same time, 27% of respondents argue that customer's contribution is higher, and only 5,8% evaluate higher the contribution of the key supplier.

Analysis of key supplier interaction was interesting for us concerning selected industry groups and the way of foundation of the firm. But despite our assumption, we have not found general significant differences between firms, founded through privatization from former Soviet enterprises and founded after 1991 as new start-ups. Nevertheless, we have found substantial results on the key supplier interaction patterns across defined industry groups. The industry groups we have defined for the analysis include: 1) machinery (15,4% of sample), 2) light and food industry (23,9%); 3) ICT (7,5%); retailing and wholesale (16,4%); 5) forest, woodworking, construction materials production and packaging (31,8%); 6) metallurgy and chemical industry (5%) (See table 2 below).

Table 2

Aggregated distribution of responsibility between customer and supplier, % of firms

Execution of functions by:	N of group	Mean	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Customer	**Now**	**36**	**36**	**35**	**31**	**39**	**37**	**42**
	Min		7	14	7	15	9	10
	Max		68	61	54	61	73	88
	In future	22	18	21	19	22	24	23
Supplier	**Now**	**9**	**6**	**10**	**13**	**10**	**9**	**9**
	Min		0	0	0	0	2	0
	Max		14	29	40	26	24	25
	In future	10	5	10	19	9	10	9
Joint responsibility	**Now**	**54**	**58**	**55**	**56**	**52**	**54**	**49**
	Min		30	33	15	30	25	13
	Max		90	84	93	85	88	80
	In future	68	77	69	62	68	66	69

On the base of the industry groups defined we have tested the differences between current and desired situations in terms of responsibility of client, supplier or joint responsibility. This part of analysis is aimed at understanding, whether there are significant differences in means when comparing current and desired in future situation (see Table 3 ***as appendix***) when comparing the 6 firms from the six groups. The numbers, presented in the Table 2, provide the means of the share of respondents according to their answer on current and desired in future responsibility allocation on execution of each of the functions by customer, supplier or jointly. When taking each line, these shares do not build 100%, since the analysis is performed on the base of separate groups data and their comparison, and not on the sample of all 208 firms.

When comparing current and desired situations though for the customer's responsibility and joint responsibility cases, we find significant differences in most cases, just with some exceptions. The Table 3 presents all the changes in details – comparing current means and means in future (desired) concerning

each out of 23 functions. The overall trend is towards decrease in customer's responsibility for functions execution towards joint responsibility. Nevertheless, these changes have own patterns concerning each out of 6 industry groups, as will be discussed later. There are also certain patterns of strategies, chosen by firms to provide these changes, and they include more options than just aggregation of responsibility to joint execution of the functions analyzed – this will be presented in the next parts of the paper.

Presenting overall results of this analysis, we may report that mostly jointly executed are functions as interaction coordination, interaction development and use of information systems. Mostly performed by customer are adjustment of production planning, customer satisfaction monitoring and supply market research. Mostly performed by supplier are supply chain investments, JIT systems implementation, customer support in technical issues. At the same time, general trend is customer's desire to implement less share of functions on their own, and increase the level of joint functions implementation – in particular, joint supply market research, customer technical support, customer satisfaction monitoring and joint production planning.

Concerning supplier responsibilities in future, the emphasis is put on interaction development, use of information systems and general coordination of interaction, concerning customer responsibilities these are problem solving in supply chain, interaction development and JIT systems introduction. Overall trend is towards increase of joint functions realization or keeping customer responsibility. The only exception is ICT group, where desired level of suppliers involvement is increasing in future. We assume that low level of suppliers involvement can be connected with customers' desire not to lose control on the interaction development, and share responsibilities and control. Trying to analyze some patterns or strategies, how the firms in our sample plan to change the allocation of responsibility in order to increase effectiveness of certain functions execution, we have analyzed the sample in terms of "now-future" paired-strategies (see Table 4 for details). Further we present an overview of dynamic strategies in responsibility allocation for relationship functions execution from buyer's company perspective.

