

The Supply Chain Manager as Political-Entrepreneur (2)? (Working Paper)

Kevin Wilson

Kevin.wilson@kedgebs.com

Valerie Barbat

Valerie.barbat@kedgebs.com

**KEDGE Business School
680 cours de la Liberation
33405 Talence Cedex
Bordeaux**

Tel 0033 (0)5 56 84 55 55

Abstract

In a previous IMP paper which was later developed into an article for IMM (Wilson & Barbat 2015) we explored the emerging role of the supply chain manager (*scm*) towards strategic supply chain relationship manager (*scrm*) within the context of the aerospace industry using three case studies that highlighted the “boundary spanning” role of the *scrm* in contrast to the “boundary connecting” role of the *scm*. In their boundary spanning role *scrms* were observed to emphasise informal over formal governance mechanisms and to employ a range of political and entrepreneurial competencies, the use of which varied depending upon the nature of the problem being addressed. Where the problem was operational, then there was a low demand for either political or entrepreneurial skills and supply chain managers tended to rely upon their professional expertise. Where the problem involved the creation of inter-organisational/relational value then the *scrm* tended to rely upon entrepreneurial skills and where the problem was of an organisational or political nature, then political skills were called into play.

In this paper we extend the research into other industries and further explore the model developed from our initial research and also attempt to refine our understanding of the specific political and entrepreneurial skills deployed in different problem contexts.

Keywords: Supply chain managers, boundary spanners

1. Introduction

In a previous IMP paper (Wilson & Barbat 2014) which was later developed into an article for IMM (Wilson & Barbat 2015) we explored the emerging role of the supply chain manager (*scm*) towards strategic supply chain relationship manager (*scrm*) within the context of the aerospace industry using three case studies that highlighted the “boundary spanning” role of the *scrm* in contrast to the “boundary connecting” role of the *scm*. In their boundary spanning role *scrms* were observed to emphasise informal over formal governance mechanisms and to employ a range of political and entrepreneurial competencies, the use of which varied depending upon the nature of the problem being addressed. Where the problem was operational, then there was a low demand for either political or entrepreneurial skills and supply chain managers tended to rely upon their professional expertise. Where the problem involved the creation of inter-organisational/relational value then the *scrm* tended to rely upon entrepreneurial skills and where the problem was of an organisational or political nature, then political skills were called into play.

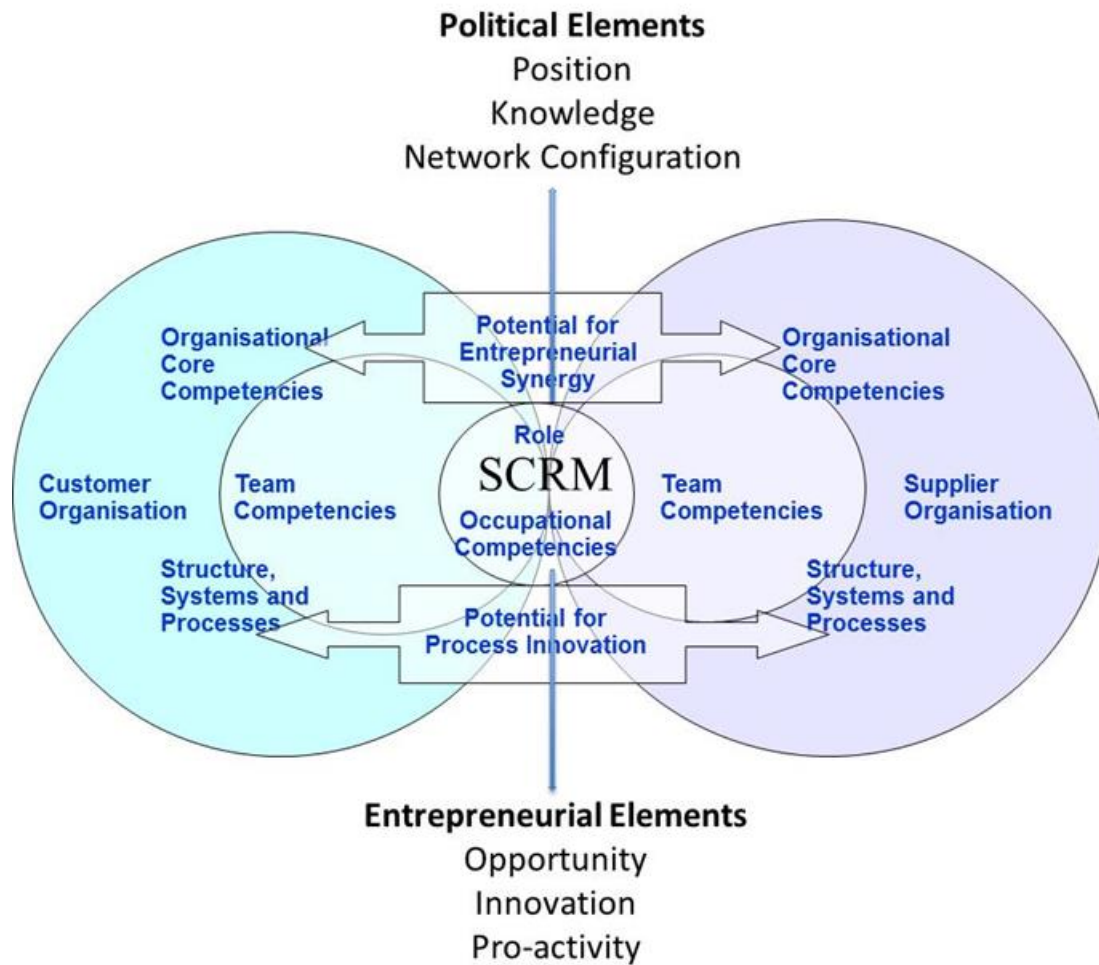
In this paper we extend the research into other industries and further explore the model developed from our initial research and also attempt to refine our understanding of the specific political and entrepreneurial skills deployed in different problem contexts.

2. Summary of previous research

In our original IMP paper (Wilson and Barbat 2014) we proposed a model of the supply chain relationship manager as *Political-Entrepreneur* (fig. 1), borrowed from the key account management literature (Millman and Wilson 2000). The role of the political entrepreneur is concerned with applying both political and entrepreneurial behaviours to resolve problems, realise entrepreneurial value or achieve organisational objectives. This conceptual framework acknowledges the boundary spanning nature of the *scrm* role and incorporates the observations drawn from the literature that the role has potential for process innovation within the context of organizational systems, structures and processes related to the supply chain and for entrepreneurial creativity when tapping into organizational core competencies. We posited that in this boundary spanning role the activities of the *scrm* in striving to manage relationships, create innovative solutions to problems and achieve strategic objectives demands skills of both a political and entrepreneurial nature. We further proposed that like their *ksam* counterparts, entrepreneurial competencies are evident in their capacity to conceptualize and realize value whilst their political capabilities are reflected in their understanding of how organizations work and their ability to influence decisions through networking in both buyer and seller organizations (Millman & Wilson, 2000; Wilson & Holt, 2014).

The political elements of the model reflect the position occupied by the *scrm* (Burt, 2009), their network capabilities and expertise or knowledge (Pfeffer, 2009). The entrepreneurial elements are represented through the recognition of opportunity, innovative action and pro-activity or independent action (Lumpkin & Dess, 1996; Mair, 2002)

Figure 1. The *Scrm* as Political Entrepreneur



Adopted from Millman and Wilson (2000)

We proposed that in order to be considered as *political-entrepreneurs scms* must demonstrate that they operate outside the traditional roles prescribed for scms (Lambert & Schwieterman, 2012), can achieve their objectives not merely by recourse to formal conditions of contract, prescribed communications channels and formal reporting systems. They must present as entrepreneurial strategists, analysts who can identify opportunities for achieving organizational objectives or the realization of entrepreneurial value, orchestrators of resources and political influencers unconstrained by their level within the hierarchy.

The three cases explored (see appendix 1) all dealt with issues of significant strategic importance to the organisations involved and many of the activities that we proposed, were evident. The fundamental change that was confirmed by the cases was from *boundary connector*, which characterized the role performed by traditional supply chain managers, to that of *boundary spanner*. All three cases demonstrated that the *scms* we observed had well developed networks of relationships spanning function (broad) and hierarchy (deep) both within supplier organizations and their own. We contend that it is this boundary-"spanning" role, as opposed to the boundary "connecting" role that

categorizes what we see as the emergence of new managerial roles concerned with the creation of inter-organizational value and the management of power.

