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# Strategic Supplier Management: from contractual models to engagement partnerships

## Abstract

Nowadays, it is essential to establish a good relationship between a company and its suppliers because otherwise, this relationship cannot last long. In the understanding of recent literature and empirical studies, there is still a lack of collaboration among customers and suppliers. There is a vision for short-term profit in big companies and less attention to the quality of services provided to them. The main objective of this study is to find mechanisms that make companies in the same supply chain thrive together. To this end, 15 companies that provide services to big companies in Portugal were interviewed to assess the problems and needs that exist in relation to this type of customer. The interviewed companies provided valuable information for this study. This allowed the design of two models of good practice in order to support companies in their relations with business partners.

**Keywords:** *Long-Term Partnerships; Quality Indicators in Contracts; Supplier Satisfaction; Procurement.*

## I. INTRODUCTION

One subject that has become increasingly important in recent times is the relationship among companies, particularly among a company and its suppliers (Sillanpää *et al.*, 2016). Suppliers are the starting point of the supply chain, whether it is a firm that markets goods or one that provides services. The relationship among companies (buyers or clients) and their suppliers (or service providers) has evolved over the years. The markets have been changing (Christopher and Holweg, 2011), and conventional strategies are not the right ones anymore.

For many years, the companies with more power were exploiting their suppliers who often had these firms as their principal or even sole client. The strategy of these companies consisted of tough negotiation with their suppliers, which led them to continuously achieve the reduction of the price of raw materials (Sen *et al.*, 2008). With this, the companies achieved a considerable increase in their profits which was well seen by its shareholders. However, in recent years, fewer companies have been providing services and supplying products to these more prominent firms. With the prices imposed, most of the firms did not resist to the market. And those who survived found better conditions with other companies.

In this research, a more significant focus is given to suppliers and service providers, as few companies listen to what they think and feel about the relationship with their clients. Few studies value the opinion of companies with less power in the client-supplier relationship. In this way, this project studied the relationships between companies (in the same supply chain) and what is the best way for them to thrive together.

The main problem of this research is that there is currently a lack of collaboration among customers and suppliers, with relations being more like a simple service provider-client and less a partnership among companies. Therefore, it is required to find an answer to three research questions: Do big companies in Portugal only care about the price factor or also about the satisfaction of their suppliers? How can client-supplier partnerships become more lasting? What can client companies add to the assessment of the services provided by their suppliers? Simultaneously with the answer to the research questions, the main objective of this work is to study the creation of mechanisms to support suppliers.

With this help, it is expected to increase the probability of suppliers comply with their contracts and be real partners, live and thrive more time in the market and always want to run for big company contests.

The paper was structured in different sections. Firstly, an overview of the history of companies and the relationships with their clients helps to explain the core concepts of the field. Secondly, both the methodology and the approaches used to conduct the investigation were displayed. After that, was revealed and discussed the results from the interviews. In the end, the concluding remarks, limitations and future research lines were drawn.

## II. THEORETICAL FRAMEWORK

According to Forkmann *et al.* (2016), the relationship between the companies and their suppliers represents a big challenge for all firm managers. In recent years, companies have focused on supplier development, performance improvement, and customer enhancement. For Sillanpää *et al.* (2016), this is because firms feel that, having quality suppliers and to whom they can trust, is a competitive advantage. Sometimes firms underestimate the effort required to support a relationship between them and their partners (Andersen and Gadde, 2018). About 70% of strategic alliances between suppliers and buyers failed (Seçkin and Sen, 2018), so it is necessary to establish a set of supplier selection criteria to improve this performance. This chapter focused more on a service rather than a product context, addressing from facility management and contract management perspective.