Table 4

Overview of strategies followed currently and desired in future (n=208)

(presented are numbers of respondents in sample, not %)

	J->J	S->S	C->C	C->S	C->J	S->J	S->C	J->S	J->C	now	future	no answer	*total*
f1	106	24	29	1	21	7		8	2	2	3	5	*208*
f2	53	10	100	1	23	2		1		2	4	12	*208*
f3	84	9	59	5	31	2		1	2		3	12	*208*
f4	163	2	11	1	19	2					4	6	*208*
f5	137	16	8	5	20	4		6	1		3	8	*208*
f6	78	31	15	3	37	5		3	1	3	3	29	*208*
f7	109	19	14	1	25	4		2	3	6	4	21	*208*
f8	128	8	13	1	23	3		1	1	4	4	22	*208*
f9	68	9	42	6	37	5		5	2	7	2	25	*208*
f10	52	10	82		29	8	1	4		4	3	15	*208*
f11	104	6	59	2	19	3		3	1	2	2	7	*208*
f12	67	8	62	4	32	6	1	5	2	5	3	13	*208*
f13	101	11	28	3	16	11		2		9	3	24	*208*
f14	61	25	55	4	19	7		3		5	1	28	*208*
f15	85	7	55	2	22	2		1		6	2	26	*208*
f16	102	15	33	3	26	5		2		2	3	17	*208*
f17	104	9	27	2	33	4			1	4	2	22	*208*
f18	61	10	73	3	36	1		2	1	3	5	13	*208*
f19	165	2	13		12	2	1	1		1	4	7	*208*
f20	106	5	53	1	23	2		1		1	3	13	*208*
f21	122	5	36	2	24	3				1	4	11	*208*
f22	88	18	45	7	18	3	1	1		2	3	22	*208*
f23	116	32	12	10	12	5		2		4	3	12	*208*

"J-J" - keep joint execution of function. The most companies follow this strategy in case of *f4* "*development of interaction between the parties*" and *f19* "*joint interaction coordination*". Besides there are a number of functions more than half of sample companies choose this strategy: *f1* "*information*

delivery, monitoring of interaction", f5 "problem solution in supply chain", f7 "creation of information systems to support the interaction", f8 "use of information systems", f11 "legal support of purchasing process', f17 "analysis of problems in supply chain", f20 "documentation processes planning", f 21 "optimization and improvements of calculation system", f23 "implementation of JIT system". Less enthusiasm is created by keeping joint execution of *f2* "*participation in production planning*" and *f10* "*market research in supply market*" – nevertheless, 25% of companies respectively follow joint responsibility concerning execution of these functions.

"S-S" – keep execution of function by supplier. This strategy is followed by much less firms, and receives maximum attention in case of *f6 "investments in supply chain development"* and *f23* "*implementation of JIT system*". This means that when choosing this strategy respondents are not ready to invest in supply chain development and implementation of just-in-time system at all. This responsibility was previously performed by supplier, and should also in future stay in the sphere of supplier's competence.

Less than other functions, this strategy is suitable for functions *f4 "development of interaction between the parties"* and *f19 "joint interaction coordination"*, but even in this cases some companies choose this strategy (*f4*, n=2, construction, polygraph industry), (*f19*, n=2, construction, wood working industry). Companies, choosing this strategy though, are very high evaluating mutuality (5,0), as well as satisfaction with supplier's activities (4,5), and trust (4,3) (on a 5-points Likert scale).

"C-C" – keep execution of function by client's company. The strategy "C-C" receives highest number of responses in case of *f2* (*production planning, n=100)* and by *f10* (*market research in supply market, n-82*). At the same time, there are companies (n=52), executing joint production planning, and even delegating this function execution to supplier (n=10). Some companies are also doing market research in supply market jointly (n=52) or delegate it fully to supplier (n=10). In case of both these functions, these are the same 10 firms, delegating these function to supplier, represent ITC (n=3), retail (1), wholesale (1), packaging (1) and other industries. Buyer's evaluation of mutuality (3,9), satisfaction (3,9), trust (3,9) is rather average (only in some cases these values achieve 5,0). The strategy of execution of most of functions by client only can be a consequence of low development of supplier market, or by competitive strategy, pursued by buyer's company.