Traditionally contracts have been seen as the formal framework for transaction based relationships. Formal mechanisms, structures, systems and processes are put in place to negotiate and allocate contractual responsibility, to establish arbitration processes and to manage problem resolution, value is seen as being embedded in the exchange defined by and limited to the contract. In these cases we have observed that whilst formal mechanisms exist, these are augmented by informal mechanisms that facilitate more effective interaction between buyer and seller. One interesting observation is the lack of reliance upon formal contract and an emphasis in buyer-seller dyads, triads and networks upon informal problem definition and resolution. Clear indications of political astuteness.

Entrepreneurial activity, in terms of value creation within the context of the relationship, is not strongly demonstrated in our original cases, other than as a means to achieving strategic and operational goals related to supply chain contractual issues. Our *scms* did exhibit a tolerance for managing in high risk situations, applying innovative solutions to the problems they encounter and were pro-active in managing the change process to realize their objectives. There was evidence that they created solutions that relied upon the synergistic value of combining their own competencies with those of their trading partners, up and down the supply chain. Within the context of organizations it is perhaps this ability to access resources and to create change beyond ones sphere of designated authority that characterizes entrepreneurial activities. To that extent we can claim that the *scms* we observed in two of the cases were *entrepreneurial*. In the third it was political activities and competencies that are much more in evidence.

In all cases the *scm* demonstrated an ability to act with autonomy and to take the initiative. In case one the action was taken as part of a recognized corporate strategy and with the agreement and support of senior management but the fine detail of building relationships with new suppliers and adapting to cultural challenges were things that had to be learned. In case two the *scm* was largely responsible for developing and implementing the relationship building strategy but acted with his line manager to negotiate over the removal of the main barrier to change. Case three is perhaps the most politically charged and demanded constant monitoring, action and counteraction that displayed high levels of autonomy.

The cases also demonstrate how *scms* profit from their positioning by exercising their networking capability, influencing people and gaining support from higher in the organizational hierarchy, both in their own, in client and in supplier organizations. This last is an important point that boundary spanning occurs not just between organizations, but also within organizations across departmental and divisional divides. The key is an understanding of how organizations *really* work and the ability that of your supplier/customer.

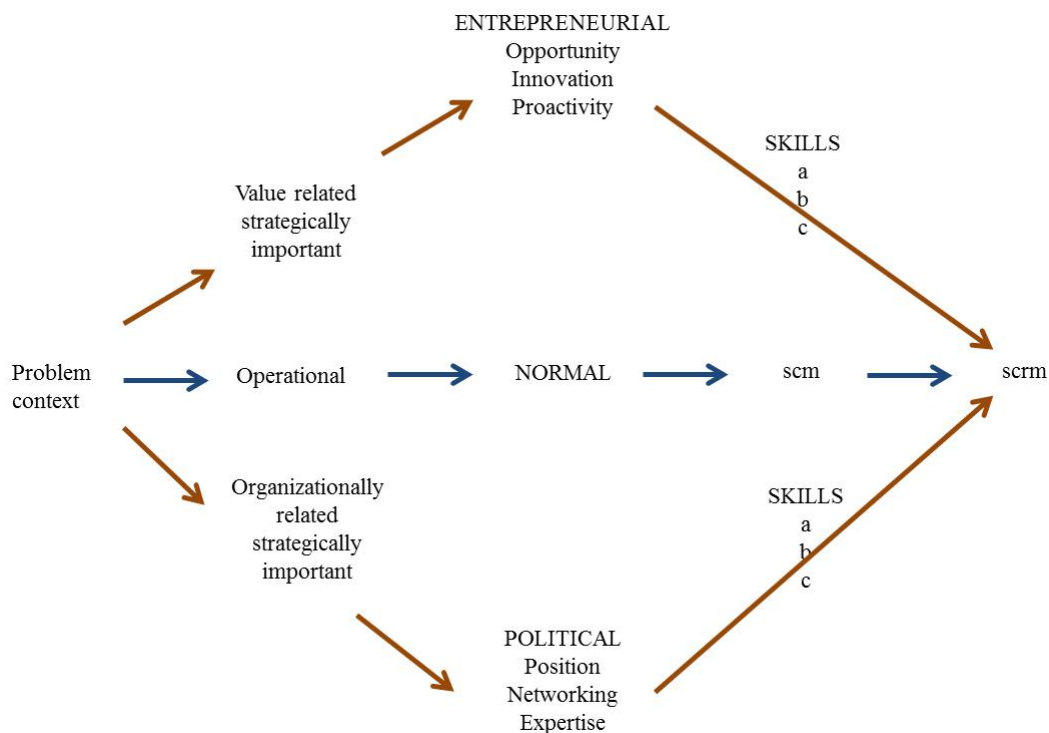
The three cases provide support for the observations drawn from the literature that the supply chain management role is of increasing strategic, not just operational, importance. The difference between each case is the nature of the problem facing the *scm*. Case one was concerned with three strategic issues: relocation of the supply chain, new market exploitation and with redefining partnerships within the supply network,

which demand the development of innovative implementation solutions and the exercise of strong political capabilities. Case two was concerned with safeguarding supplies critical to assuring compliance with the demands of a major project and with changing the internal perception of supplier capabilities and value creation potential. As such this case demonstrated the use of well developed entrepreneurial skills and strong political understanding. Case three was concerned with co-ordinating and managing the supply chain in a highly politicised environment and primarily focuses upon the deployment of political skills.

3. Strategic or Operational?

What we drew from these observations is that the specific nature of the problem and its context faced by *scms* would determine the potential that exists for the deployment of "normal" *scm* skills or the political and entrepreneurial skills of the *scrm* as *political-entrepreneur*. Figure 2 below summarizes this relationship. Where the problem focus is operational then "normal" *scm* competencies are applied and no special entrepreneurial or political skills are required. Where problems take on a strategic dimension and are concerned with inter-organizational value creation or address inter or intra-organizational issues, then entrepreneurial and/or political elements evident in the situation will dictate the required skills to resolve the problem. Where entrepreneurial and/or political skills are significant then we posit that the role moves towards that of *scrm*.

Figure 2. The Impact of Problem Focus upon the Developing Role of the *Scm* to *Scrm*



The strategic importance of the problems faced by the companies involved in the three cases is, in a sense, a potential weakness of our findings. Has there been a general shift in *scm* behaviours towards the model of *political-entrepreneur* or is this

phenomenon only observed where companies face issues of major strategic importance, as our initial observations suggested?

We had intended to compare the emerging role of crms with another group of boundary spanners, key account managers, we decided instead to explore this role further, looking for evidence of political and entrepreneurial behaviours in an operational rather than exclusively strategic context. The questions that still remain unanswered are:

In general, and outside the strategic context:

Do scrms have broad contact networks?

Are they boundary spanning or boundary connecting?

Do they use informal or formal mechanisms to resolve contractual issues?

Do they seek innovative solutions to problem resolution or value creation?

Do they perceive an ability to act autonomously?

4. Methodology

The objective of our paper is to understand the reality of *scm*'s, their skills, their behavior, their actions, their intentions. We aim firstly, to describe in greater depth the political and entrepreneurial skills that supply chain managers use in carrying out their function and, secondly, to extend our observations to a larger number of observations in various industries and to explore the resolution of operational problems and situations, not just those of strategic importance, as was the case in our three original case studies (see appendix 1).

The target of this broader study is to bridge the quantitative/qualitative divide (Miles and Huberman, 1994), by conducting a multi-method study combining qualitative data collected through the medium of narratives and quantitative data collected through a questionnaire (see appendix 2).

The 22 participants in our study were invited to provide a written account of a problem encountered with a supplier. The invitation to the story was worded as follows: "Is there a particular story you can tell that provides an example of how you manage problems with suppliers? If so, would you please construct a storyline introducing the problem you encountered with the supplier(s) and the way it was resolved. Here are some ideas about what may be included: The nature of the problem; the potential impact of the problem on your company and other stakeholders; the potential solutions considered and tried; the final solution and actions. Using this approach, we tried to get a description of the writer's actions, thoughts and emotions.