### A. COLLABORATIVE RELATIONS

According to Seçkin and Sen (2018), the relations between firms and their suppliers can be of two types, competitive or collaborative. For Sen *et al.* (2008), the competitive relationship focuses on price and short-term contracts, whose negotiations between the parties are generally tricky and complicated. The collaborative is the one that consists of cooperation among companies and which includes several exchanges of knowledge and resources that lead to mutual benefit (Sen *et al.*, 2008). In 2003, Humphreys *et al.* explained that, in some cases, firms adopt the assumption that there is no difference between the suppliers that make them having gains or any competitive advantage. In this situation, it should be adopted a competitive relationship between companies and suppliers. In this type of relationship, it is not possible to create long-lasting partnerships, and all the advantages of a partnership will be lost (Lehtonen, 2006).

Other authors, like Imrie and Morris (1992), support the idea that a more cooperative relationship among companies is vital for both buyers and suppliers. The supplier can acquire knowledge and skills which will help both companies to grow together. Until recently, firms preferred a relationship in which the budget spent on suppliers was low, as much as possible, to achieve higher profits and be more competitive. However, in recent years, these powerful companies have realized they need to establish partnerships with their suppliers, once with the traditional approach the less powerful companies had a hard time surviving in the market (Lee *et al.*, 2009).

For Ellram (1995), a partnership is a bidirectional relation that benefits both parties so that both parties try to build up and preserve this relation in an enduring way. The customer firm in developing its suppliers will be able to improve and develop the quality of its processes (Krause, 1999). All the service process must be analyzed. Otherwise, it is not possible to calculate the value that a service has to the customer (Jylhä and Junnila, 2014). A partnership between companies is not always the best solution. Establishing a partnership can lead to initial costs with the coordination and communication needed to implement it, as well as the risk that it will not work (Lambert *et al.*, 2004). However, with a better service provided by both companies the customer satisfaction increases. So, the prospect is that the costs will be quickly recovered (Jylhä and Junnila, 2014).

Companies have a close relationship with suppliers to improve their competitiveness and take advantage of their resources and skills (Seçkin and Sen, 2018). Any firm that wants to survive in the current markets must be very competitive and bet on innovation. Andersen and Gadde (2018) said that more and more companies are betting on the exploitation of the resources and capabilities of their business partners. However, these partnerships, if not well established and continuously monitored (Peng *et al.*, 2014), can cause problems of flexibility and coordination (Yan and Nair, 2016). Companies seek for variety in the resources of their suppliers. Sometimes it is necessary to adjust the type of relationship with suppliers through lessons learned to be possible the integration and generation of knowledge (Andersen and Gadde, 2018).

For small companies, partnerships or strategic alliances are extremely important, as it is challenging for them to get all the resources they need. Even for more prominent companies, it is essential to have this competitive advantage. Thus, companies start to have a grower and broader knowledge of their business. The construction of a partnership begins at the time of the needs assessment and the establishment of the objectives set for the partnership. After this, the company should choose the partners that fit those needs. Throughout the partnership, the best ways to work together should be estimated, and the results of the partnership continually assessed (Salavisa *et al.*, 2018).

#### *B. SUPPLIER SELECTION CRITERIA*

The best way to have a good relationship between companies is to select the right partners. In 2001, De Boer *et al.* said that the supplier selection process involves four steps, the problem/needs identification, the formulation of all criteria, the selection of suppliers who meet the criteria and the final selection of the supplier(s) that best fits the needs and the evaluated criteria. To make the best final decision, all the previous steps should be done with quality. According to Sen *et al.* (2008) and De Boer *et al.* (2001), firms should pay more attention to the whole process itself than to the decision. Contrasting these two articles that value the selection process, Weber *et al.* (1991), Holt (1991), and Degraeve *et al.* (2000) give more importance to the selection phase.

It is common to distinguish supplier selection criteria by qualitative and quantitative. However, as was recognized by Wind and Robinson (1968), fulfilling a quantitative criterion can mean a non-compliance with another qualitative criterion. The best-known example of this is that the lowest price does not tend to the best quality. Two years before that, Dickson (1966) identified a set of criteria (23), which are still considered nowadays by many authors as the most important ones. Wind and Robinson (1968) and Weber *et al.* (1991) concluded that most supplier selection involved more than one criterion.