The lowest popularity has this strategy in case of *f5* (*problem solution in supply chain, n=8*) and *f4* (*development of interaction between the parties, n=11*). In case of *f5* the firms, following "C-C" strategy have high satisfaction (4,14) and trust (4,22) means, and somewhat lower mutuality mean (3,6). But at the same time, full responsibility for problem solution in supply chain does not lead to a very low satisfaction of customer. In most cases, these companies have large market share (n=4: 50%, n=2: 25%), represent mostly new start ups, founded after 1991 in retailing (n=3), wholesale (1), wood working industry, construction, and metallurgy.

"C-S" – it would be better to delegate execution of this function to supplier. This strategy, when executed currently buy customer, seems to be completely inappropriate in case of *f10* (*market research in supply market*) and *f19* (*joint interaction coordination*). This means, that if not trusted execution of this function to supplier before, it is not possible to change this strategy now.

This strategy received maximum responses in case of *f23* (*implementation of JIT system),* n=10. These companies have different market shares (from 5 to 75%), represent both privatized and new start ups, and vary strong in terms of industry presented. At the same time, we can state, that these firms are less satisfied with interaction (3,6), have lower mutuality (3,6) and lower trust (3,7), as well as perceive lower level of supplier's planning to develop the interaction (3,3) when comparing with other groups.

"C-J" – joint execution of function would be preferable (at present function executed by client). In case of some functions, performed currently by customer, there is s desire to move towards joint execution and shared responsibility. The number respondents in this case varies from n=12 to n=37, achieving maximum number of responses in case of *f6* (*investments in supply chain development, n=37*), *f9* (*trainings and education of personnel, involved in interaction, n=37*), *f18* (*monitoring and assessment of customer satisfaction, n=36*). When analyzing the example of *f6* ((*investments in supply chain development, n=37*), these buyer firms perceive low level of supplier's planning to develop interaction (mean=3,0), not high mutuality (mean=3,53, though 5 in some cases)), satisfaction mean is 3,75 and trust mean is 3,64. These companies have mostly low market share (0-10%), are mostly small firms (70-250 employees), and represent mostly machinery (n=7), retailing (n=6), and food industry (n=3), as well as other industries.

The only feature of the firms, choosing this strategy, concerning also other functions analyzed (*f9, f18*) is small size – leading to necessity to involve partner in execution of these functions.

"S-J" – joint execution of function would be preferable (at present function executed by supplier). By desired change from supplier's execution of certain function to joint execution, the number of respondents is at maximum in case of *f13* (*joint research and development of new products, n=11).* We have to consider, that this strategy means that previously the function was performed only by supplier, and just now the situation could change towards joint responsibility. The number of respondents, choosing this strategy in relation to different functions, varies from n=1 to n=11, but is permanently chosen by at least 1 respondent. When analyzing example of *f13 (joint research and development of new products*), the respondents in this case have mostly smaller market share (0-15%), and are all new start-ups, partly explaining why this function was previously performed by supplier! Probably, growing market share has motivated these companies to invest in further development of joint participation concerning research and development of new products. The industries involved are food industry (1), retailing (4), construction (2), and other.

"S-C" – client would like to execute the function instead of supplier. In some cases, when delegating previously some functions to be executed previously by supplier, rare companies wish to execute now these functions completely on their own. We have example of the following functions *f10* (*market research in supply market, n=1, ICT*), *f12 (market research for better response to customer needs, n=1, appliance machinery), f19 (joint interaction coordination, n=1, machinery, mutuality mean = 5,0), f22 (implementation of TQM system, n=1, ICT*). We also have analyzed perceived by buyer level of mutuality in case of *f19 (Joint interaction coordination),* and were quite surprised to confirm the maximum level of mutuality perceived (mean=5,0), meaning that despite existing level of mutuality, the customer desires to take full interaction coordination.