At the same time, we asked participants to complete a questionnaire. This questionnaire (see appendix 2) included (in addition to identifying issues such as job title, company size, sector of activity and the company's position in the supply chain) sixteen measurement scales to measure perceptions of participants on the following themes:

- The nature of contracts with suppliers
- The nature of supplier relationships
- The extent of their internal and external networks
- Mechanisms mobilized to solve problems (contracts, authority, expertise, position in the network)
- The opportunity afforded by problems to create improvements “beyond initial problem” in processes, supplier relationships or additional value creation
- Their ability to adopt new approaches to problem-solving
- Their degree of autonomy in the management of a problem

The questionnaire was designed to illuminate each story (Sieber, 1973), to reveal or not the contradictions and inconsistencies between two different types of data, to provide more details (Greene, Caracelli and Graham (1989) and to provide more generalizable data (Firestone, 1987) than those provided by our previous three case studies.

5. Findings

All respondents (save one consultant) were practicing supply chain or logistics managers, with a number (8) claiming to hold senior managerial positions. They are drawn from a wide range of industries and their companies occupy a variety of supply chain positions, providing a broad sample of organisational contexts. Turnover declared varied from 10 million euros to 4.5 billion and the number of declared employees from one to 117,500. This sample has avoided the potential bias of our first study, based as it was on a single industry.

Do scrms have broad contact networks?

A majority of our respondents claimed to have broad or extensive networks of contacts within their own companies but fewer claimed extensive contacts within supplier organisations or with other stakeholders. It seems unlikely that, without strong external contacts, particularly with suppliers, supply chain managers can act with political effectiveness in the sense that they influence decision making and the behaviours of others.. On the other hand, the mere fact of complex networks of contacts does not guarantee political effectiveness although this may be a necessary pre-condition.

Are they boundary spanning or boundary connecting?

Where respondents had good internal and external networks and also claimed them to be very important in resolving problems it could suggest that these respondents were using their networks and as such are not merely spanning but bridging organisational boundaries in order to resolve the supply chain problems they face.

Do they use informal or formal mechanisms to resolve contractual issues?

None of the 22 respondents rely exclusively upon handshake agreements, thus all have some reliance upon formal contract. Whilst 11 claimed to always agree formal contracts there was also evidence that there were high levels of informality associated with the detail of how business was conducted. A degree of informality in the resolution of problems is evidenced by over 40% of the sample (9) rarely or never invoking contractual conditions when attempting to resolve problems whilst 5 of the respondents

always or often invoke contract and 8 use both formal and informal approaches in equal measure.

A similar pattern emerges when respondents were asked to say how often they used their formal authority to resolve supply chain problems. 23% (5) always or often used their formal authority whilst the same number rarely or never used it.

These observations suggest high levels of trust and frequent recourse to informal mechanisms in regulating buyer-seller relationships.

“Most supplier issues are resolved outside the formal contract. The contracts provide a platform for the discussion but are rarely invoked in a binary fashion - "it (the contract) says this so we want this". The long-term nature of most supplier OEM relationships means that there must be give and take. Often monetary impacts are shared.”

Do they seek innovative solutions to problem resolution or value creation?

None of the respondents claimed to rely exclusively upon standard procedures to solve problems and the majority suggested that they mixed their approach using standard procedures where presumably they worked, and seeking new solutions where they did not.

The majority of respondents recognised the potential to go beyond solving the immediate problem to creating process improvements (90%), improving the relationship (80%) and creating value in other ways (80%).

Do they perceive an ability to act autonomously?

Only a minority (13%) of respondents felt they could act independently “often”, although 10 of 22 (45%) rated themselves 4 on the 5 point scale. As might be expected, the more senior the position held the greater degree of autonomy was felt.

Tentative Observations

The political dimension is suggested by the respondent’s network intensity (questions 9, 10 & 11) and the ability to convince/influence all stakeholders which may be inferred from the ability to solve problems successfully (question 12)

Most respondents have good internal networks and many claimed extensive external networks but not all appear to make extensive use of them, thus there is greater potential for political activity than is made use of. There are, however, some indications that some respondents do make use of them and this is reflected in some of the cases discussed below.

The entrepreneurial dimension is suggested by the respondents willingness to consider “new” approaches to problem resolution that go beyond applying “standard” procedures (question 13), their perception of the nature of “opportunity” inherent in problem situations (questions 17, 18 & 19) and their perception of their ability to act autonomously (question 20).

Again, potential for entrepreneurial activity exists but this is not often realised.

The cases do offer rare examples of both political and entrepreneurial behaviour.

Case Studies

Nine cases are presented here drawn from respondent comments (respondents 3, 4, 6, 11, 12, 13, 21, 23 and 26)

The problems observed in the mini cases are largely operational, only one problem of strategic importance was reported. This is in stark contrast to the cases drawn from our previous study (2014). Despite the lack of strong strategic orientation, the question is whether we can still observe entrepreneurial and/or political behaviours in these more operationally oriented cases.

We perceive other issues, in addition to those mentioned previously, to be important in that they may have an impact upon the context within which problems are addressed. The degree to which formal contracts are entered into and, perhaps more importantly, the degree to which they are invoked (question 6), the use of formal authority to resolve problems (question 7) and the organisation’s approach to suppliers (question 15), may limit the potential for using informal mechanisms to manage supplier relationships and evolve innovative solutions to problems.

Seniority, experience and professional competence may also influence the exercise of political and entrepreneurial behaviours and the ability to resolve problems, be they operational or strategic.

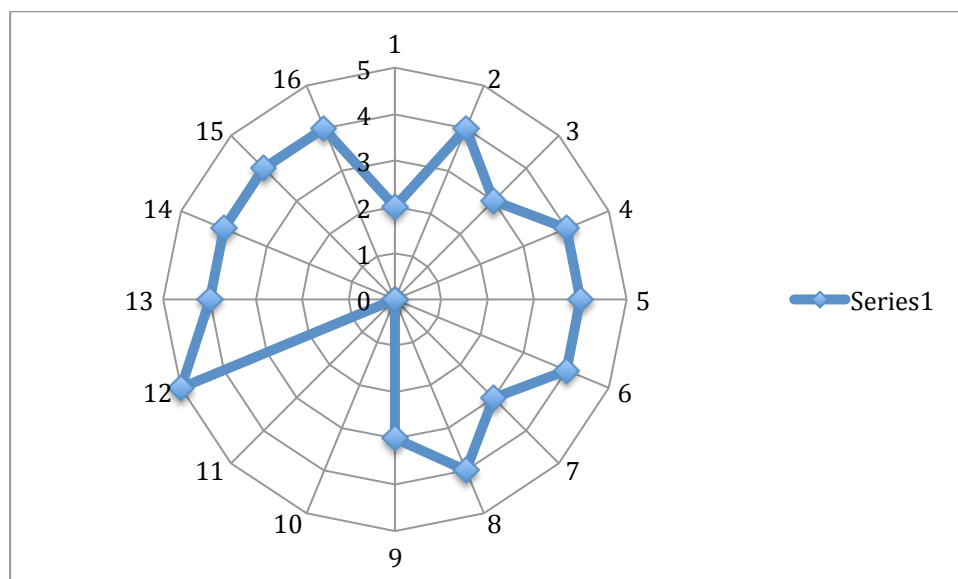
Nine cases are discussed below with reference to both their narrative and their responses to the questionnaire, which are used to describe rather than draw comparisons between respondents.

On the radar-charts presented with the cases the axis numbers relate to the questions in the questionnaire (see appendix 2).

#Case 3

The respondent is a senior SCM. VP Global Operations and Supply Chain, working in a \$400m company employing 1,400 people that operates as an OEM in the manufacturing industry.

Normally a formal contract would be in place with suppliers but it is seldom invoked in order to resolve problems and formal authority is used sparingly.



Professional expertise is relied upon a great deal and there are strong network contacts both within the respondent's own company and with suppliers but less strong with other stakeholders. Nevertheless networks are perceived as being important in helping to resolve problems.

Standard procedures and new approaches to problem resolution appear to be used in equal measure but how successful this approach is, is difficult to judge because the respondent failed to answer the question on success as well as the following question about the organisation's approach to suppliers.

Where problems exist with suppliers, the primary objective is to solve the immediate problem although opportunities are recognized for improving processes, relationships and creating other forms of value through problem resolution.