#### *C. SUPPLIER RELATIONSHIP MANAGEMENT*

According to Noshad and Awasthi (2015), supplier relationships are essential for supplier quality development. They advise on information sharing, supplier involvement in quality systems, long-term relationships, better communication and discussion between both parties, preferably face-to-face, and multi-functional contract management teams. These measures will enable companies to achieve higher quality with lower costs, better planning and less pressure on the customer-supplier relationship resulting in a win-win relationship.

Investment in the development of suppliers in big companies is increasingly common. This investment consists of a set of techniques that allow suppliers to improve their performance in the client company (Krause *et al.*, 1998). It also makes the commitment between both parties stronger and consequently increases the quality of the service provided. This investment is beneficial in most cases. However, some care must be taken. This shared knowledge may be used against the investing company itself as these suppliers may share it with rival companies and strengthen them (Blonska *et al.*, 2013).

According to a study by Martins *et al.* (2017), the quality of the service provided increases when there is a constant sharing of information by both parties. This research also mentions that the most lasting strategic relationships between partners are those in which the supplier invests most in the relationship during the contract. The use of measures to assess the performance of suppliers when used strategically benefit the relationship between supplier and client companies.

#### *D. ADVANTAGES OF LONG-TERM RELATIONSHIPS*

Recently, firms have been seeking to establish long-term partnerships with their suppliers to improve their operational, social and environmental performance. According to Seçkin and Sen (2018), for successful partnerships, companies should choose the right suppliers. So, a selection process is needed to detect the supplier companies that fit the needs of client firms. A long-term relationship between customer firms and their suppliers benefits both parties when it is well applied (Seçkin and Sen, 2018). In operational terms, these benefits for the buyers are increasing service quality level, increasing flexibility and increasing the quality of customer service. For suppliers, the advantages are risk reduction due to long-term plans and costs reduction through better inventory control (Perona and Saccani, 2004). In terms of management and strategy, this type of relationship will reduce the need to search for new suppliers and establish new contracts, increase supplier loyalty and allow companies to focus on their core activities. This long-term relationship, allows suppliers to have support in their development and growth, reducing the risk of short duration customers and less administrative costs due to the more significant focus on the main customers (Perona and Saccani, 2004).

The first step to long-term relationships is to pass this idea to the supplier. When suppliers expect a long-term relationship, they work for short, medium and long-term results. On the other hand, when these partners have the perception of a short-term relationship, they will only work for short-term results (Ganesan, 1994). The relationships that last longer provide higher levels of confidence for suppliers, coupled with greater satisfaction from buying companies that are investing more regularly (Martins *et al.*, 2017). In 2008, a European Union report mentioned that companies that have long-term relationships with their suppliers and their customers tend to use more technologies that promote business-to-business relationships.

#### *E. DISADVANTAGES OF LONG-TERM RELATIONSHIPS*

Long-term relationships between companies do not always bring benefits. When two firms start to depend very much on each other, there is some tendency for one of them to start having opportunistic approaches (Drake and Schlachter, 2007). The buying company may also lose some flexibility with long-term commitments to the supplier firm and could not respond to changes in demand and supply markets (Sacani and Perona, 2007).

#### *F. FACILITY MANAGEMENT*

Most of the prominent organizations require services from other companies in a set of areas, such as security and cleaning services. The operational management of this type of service is called Facility Management. According to Lehtonen (2006), in the past, most of these services were purchased for the price factor and not for their quality. The customer, after revealing some dissatisfaction by the lack of quality of services, experienced that are valued other criteria in the following search for a new service provider. In Facility Management services, the level of partnership is low. In 2014, Jylhä and Junnila enounced six factors that lead to this: Optimization of the sub-processes instead of the entire process, reduction of prices instead of costs, the process does not go according to the interests of clients, employees are always overworked, it is not often possible to make improvements, and mismanagement of information.

According to the Sillanpää *et al.* (2016) study, the service must be estimated according to the perspective of the service provider and customer, and there must be continuous development in their relationship. To achieve these key elements, the customer company should create competitive pressure, make a comparison between what the service provider can offer and what the customer needs, develop operations in conjunction with the service provider and create incentives for the service provider (Sillanpää *et al.*, 2016). Besides, Sillanpää *et al.* (2016) also said that it is necessary to monitor the relationship between companies and their service providers as well as develop tools to measure the progress in their relations.