"J-S" – despite this function is currently executed jointly, it would be better to delegate the function execution to supplier. In some cases some functions are executed jointly at present, but customer wishes to delegate full responsibility for their execution to supplier. The number of respondents in this case varies from n=0 to n=8. We can analyze *f1 (information delivery, monitoring of interaction, n=8)* with maximum respondents chosen this strategy. The choice of this strategy could probably be explained through a lower level of mutuality (mean=3,6), satisfaction (mean=3,85), planning activities from the side of supplier (mean=3,33), and trust (mean=3,6).

"J-C" - despite joint current execution of this function, it would be better to delegate the execution to client. Just in some cases companies would like to take full responsibilities for some functions execution when previously sharing responsibility. This is the case of *f7 (creation of information systems to support the interaction, n=3).* All three companies are retailing or wholesale traders, and the reason for this decision is probably a very low level of mutuality (3,1), low satisfaction (3,5), low trust (3,4) and low level of supplier's planning activities for further interaction (3,1).

Finally, in case of the columns "**Now**" (the respondent could only state who is executing the function now) and "**Future**" (the respondent could only propose who would execute this function more effectively, and could not state who is currently executing this function), we face situations where respondents had difficulties with identifying responsibility either in case of current situation or future situation. So some respondents (n=9) had difficulties by identification who is responsible for execution of *f13 (joint research and development of new products)* at present, but at the same time they could identify who will be responsible for this function in future – supplier (n=2) and joint execution (n=7). In case when respondent could not predict the development of situation in future this can possibly be connected with uncertainty about the interaction in general.

The column "no answer" presents some difficulties for analysis, since in some case respondents difficulties to answer could be explained through a lack of information of uncertainty, and in other cases we can assume that some of functions are not executed at all in frames of given relationship. We can only state, that some functions represented more difficulties to answer, as – *f6* (*investments in supply chain development, n=29), f14 (technical support of customers, n=28), f15 (law consulting, n=26), f 9 (n=25), f13 (joint research and development of new products, n=24),* etc. At the same time, we can argue, that no one of functions should be excluded from the analysis on the reason to have caused difficulties for most of respondents.

Conclusion

When planning the study, we aimed to improve our understanding on the patterns in key supplier relationships patterns of Russian companies, when analyzed through responsibilities shared among partners in terms of relationship maintenance and relationship functions execution. Our results reveal substantial differences in terms of current and desired key supplier interaction patterns from industry to

industry, probably due to different temp of changes in managerial culture and different nature of competition and technology.

Quite surprisingly, but despite the fact that most of the firms in our sample have reported to face equal contribution of both customer and supplier to relationship success, in fact on average across industries the proportion of functions executed only by customer is higher. This is the phenomenon that we have to explain by analysis of contextual factors, relationship style and other variables considered in our study. The question stays open – what makes firms prefer separate or joint responsibility on certain functions execution?

We have not proved our hypothesis that there are certain differences in key supplier interaction patterns among Russian companies depending on the way of foundation (privatization of a former Soviet-enterprise or new start-up after 1991), but our results prove specific key supplier relationship patterns across industry groups analyzed. We assume that these differences are connected with different speed of changes and strategic maturity of different sectors of economy; technological factors and history of interaction.

In frames of current paper we have just started to include in the analysis additional variables (as satisfaction, trust, mutuality, etc), derived from a recent study on relational norms and relationship governance by Ivens (2006). But the links we have found between the strategy dynamics in distribution of responsibility on relationship functions distribution from the buyer's perspective and the level of mutuality perceived, or trust and satisfaction, propose to feature this area of investigation for further research. Taking into consideration the limitations of this study, and first of all, descriptive character of measurements used to capture the responsibilities distribution to execute the functions, we have drawn certain directions for further analysis and conceptualization, and hope that they will stimulate future research as well.