Most supplier issues are resolved outside the formal contract. The contracts provide a platform for the discussion but are rarely invoked in a binary fashion - "its says this so we want this". The long-term nature of most supplier OEM relationships means that there must be give and take. Often monetary impacts are shared.

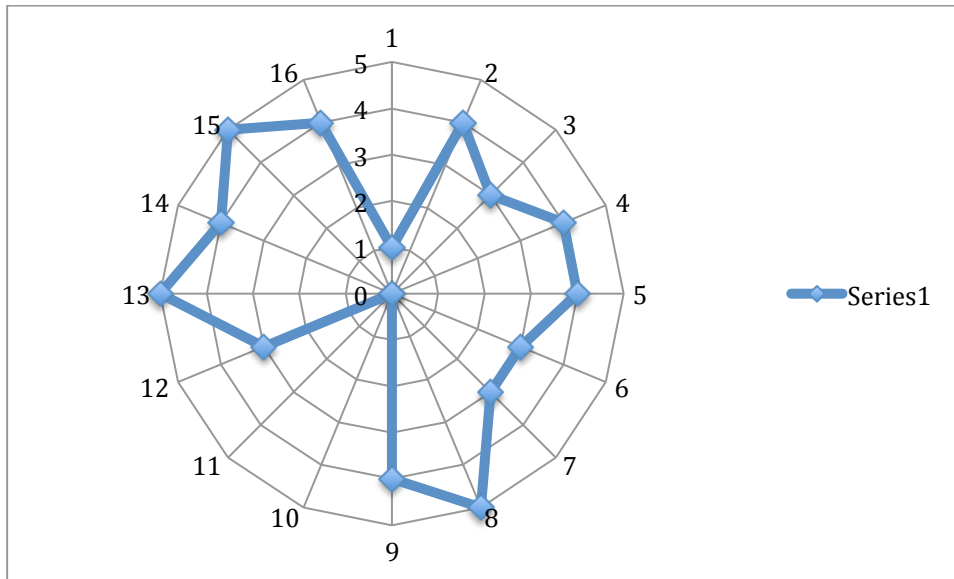
The lack of recourse to contractual conditions in order to resolve problems, coupled with the extensive network of contacts suggests the respondent occupies a relatively strong boundary spanning position. He often sees problems in the supply chain (SC) as an opportunity to improve supplier relations and create new opportunities and feels free to act independently in solving problems.

The strong network position and an appreciation of its value suggests that this respondent is more of a politician than an entrepreneur, albeit with strong operational capabilities.

The political dimension of his function is average
The entrepreneurial dimension average

#Case 4

The respondent is an assistant procurement manager from a company with 4,640 employees and a turnover of 490m€ engaged in the energy sector as a prime contractor, OEM, components and sub-assembly and service supplier.



Contracts are the norm although their conditions are rarely invoked. The hierarchical position of this respondent may impact upon their ability to exercise formal authority but at an operational level their professional expertise and knowledge are perceived to have a significant effect upon problem resolution and new solutions rather than standard procedures are often sought to supply chain problems.

Whilst a relatively strong network position is occupied within their own organization, the respondent has relatively weak external networks although the value of network position is strongly acknowledged.

Problems are recognized as an opportunity, not just to solve the immediate problem but to improve processes, relationships and, even more, to create other types of value. Within the operational context this respondent also feels able to act on their own initiative.

The problem discussed is extremely operational but its impact upon end customer is the reason for seeking a solution. The result is a process innovation in order to shorten order-processing time and thereby shorten lead-time for customers awaiting repairs.

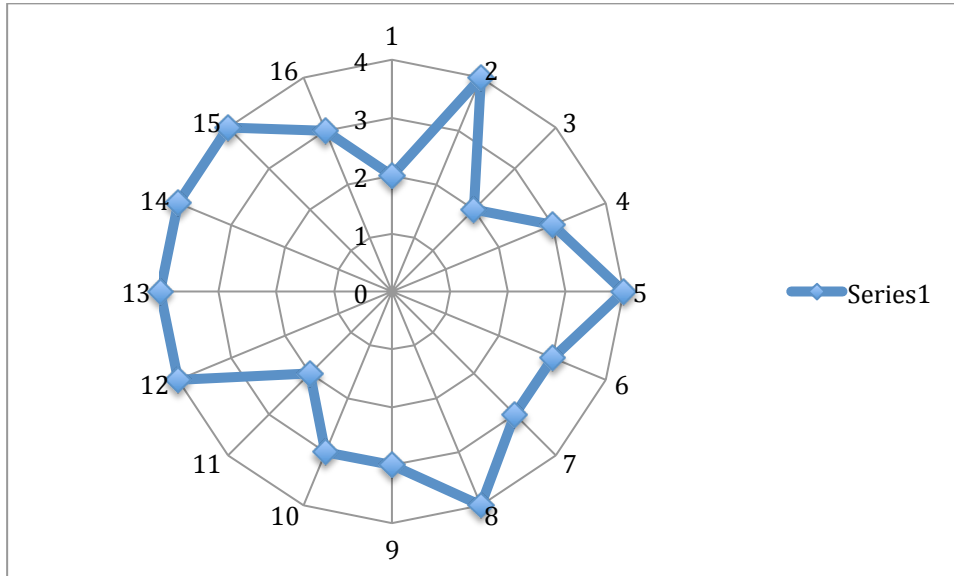
Recognising the opportunities for making improvements beyond the immediate problem resolution and a willingness to act independently suggest that this respondent may have some entrepreneurial tendencies though their limited network position may limit their ability to influence in a wider context than their own company.

The political dimension of his function is average (3)

The entrepreneurial dimension is high (4)

#Case 6

The respondent is a senior supply chain manager, a global vendor manager within an exploration and production company in the oil and gas industry, his company has a turnover in excess of \$4bn and 10,000 employees.



Formal contracts are usual and although less formal mechanisms also pertain, it is normal to invoke contract when problems of supply are faced, supported by recourse to formal authority. Interestingly the respondent perceives the general approach of his organization to suppliers to be quite adversarial. These observations may constrain the potential for working with suppliers to achieve innovative solutions.

Professional expertise and knowledge are perceived as less important than contract or formal authority in resolving problems but the case discussed suggests that the respondent actually makes use of his contacts and his professional managerial expertise to increase the strategic impact of the vendor management function.

Internal networks are stronger than external networks although the importance of network position is well recognized.

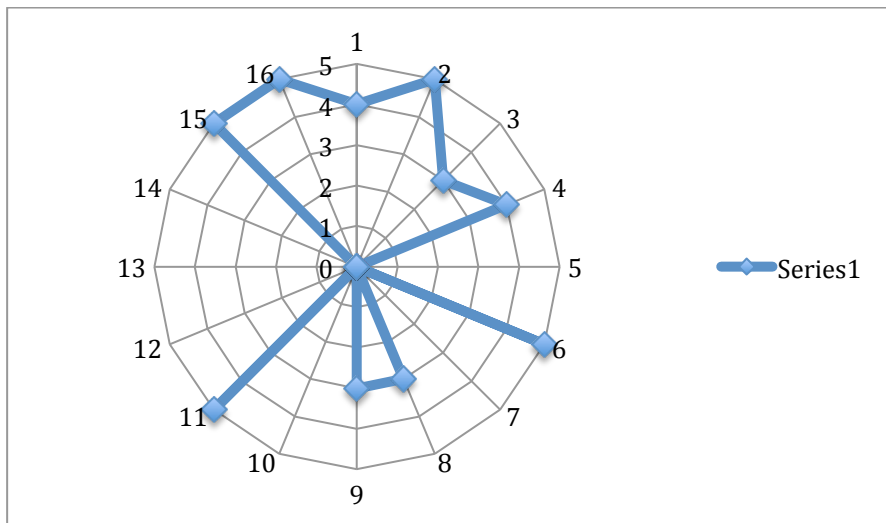
There is also recognition that opportunities exist to create enhanced value beyond the immediate solution of the specific problem and the respondent seeks new, not just standard solutions. This is strongly in evidence in the statement from the respondent that scm has recently become seen as a strategic issue within the company and his task is to identify and resolve problems and introduce performance measures. In doing so he has looked closely at the company's own operations and tries "to defuse emotion by researching the facts, analyzing data."

Overall the political and entrepreneurial behaviours of the respondent seem quite restrained when one considers that his role is implicitly concerned with strategy implementation and his approach in the early stages of managing change inherently operational, albeit focused upon fostering relationships internally.