#### G. CONTRACT MANAGEMENT

Dubey *et al.* (2018) said that the basis of communication between a company and its suppliers was through contracts. The contracts help managers to make suitable investments in the supply chain, but only when there is an establishment of sustainable conditions of partnership on them. Forkmann *et al.* (2016) study defined the supply base as “the suppliers that are managed through contracts and the purchase of parts, materials, and services” (definition from Choi and Krause, 2006). Up till now, very few companies make sustainable and comprehensive management of their contracts. However, recent approaches already show some progress in this regard (Ho *et al.*, 2010; Setak *et al.*, 2012). According to Dubey *et al.* (2018), sustainable contracts are defined by the long-term economic success of suppliers. Suppliers should not cause economic, environmental, and social harm to customer stakeholders. Interconnection of entities through contracts written by both parties (buyer and supplier) and where is the establishment of the principles of sustainability.

It is crucial to have a careful and demanding selection process to get the most benefits out of the contracts. In a supplier selection process, it is essential to audit the candidate companies as well as evaluate the costs, risks, and benefits that this relationship can bring. Dubey *et al.* (2018) suggest that relational contracts might be established with a strategic relationship between the two parties if the potential benefits are high. It is vital to have a complete and reliable database of all suppliers and their elements. With that, it is possible to build a better contract with the suppliers that best meet the needs of clients. Contracts should also be flexible in order to increase the operational effectiveness of suppliers (Dubey *et al.*, 2018). During the contract, several evaluations should be carried out to verify the fulfillment of the contract. Supplier failures should also be identified to improve and redefine objectives (Dubey *et al.*, 2018).

### III. METHODOLOGY

This section explains the whole process of how the study was carried out. Starting from the problem itself and the statement of the three research questions. Followed by the description of how the interviews were made and explaining the meaning of each question and the techniques used to analyze the answers obtained.

The research problem of this work is that there is currently a lack of collaboration between customers and suppliers, with relations being more like a simple service provider-client, and less a partnership between companies. This contributes significantly to the fact that big companies often look only at the price of services, by over-exploiting the capacity of the firms that providing services to them. This exploration may lead to some smaller companies can go to bankruptcy. The purpose of this project is to answer a set of questions that helps to understand better the research problem and, consequently, to solve it. Question 1 (Q1): Do big companies in Portugal only care about the price factor or also about the satisfaction of their suppliers? Question 2 (Q2): How can client-supplier partnerships become more lasting? Question 3 (Q3): What can client companies add to the assessment of the services provided by their suppliers?

For building a model that helps to meet the objectives set for this research, it was necessary to listen to what service providers companies had to say about their clients. For this purpose, a survey with a set of open and closed answer questions was formulated. This survey had a set of 10 questions some of which were divided into two and three subquestions. All interviewed firms provide services to big companies in the areas of surveillance and security, cleaning, canteen, gardening, pest control, water supply, vending, global hygiene services and fire protection. The interviews took place between 27th May 2019 and 8th July 2019. All the companies had the clarification that this interview was intended to gather information about their big clients, i.e., with over 1000 employees.

Since the questions used in the interview are open-ended and closed-ended, the analysis of the results also has to be done by two methods. For those questions whose expected answer is yes or no, are given several hypotheses of response, or is expected a numerical answer, it is used the quantitative analysis method. The quantitative analysis “can be used to complement visual analysis, to better characterize discrete changes” (Nganga, 2019). To analyze the answers to the questions that required suggestions or justifications, it is applied to a content analysis method. Content analysis is “a systematic, renewable technique that certain words of the text are summarized with smaller content categories through coding based on certain rules” (Güngör, 2018).

#### IV. DATA ANALYSIS

In this chapter, the results of the interviews with 15 different companies, which provide services to big firms (more than 1000 employees), are analyzed. In this way, it is possible to understand better the needs that service providers have in the course of contracts with big dimension firms. In all the interviews was mentioned that all these companies have an interest in working more as partners and less as simple service providers.