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Table 3

	Functions execution by customer				**Functions execution by supplier**				**Joint functions execution**			
Function	Mean at present, %* (Std. Dev.)	Mean desired in future, %	Difference (Change desired) (Std.Dev.)	T value	Mean at present, %* (Std. Dev.)	Mean desired in future, %	Difference (Change desired) (Std.Dev.)	T value	Mean at present, %* (Std. Dev.)	Mean desired in future, %	Difference (Change desired) (Std.Dev.)	T value
F1	**28,3 (**12,64)	**16,2 (**6,38**)**	**-12,2 (**5,78)	*n.s.*	**15,1** (4,15)	**15,4** (4,79)	**0,2 (**2,59)	*n.s*	**26,6 (**10,02)	**49,5** (15,08)	**22,9** (7,39)	*3,100*
F2	**64,0 (**11,48)	**51,1 (**10,5)	**-13 (**6,36)	*n.s.*	**7,9** (8,86)	**6,5** (5,77)	**-1,5** (4,31)	*n.s.*	**46** (5,17)	**68,5** (15,23)	**22,5** (6,56)	*3,418*
F3	**47,3** (10,21)	**30,6** (13,1)	**-16,7** (6,78)	*2,468*	**6,3** (4,70)	**10,6** (6,23)	**4,3** (3,18)	*n.s.*	**43,6** (7,21)	**65,4** (7,12)	**21,8** (4,14)	*5,262*
F4	**17,8** (6,02)	**6,2** (4,02)	**-11,6** (2,96)	*3,941*	**2,2** (2,69)	**0,9** (1,47)	**-1,2** (1,25)	*n.s.*	**58,1** (12,49)	**79,8** (10,31)	**21,7** (6,61)	*3,281*
F5	**18,9 (**9,18**)**	**9,7 (**10,32)	**-9,3 (**5,64)	*n.s.*	**10,1** (4,35)	**11,7** (6,67)	**1,6** (3,25)	*n.s.*	**33,4** (6,34)	**53,2** (13,75)	**19,8** (6,18)	*3,198*
F6	**18,9** (4,91)	**9,7** (5,52)	**-23,9** (3,02)	*7,925*	**19,2** (6,92)	**22,2** (10,86)	**2,9** (5,26)	*n.s.*	**39,4** (10,21)	**56,4** (10,68)	**16,9** (6,03)	*2,807*
F7	**25,9** (14,3)	**9,3** (5,89)	**-16,6** (6,35)	*2,615*	**11,7** (4,62)	**11,8** (9,32)	**0,02** (4,25)	*n.s.*	**55,0** (7,74)	**71,8** (11,13)	**16,8** (5,53)	*3,031*
F8	**19,6** (4,6)	**8,9** (4,95)	**-10,6** (2,76)	*3,848*	**5,1** (4,13)	**3,3** (2,95)	**-1,7** (2,07)	*n.s.*	**62,3** (15,36)	**78,9** (8,25)	**16,6** (7,12)	*2,331*
F9	**48,4** (6,89)	**22,8** (5,53)	**-25,6** (3,60)	*7,083*	**7,9** (5,68)	**11,8** (8,17)	**3,8** (4,06)	*n.s.*	**59,7** (11,99)	**75,8** (7,19)	**15,9** (5,71)	*2,786*
F10	**62** (13,1)	**42,4** (11,4)	**-19,6** (7,07)	*2,771*	**11,4** (10,43)	**8,1** (8,62)	**-3,3** (5,52)	*n.s.*	**48,3** (10,86)	**63,8** (10,10)	**15,5** (6,06)	*3,031*