- The political dimension of his function is relatively small. (3.5)
- The entrepreneurial dimension is low (2)

#Case 11

The respondent is a supplier relationship manager working for an OEM in the automotive industry with 117,500 employees and 42,000 m€.



This is a company that relies heavily upon formal contract both to set the terms of the agreement and to enforce those terms, although formal personal authority is not often used. Professional expertise and knowledge is important to this respondent and although they claim very strong networks of contact with suppliers, they make no claim to good networks internally or with stakeholders and do not rate the importance of networks highly, and there is no great evidence that the respondent seeks innovative over standard solutions to problems. Nevertheless they rate the importance of their professional experience and knowledge high in helping to solve supply problems.

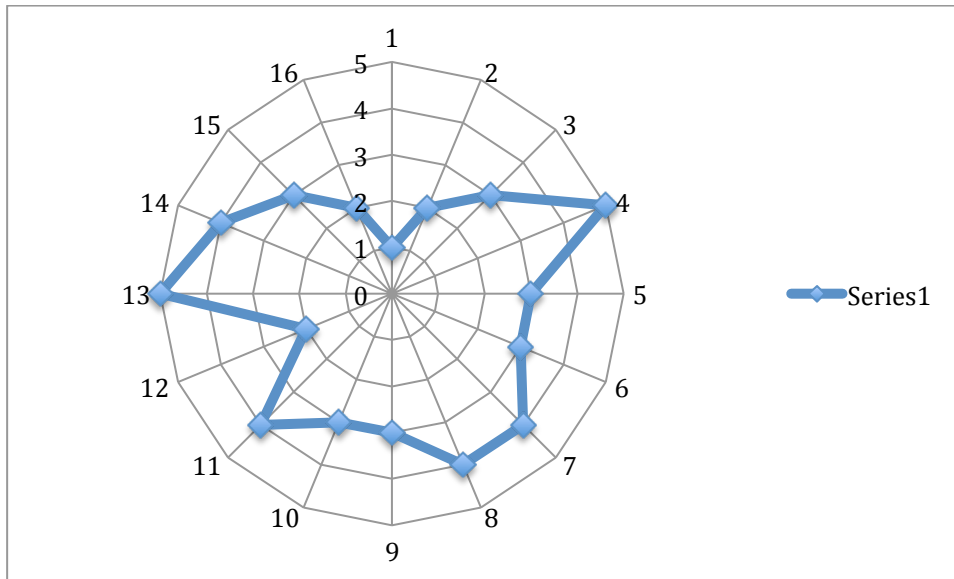
The recognition of the opportunity for the creation and realization of other value beyond problem resolution is recognized in the respondent's responses to the questionnaire, but not in relation to process improvements or relationship building. The power to act independently is, however, strongly recognized.

Nevertheless, the narrative provided by the respondent speaks strongly of entrepreneurial and political behaviour that is reminiscent of one of our original cases. The challenge was to reduce the price of an exhaust system by 30%. The respondent persuaded European suppliers to transfer their operations from France, Germany and Great Britain to South Africa where two critical components were available at much reduced cost. The European suppliers were persuaded to make a "huge" investment in building a new plant because of the confidence they had in the partnership developed by the respondent and because he proved that there was a major opportunity to win new markets as well as keep existing business. Savings of 600m€

- The political dimension of his function is very high. (5)
- The entrepreneurial dimension is high. (5)

#Case 12

The respondent is a plant manager working in the optical industry for a 3,000m€ turnover company employing 30,000 people manufacturing spectacles.



Contractual agreements are normal but rarely invoked as the final solution to a problem and neither is there a tendency to use formal personal authority. Professional expertise and knowledge, however, is perceived to be very important in this respect.

Despite being plant manager, the respondent claimed only moderate network contacts within his own organization and with suppliers but claimed better networks with stakeholders. Nevertheless the respondent claims that network position is important in helping resolve supply chain problems.

Neither standard, nor new approaches to problem resolution appear to be favoured and there is claimed to be only moderate success in resolving problems. The company takes a largely collaborative approach to their suppliers.

Problems are clearly seen as an opportunity to improve processes and to improve relationships but the opportunity to enhance other orders of value are not highly prized.

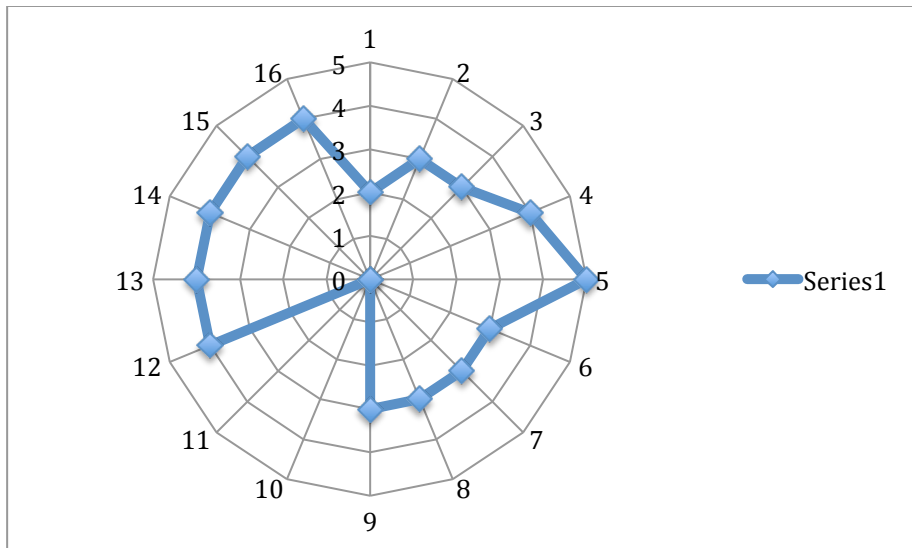
The respondent feels little ability to act independently.

This may be reflected in the narrative, which deals with an operational quality issue. Scrap levels for raw lenses was causing a financial problem for the company and impacting upon retailers and end users caused to wait longer for the product. In discussing the options that were considered the respondent refers to joint decision-making. They considered replacing the supplier, audit their processes or help them understand why the problem occurred. The cause of the problem was found further down the supply chain with a packager and a joint solution was developed. New processes now allow the situation to be monitored daily.

The political dimension of his function is relatively low.
The entrepreneurial dimension is low

#Case 13

The respondent is a logistics director working for a company employing more than 500 people in the distribution industry.



Contracts are the norm but with the use of other governance mechanisms and with only occasional insistence on contractual terms or the exercise of formal personal authority. The use of professional expertise and knowledge is important in problem resolution for this respondent.

Internal networks are strong but less so externally and their importance is considered of only moderate importance.

Problems are seen as an opportunity to not only solve the immediate problem but to improve processes and relationships and to create other opportunities for value creation.

This respondent claims a strong ability to act independently.

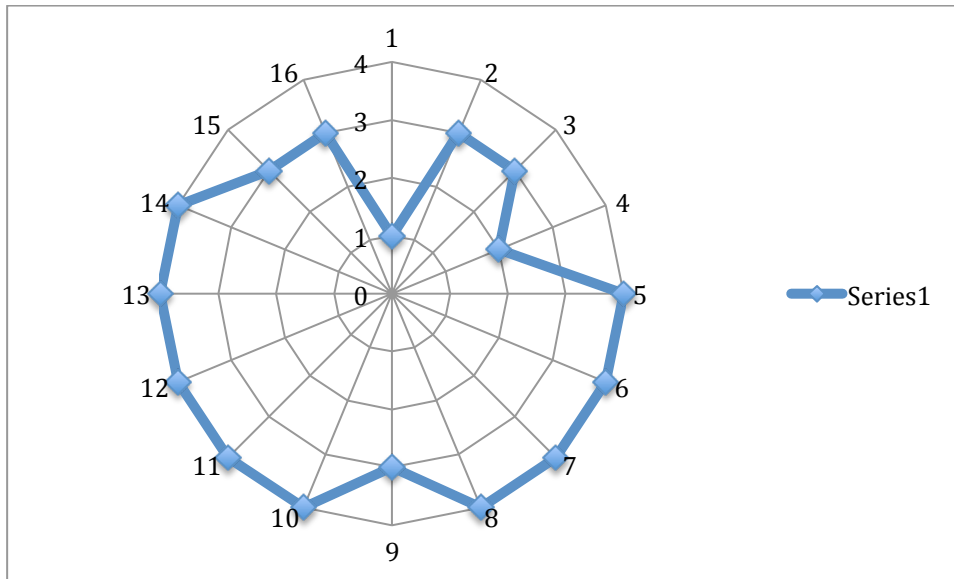
The narrative speaks of poor service levels in distribution leading to the loss of orders and an impact upon turnover. Solution was found by determining the exact service requirement of the customer, providing quick and precise feedback. Very operational focus with little evident use of network contacts or innovative solutions.