By analysis the Figure 1, it is easy to understand that the satisfaction level by the service providers with their clients it is positive. The average satisfaction level was 8.37 on a scale of 1 to 10, being 8 the ranking that most companies gave with five answers. It can be stated that the interviewed companies generally have a good relationship with their clients, but that there are always aspects to improve in the operational model of the contract.



**Fig. 1. Level of Satisfaction with Customers.** Source: self-constructed chart based on the interviews obtained, 2019.

In the interviews, firms were asked to suggest a set of improvements for the tender phase, the contract itself and the operational model (contract management). In order to make a more general analysis, it was joined these three questions in a single chart with the five topics that stood out. Figure 2 shows that the most important topics suggested by the companies were communication/feedback, the closeness between partners, analysis and

explanation of needs, enhancing the service quality factor and knowledge sharing. With seven answers, the interviewed companies considered that there should be more communication and feedback from the contract management of client companies. These firms also mentioned seven times that there is a need for greater closeness between partners, not only in contract management but also in the tender phase.

The topic most often mentioned in this part of the interview was the analysis and explanation of the needs of the client companies to which they provide services with 12 answers in the accumulated of the three phases. This topic means that further needs assessment a following clarification of needs are required at the tender stage. There should be a contract that meets the needs of both customer and service provider. Moreover, in the operational management phase, customers must continuously evaluate what is needed so that there is no unnecessary work, for example.

Firms addressed seven times the issue of valuing the quality of service. Companies consider that the price factor in the tender phase is still highly valued and not the quality with which the service is provided. On the other hand, companies complain that the quality assessment indicators are missing from the contract or that they are not correctly defined. These indicators should be continuously evaluated in the course of the contract, and it is this evaluation that is currently considered deficient by suppliers.

Finally, these providers considered four times throughout this part of the interview that there should be a constant sharing of information between partners. This knowledge share must be done before, during and after the contract in preparation for the next tender.



**Fig. 2. Improvement suggestions.** Source: self-constructed chart based on the interviews obtained, 2019.

The companies mentioned other significant factors. 80% of the firms interviewed believe that the current relationships with their clients are win-win. 100% of companies answered that their relationships with their clients help them to improve and they can implement the same in their firms. 100% of the firms are willing to have longer-term partner relationships as long as they come to terms with client companies. However, there must be compromises on both sides for this to happen. While 60% of the interviewed service providers would be willing to adapt their values and codes of conduct to those of client companies, the same cannot be said of business management models (only 20% accept without any restrictions).

## V. DISCUSSION

In this chapter are discussed the analysis made in the previous chapter. Through the construction of diagrams as well as their justifications can be identified the critical points of this study to help big companies and their service providers to improve their relationships as it was the purpose of this study.



Based on the interviews conducted and the answers given by the companies, it was possible to create a process that could be useful in selecting the ideal service provider for the needs of the client companies. This model was made according to the five standard steps that most prominent companies in Portugal follow to hire suppliers. These five steps are the requirements gathering, the elaboration of the tender and contract documents, procurement process, proposal evaluation and clarification of doubts and, finally, select the supplier, or in this case, the service provider. According to the feedback collected from suppliers, for this process to work well, each of these steps should have improvements.