F11	**39,2 (**10,15)	**30,6 (**6,68)	**-8,6** (4,96)	*n.s.*	**3,7** (2,25)	**4,6 (**2,66)	**0,9 (**1,43)	*n.s.*	**28** (4,82)	**42,5** (8,65)	**14,5** (4,04)	*3,581*
F12	**62,1** (13,1)	**42,4** 11,4)	**-18,4** (5,06)	*3,636*	**8,4** (1,89)	**9,9** (6,46)	**1,5** 2,75)	*n.s.*	**65,2** (10,63)	**78,9** (8,12)	**13,7** (5,46)	*2,505*
F13	**27,7** (7,82)	**15,2** (6,43)	**-12,5** (4,12)	*3,031*	**12,5** (10,65)	**10,6** (7,41)	**-1,9** (4,13)	*n.s.*	**37,6** (5,57)	**51,2** (7,11)	**13,6** (3,68)	*3,678*
F14	**42,8** (12,97)	**29,1** (6,92)	**-13,8** (6,00)	*2,305*	**19,5** (10,98)	**19,7** (8,45)	**0,3** (5,65)	*n.s.*	**80** (5,46)	**92,9** (3,90)	**12,9** (2,74)	*4,708*
F15	**47,5** (11,62)	**31,3** (8,46)	**-16,3** (5,87)	*2,774*	**4,2** (3,85)	**4,9** (2,74)	**0,8** (1,93)	*n.s.*	**46,4** (11,96)	**58,9** (15,66)	**12,5** (8,05)	*n.s.*
F16	**33,5** (10,1)	**15,7** (8,78)	**-17,8** (5,46)	*3,269*	**11,4** (5,42)	**12,5** (11,95)	**1,1** (5,36)	*n.s.*	**75,4** (5,95)	**87,8** (4,76)	**12,4** (3,11)	*3,972*
F17	**33,9** (10,36)	**13,3** (7,4)	**-20,7** (5,20)	*3,972*	**7,9** (4,00)	**6,9** (5,25)	**-1,0** (2,69)	*n.s.*	**57,5** (13,36)	**69,7** (6,21)	**12,2** (6,01)	*n.s.*
F18	**57,9** (6,75)	**35,2** (8,73)	**-22,7** (4,51)	*5,035*	**8,7** (9,02)	**11,6** (10,68)	**2,9** (5,71)	*n.s.*	**56,4** (14,25)	**68,5** (7,45)	**12,1** (6,56)	*n.s.*
F19	**12,3** (33,45)	**6,95** (3,68)	**-5,4** (2,06)	*2,613*	**3,1** (3,67)	**0,9** (1,48)	**2,2** (1,62)	*n.s.*	**51,6** (10,73)	**61,9** (7,60)	**10,2** (5,36)	*n.s.*
F20	**39,4** (12,36)	**26,4** (6,8)	**-12,9** (5,75)	*2,251*	**3,1** (3,46)	**3,9** (5,71)	**0,8** (2,73)	*n.s.*	**70,9 (**11,76**)**	**78,7** (8,39)	**7,7 (5,90)**	*n.s.*
F21	**30,8** (10,21)	**17,6** (7,79)	**-13,2** (5,24)	*2,523*	**4,0** (3,45)	**3,4** (2,25)	**-0,6** (1,44)	*n.s.*	**84,4** (4,62)	**92,1** (4,17)	**7,7** (2,54)	*3,023*
F22	**33,0 (**13,19)	**23,2 (**8,69)	**-9,8 (**6,45)	*n.s.*	**15,2** (3,59)	**14,9** (3,20)	**-0,3 (**1,96)	*n.s.*	**57,1 (**8,39)	**64,7** (5,48)	**7,7 (4,09)**	*n.s.*
F23	**20,1** (5,49)	**7,4** (2,60)	**-12,7** (2,48)	*5,106*	**19,6** (6,70)	**25,9** (12,61)	**6,3 (**5,83)	*n.s.*	**60,3** (11,74)	**59,7** (28,26)	**0,6** (12,49)	*n.s.*