The political dimension is low (3)

The entrepreneurial dimension is low (3)

#Case 21

The respondent is a supplier performance manager working for a 4.2b€ turnover, 30,000 employee company, an OEM in the aeronautical industry.



Formal contracts are the norm and the terms of contract are often invoked to resolve supply issues backed up by formal personal authority. Professional expertise is perceived as being of only minor importance in resolving supply issues.

Strong network links are demonstrated internally and externally and they are perceived to be important in resolving problems.

Moderate use of new solutions are used to resolve problems and the respondent claims a high level of success in problem resolution. The organisation's approach to suppliers is also thought to be largely collaborative.

Problems are perceived as being opportunities for solving the immediate problem, improving processes and relationships and to create other orders of value.

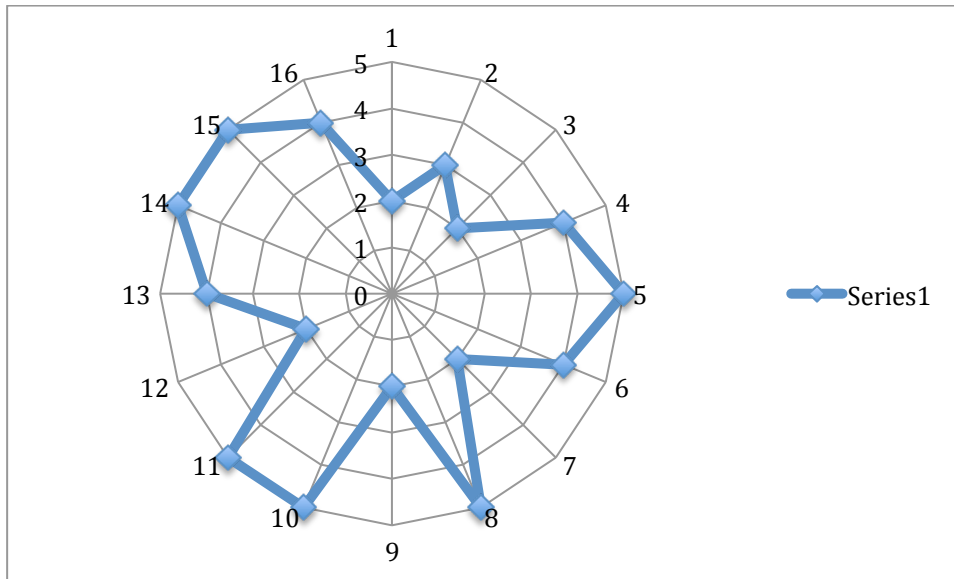
The respondent feels only a moderate ability to act independently.

The narrative deals with an operational issue. A threat to continued supply arose because of financial difficulties at a supplier. Action was taken at two levels: Firstly, to source a new supplier with the mobilisation of design, quality, purchasing to accelerate the acquisition of a secure supply source; secondly, operational support was provided for the supplier with weekly meetings to evaluate the on-going situation and provide inventory where necessary.

- The political dimension of his function is high (4)
- The entrepreneurial dimension is low. (3)

#Case 23

The respondent is a procurement manager in a company with 6,000 employees, a prime contractor in IT hardware and services.



Relationships with suppliers are normally based on formal contract but with some use of less formal mechanisms and moderate use of recourse to the terms of contract to resolve problems and less use of formal authority.

Attempts are made to find new solutions rather than the use of standard procedures to resolve problems.

The respondent has strong internal networks and with suppliers but stakeholder network contacts are weak. Network contacts are perceived to be very important in helping to resolve problems.

Standard procedures are favoured for problem resolution but the respondent also recognised that opportunities exist not just to resolve immediate problems but to achieve process improvements, improve the relationship with suppliers and create other value.

The narrative is concerned with addressing a financial crisis faced by a critical supplier. Although there is a claim that the company works very collaboratively with suppliers, the company was unaware of the supplier's problems until they discovered that they were being invoiced twice. Once by the supplier and a second time by a factoring company appointed by the supplier's bank. Thus there were two problems: To reverse the overpayment and to assure continued supply.

"We had to negotiate with both the factoring company and mostly the bank, to revert double payment. This took 6 months to resolve. The buyer was not close enough to his supplier to be aware of their financial problem. We could have helped out this supplier earlier in the problem, as he was a key supplier."

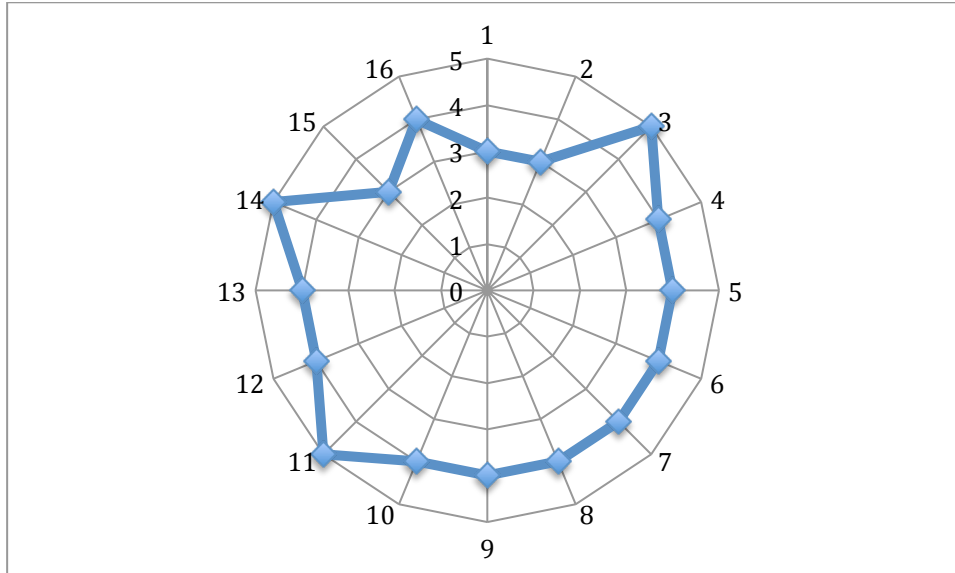
This suggests that the respondent was not the direct link with the supplier but that he had some role in resolving the problem.

The political dimension is moderate

The entrepreneurial dimension is (potentially) high

#Case 26

The respondent is a platform purchasing manager in a machine construction company with 1,800 employees and a turnover of \$1bn.



This company displays a sophisticated approach to supplier management. Formal contracts appear to be balanced by informal agreements and only moderate use of contract terms to resolve problems. Formal authority is a major tool in ensuring problem resolution and the respondent appears to have a relatively strong network of contacts internally and externally and perceives these links to contribute strongly to problem resolution.

The narrative does not present a single problem but explains the approach adopted by the company to supplier management. Processes are in place to facilitate supplier collaboration and company personnel are placed in supplier facilities to help in the implementation of lean manufacturing processes. Where suppliers experience financial difficulties they can be supported through loans and the purchasing of raw materials, and tooling.

This supports the high level of professional experience and knowledge and level of collaboration with suppliers claimed by the respondent.

Problems are perceived as an opportunity to resolve existing problems and to improve processes and relationships but are not perceived as strongly as an opportunity to create new opportunities for value creation.