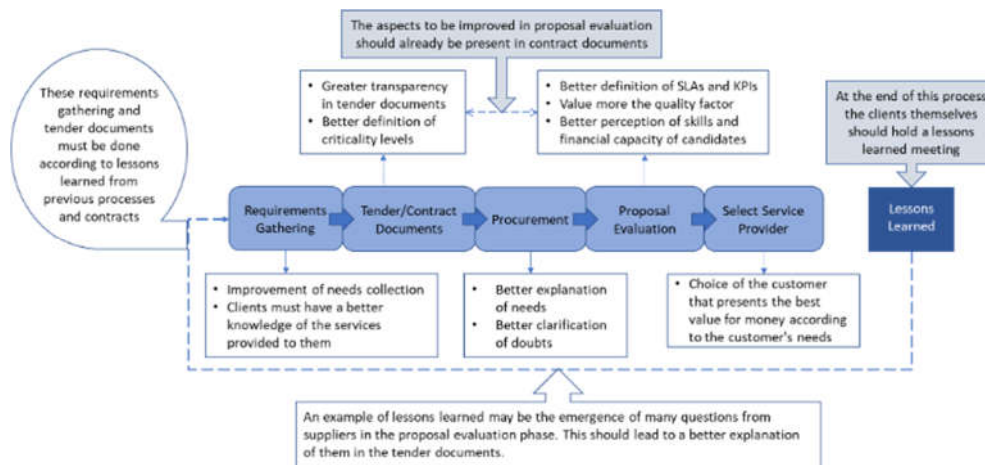
In the first step, companies should improve the collection and evaluation of needs to be included in the contract as well as the facilities in which such services are provided. Supplier firms suggested that clients must have a broader knowledge of the services provided. After the requirements collection, companies will begin to build the tender documents and contract preparation. In the interviews, it can be observed that at this stage of the process there are still failures of transparency in the tender documents. Furthermore, there is a lack of definition of the criticality levels in the contract.

Then, procurement launches the contest inviting firms that fit the needs of the service. The interviewed companies complain that there are still flaws in this area in many companies in Portugal, so they should improve it. It should be explained to candidates what is intended in the contract that they are proposing to fulfill so that no one has any doubts.

The fourth step will be evaluated the proposals sent by the candidates. These proposals should be received within a reasonable timeframe for service providers to have time to make the best possible proposal. A proper analysis must be done to verify that all applicants have the financial capacity and technical skills that will lead them to meet the needs of the contract. When deciding to choose a service provider, companies should always value more the quality of service than its price. Quality in services must be implemented throughout the supply chain. As with products, when a better-quality service is provided, it is normal for it to cost more. However, loss-averse consumers do not think about the quality of the service if it is more expensive.

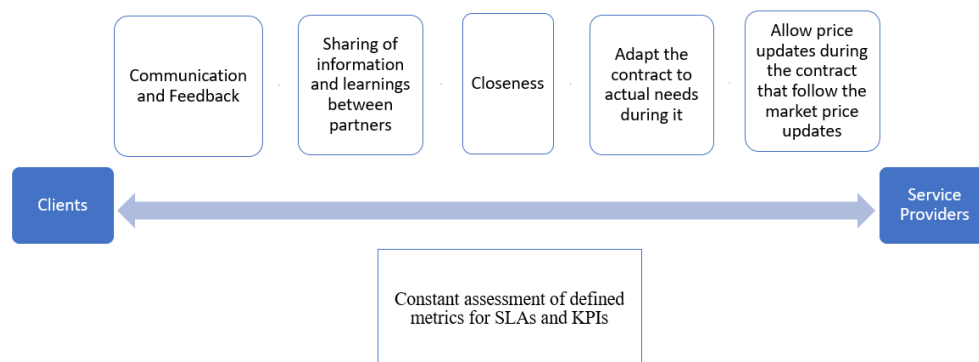
Finally, after following all these steps, a better selection of the supplier can be made. Therefore, the provider with the best value for money should be chosen as long as it ensures that the relationship is win-win. That is, if the service provider company has the best service and meets all the requirements, it should be preferred to one with lower prices but also with lower quality and unable to fully meet client needs.

However, all of this would be easier if, at the end of the process, the clients themselves held a lesson learned meeting. This meeting is intended to review everything that went less well throughout the process. An example of a situation that sometimes happens is the emergence of many questions from suppliers in the proposed evaluation phase. To prevent this from happening in a future process, companies should give a better explanation of them in the tender documents. These requirements gathering and tender documents must be done according to lessons learned from previous processes and also from previous contract lessons learned.