The political dimension is rated as high (5)

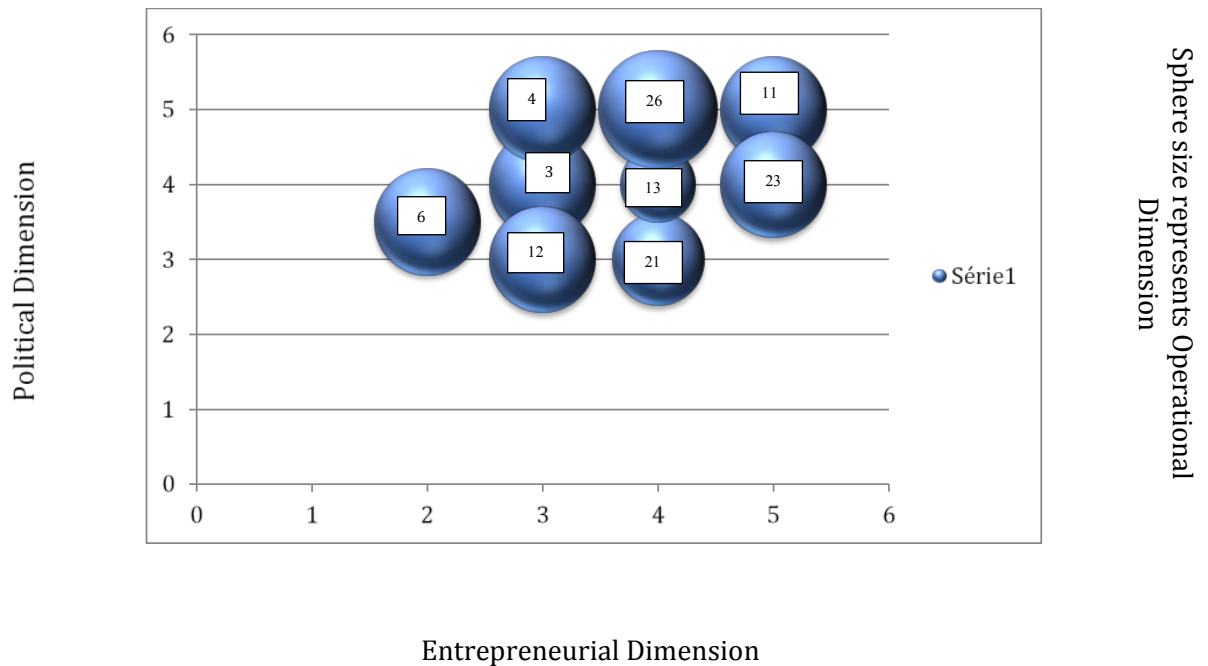
The entrepreneurial dimension is rated moderate to high (4)

The operational dimension is rated as high (5)

Summary (fig 3)

From the cases we observe a number of different roles being performed.

Figure 3. Positioning of case studies



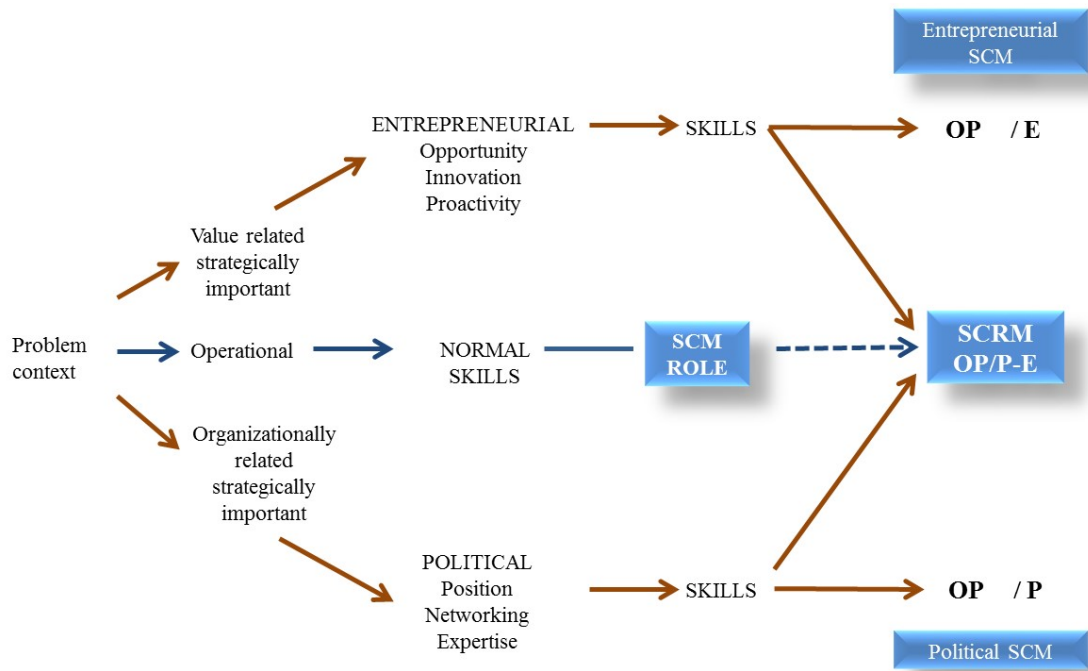
Cases 6, 12, & 13 are clearly operational, displaying low scores on both the political and entrepreneurial dimensions. Cases 6, 3 & 12 are high on the operational dimension and therefore we perceive them to be “operational” supply chain managers. Cases 13 & 21 rate their own operational expertise as relatively low and despite their claiming relatively high scores on both the political and entrepreneurial dimensions we perceive them to be relatively operational in focus, in the case of 21, because of their lack of long term experience and expertise and in the case of 13 because of their poor network position.

The interesting positions are occupied by cases 4, 11, 23 & 26. Cases 4 & 26 display high on the political dimension whilst 23 displays high on the entrepreneurial dimension. Case 11 comes closest to our perception of *political-entrepreneur* despite relatively low self-scoring on both the political and entrepreneurial dimensions because the case illustrates a strong strategic orientation that demanded both political and entrepreneurial expertise.

Conclusion

Our previous study identified strong evidence of *P-E* behaviour but identified that scms tended to make greater use of political rather than entrepreneurial behaviours. This study goes some way to confirming these findings but also suggests possible roles that can be performed other than operational scm or scm as *P-E*. Our figure below plots these alternative roles as Operational scm, Entrepreneur scm, Political scm or as P-E scm.

Figure 4. The Different Roles of the SCM



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Appendix 1. Findings Aligned to the *Political-Entrepreneurial* Grid

Case 1 – A move Into a New Foreign Market	
ENTREPRENEURIAL	
Opportunity	The opportunity here was two-fold. Firstly to access new markets and secondly to create/access lower cost supply networks. These opportunities represent high-risk strategic issues (vital) for the principal, especially in the choice of ESs to work with OPs to develop OPs ability to meet the exacting requirements of the industry. Once embarked upon it was unthinkable that the initiative could fail! The <i>scms</i> were not responsible for recognizing the strategic opportunity for value creation afforded by the creation of a new supply network but it was their political skills, which were largely instrumental in realizing that opportunity.
Innovation	The innovative and important operational activities here were the ability to envision and then to implement the tripartite relationship between COMP1, the ESs and the OPs, and the ability to create and design different procedures to manage these relationships. This activity involves an innovativeness orientation.
Proactivity	In the absence of an existing procedure in COMP1, the <i>scms</i> have a relatively high flexibility and autonomy of action in the choice of ESs and Ops involved the designing of their respective role, and the negotiation terms.
POLITICAL	
Positioning	The <i>scms</i> occupied a focus position between three parties and exercised considerable influence on the way in which the combined relationship developed.
Networking	Strong initial networks were observed with the decision makers within ESs and there was a concerted strategy to develop networked relationships amongst Ops.
Expertise	Knowledge of the supply chain, understanding of client needs, technology and know-how, market knowledge placed the <i>scm</i> in a strong position to influence the achievement of strategic objectives.
Case 2 – Protecting the Supply Chain	
ENTREPRENEURIAL	
Opportunity	The opportunity here was "thrust upon" the <i>scm</i> by the urgency of the problem of assuring supply. The important recognition was that there were two problems, the first concerned the internal perception of FMs capabilities and the second was the barrier to changing perceptions represented by the incumbent <i>kam</i> . An opportunity existed to enhance the perception of the value that a continued relationship could deliver and to remove the barrier to change.
Innovation	The innovation involved the implementation and political management of the "Innovation-days" to alter the purchasing/relationship management process with an existing supplier in order to find a solution to a specific problem.
Proactivity	Proactivity and autonomy were evident in seeking the acquisition of a budget to realize the Innovation-days within a high risk context due to the deteriorating relationship between the two companies. The ability to visualize other potential relationships with the supplier and actively promote change in the replacement of the incumbent <i>kam</i> .
POLITICAL	
Position	Boundary spanning role reaching deep into FM to access and influence senior managers and the relationship with the manager of the technology department allowed the <i>scm</i> to lobby for the repositioning of the original <i>kam</i> within the relationship and develop support for the Innovation-days.
Networking	Evident both internally and externally. <i>Scm</i> had identified a major centre of influence in the senior engineer who was prepared to support the Innovation-day strategy and had also identified senior managers in the supplier organization who would act to remove the blocks to resolving the practical and image problems.

Expertise	Thorough knowledge of his own organization and the motivations of people and of the supply chain issues involved in the case enabled the <i>scm</i> to influence the outcome.
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Case 3 – Managing the Supply Chain in a Politicised Environment

ENTREPRENEURIAL

Opportunity	The opportunity (and imperative) here was both to create and conserve value for COMP2 and the client where strategic and political stakes are high. The issue is about managing opportunistic behaviour in a context where players have multiple allegiances.
Innovation	The opportunities for adding value to the relationships involved are limited to the assurance that the interests of COMP2 and the project are not compromised. Nevertheless the <i>scm</i> can be observed to act innovatively in the development of mechanisms for detecting opportunistic behaviour on the part of second tier suppliers that would impact upon their performance of contractual obligations without invoking conditions of contract. Innovative actions are observed.
Proactivity	Proactivity and autonomy is evident in the constant vigilance exercised to monitor the activity of suppliers through updating network connections and by the initiation of lobbying activities carried out by senior managers.

POLITICAL

Position	The <i>scms</i> occupied a strategic and political position between his company, the supplier and the customer. He played a key role in the management and evolving partnership with the monopolistic supplier. He was involving in preparing the case for or against lobbying activities which will take place at CEO level.
Networking	Both internally and externally. <i>Scm</i> has a political role inside his company (his place in the organization chart is high / he is attached to the Business Unit in charge of the program / he can initiate lobbying activities, etc.). Externally his team maintains very close and monitored relationships with personnel from the monopolistic supplier in order to identify and anticipate the consequences of any change in supplier performance.
Expertise	Thorough knowledge of his own organization and his monitoring activity at the monopolistic supplier involved in the case enabled the <i>scm</i> to maintain balanced buyer-supplier relationships and partnership.

Appendix 2. Questionnaire

Contextual information

Job title

Size of company (turnover and employees):

The industry my company operates in:

The company position in the supply chain: prime contractor, OEM, components or sub-assembly, service supplier, raw material supplier...etc:

1. What is the general nature of agreements with suppliers?

Formal contractual agreement 2 3 4 Handshake agreement

2. Does the invoking of contractual conditions provide the final solution to problems?

Always 2 3 4 Never

3. How much do you rely upon your formal authority to help resolve problems with suppliers?

Always 2 3 4 Never

4. How much does your ability to solve these problems rely upon your professional expertise/knowledge?

A little 2 3 4 A great deal

5. How would you describe your network of contacts within your own company?

Limited 2 3 4 Extensive

6. How would you describe your network of contacts within supplier organizations?

Limited 2 3 4 Extensive

7. How would you describe your network of contacts with other stakeholders?

Limited 2 3 4 Extensive

8. How important is your network position in helping to resolve problems in the supply chain?

Not important 2 3 4 Very important

- 9. Are solutions to problems found through standard procedures or by adopting new approaches?**
Standard procedures 2 3 4 New approaches
- 10. How successful are you at resolving problems with suppliers?**
Many problem unresolved 2 3 4 Most problem resolved
- 11. How would you describe your organisation's approach to suppliers?**
Adversarial in its approach to suppliers 2 3 4 Collaborative in its approach to suppliers
- 12. Do you see supply chain problems as an opportunity just to resolve the immediate problem?**
Not at all 2 3 4 Often
- 13. Do you see supply chain problems as an opportunity to create improvements in processes?**
Not at all 2 3 4 Often
- 14. Do you see supply chain problems as an opportunity to improve the relationship?**
Not at all 2 3 4 Often
- 15. Do you see supply chain problems as an opportunity to create other opportunities for creating value, reducing costs, innovating?**
Not at all 2 3 4 Often
- 16. To what extent do you feel able to act independently when deciding what actions should be taken to resolve problems?**
Seldom 2 3 4 Often

Appendix 3. General findings (descriptive statistics/marginal distribution)

- **What is the general nature of agreements with suppliers?**

	1 Formal Contractual Agreement	2	3	4	5 Handshake Agreement	Total	Weighted Average
What is the general nature of agreements with suppliers?	50.00% 11	27.27% 6	9.09% 2	13.64% 3	0.00% 0	22	1.86

- **Does the invoking of contractual conditions provide the final solution to problems?**

	1 Always	2	3	4	5 Never	Total	Weighted Average
Does the invoking of contractual conditions provide the final solution to problems?	4.55% 1	18.18% 4	36.36% 8	31.82% 7	9.09% 2	22	3.23

- **How much do you rely upon your formal authority to help resolve problems with suppliers?**

	1 Always 1	2	3	4	5 Never	Total	Weighted Average
How much do you rely upon your formal authority to help resolve problems with suppliers?	9.09% 2	13.64% 3	54.55% 12	13.64% 3	9.09% 2	22	3.00

- **How much does your ability to solve these problems rely upon your professional expertise/knowledge?**

	1 A little	2	3	4	5 A great	Total	Weighte d Average
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					deal		
How much does your ability to solve these problems rely upon your professional expertise/knowledge	0.00% 0	4.55% 1	22.73% 5	45.45% 10	27.27% 6	2	3.95

- **How would you describe your network of contacts: within your own company / within supplier organizations / with other stakeholders?**

	1 Limited	2	3	4	5 Extensive	Total	Weighted Average
Within your own company	5.00% 1	10.00% 2	5.00% 1	45.00% 9	35.00% 7	20	3.95
Within supplier organisations	0.00% 0	14.29% 3	47.62% 10	28.57% 6	9.52% 2	21	3.33
With other stakeholders	0.00% 0	23.81% 5	47.62% 10	19.05% 4	9.52% 2	21	3.14

- **How important is your network position in helping to resolve problems in the supply chain?**

	1 Not important	2	3	4	5 Very important	Total	Weighted Average
How important is your network position in helping to resolve problems in the supply chain?	0.00% 0	9.09% 2	22.73% 5	40.91% 9	27.27% 6	22	3.86

- **Are solutions to problems found through standard procedures or by adopting new approaches?**

	1 Standard procedures	2	3	4	5 New approaches	Total	Weighted Average
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Are solutions to problems found through standard procedures or by adopting new approaches?	0.00% 0	22.73% 5	40.91% 9	31.82% 7	4.55% 1	22	3.18
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- **How successful are you at resolving problems with suppliers?**

	1 Many problems unresolved	2	3	4	5 Most problems resolved	Total –	Weighted Average –
Success in resolving problems?	0.00% 0	0.00% 0	16.67% 3	55.56% 10	27.78% 5	18	4.11

- **How would you describe your organisation's approach to suppliers?**

	1 Adversarial	2	3	4	5 Collaborative	Total –	Weighted Average –
My organisation is adversarial/collaborative in its approach to suppliers?	0.00% 0	11.11% 2	16.67% 3	33.33% 6	38.89% 7	18	4.00

- **Do you see supply chain problems as an opportunity: just to resolve the immediate problem / to create improvements in processes / to improve the relationship / to create other opportunities for creating value, reducing costs, innovating?**

	1 Not at all	2	3	4	5 Often	Total	Weighted Average
Just to resolve the immediate problem?	9.52% 2	33.33% 7	19.05% 4	19.05% 4	19.05% 4	21	3.05
To create improvements in processes?	0.00% 0	0.00% 0	4.76% 1	71.43% 15	23.81% 5	21	4.19
To improve the relationship?	0.00% 0	4.76% 1	14.29% 3	42.86% 9	38.10% 8	21	4.14

To create other opportunities for creating value, reducing costs, innovating?	0.00% 0	0.00% 0	18.18% 4	50.00% 11	31.82% 7	22	4.14
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- **To what extent do you feel able to act independently when deciding what actions should be taken to resolve problems?**

	1 Seldom	2	3	4	5 Often	Total	Weighted Average
To what extent do you feel able to act independently when deciding what actions should be taken to resolve problems?	0.00% 0	4.55% 1	36.36% 8	45.45% 10	13.64% 3	22	3.68