**Fig 3. Choice of Service Provider Flow.** Source: self-constructed model, 2019.

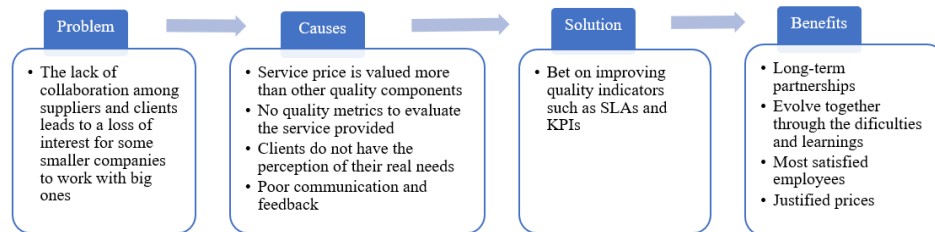
For a relationship to be long-lasting, a set of requirements must be met by both companies, and they must always contribute to this during the contract. The first point identified is communication and feedback that should be the basis of partner relationships among supplier-client during the contract. Another essential point for collaborative relationships is the sharing of knowledge that must exist between the client company and the service provider company. Once we talk about communication and feedback, it is reasonable to appear in this flow the closeness. The closeness between partner companies is crucial to the satisfaction of the service providers. Two other aspects should be worked on jointly by clients and their service providers during the contract. The first is to adapt the contract to the changes that are happening throughout it. The second aspect identified is to allow the update of prices during the contract following market changes. In the previous flow, was mentioned the creation of metrics adapted to each service and each provider in the tender phase. These to work must be continuously evaluated throughout the contract. However, needs change, and these SLAs and KPIs metrics can also be adapted if agreed by both parties.



**Fig 4. How to Maintain Long-Term Partnerships Flow.** Source: self-constructed model, 2019.

The main problem here is the collaboration among service providers firms with their clients are not the best. Smaller companies are exploited for the price, and very few big companies are betting on long-term partnerships based on the quality of services. There are several causes of this problem. As identified in the interviews, the price factor is still significant for choosing a service provider. For these interviewed firms, there is a problem in the assessment of the service provided, for lack or poor definition of quality metrics. There is also a failure in the client's perception of service needs and sometimes the proper explanation to the provider of what they want. Another factor can also be identified in

interviews, which is poor communication and feedback from customers. Based on the study of these companies, it was possible to find a solution to this problem. Companies should focus more on defining performance and quality assessment factors for their suppliers and service providers. With this solution, it is believed that it will be possible for client companies to reach long-term partnerships with service providers. As quality increases, so do the requirements on both sides, thus will both learn and evolve together as companies. With this quality increasing, the satisfaction levels of client company employees will be higher. Therefore, the value of the investment in these services, as well as the need to provide these services to big companies, will be more easily justified by the higher quality of them.



**Fig 5. Problem Solving Diagram.**

Source: self-constructed chart based on Pereira Problem Solving, 2019.

After analyzing the interviews and their results, it is necessary to understand if they answer the initially defined research questions.

Regarding the first question (Q1): “Do big companies in Portugal only care about the price factor or also about the satisfaction of their suppliers?”, empirically this statement is not entirely correct. According to the literature, the trend is that the satisfaction of suppliers is increasingly something to be considered by big firms. This trend is justified by what was said by some authors (Sillanpää *et al.*, 2016; Lee *et al.*, 2009) with a more global knowledge of what companies around the world have been applying.

The second question (Q2): “How can client-supplier partnerships become more lasting?” was answered by combining the contribution of literature and empirical analysis. For partnerships to be lasting, there must be a substantial investment by the customer in the relationship with their supplier. More closeness, recurring feedback, and meeting partner needs are required. However, the interest of most companies is to have their management models, some of them also their values, only accepting to comply with the codes of conduct of client firms.

Concerning the last question (Q3): “What can client companies add to the assessment of the services provided by their suppliers?” what this research suggests is that companies must rely heavily on indicators that allow the assessment of the quality of services provided. These should appear in contracts through the form of SLAs and KPIs, without forgetting the establishment of criticality levels so that service providers can prioritize their activities. However, this will only be possible when big firms make a good collection of their needs, give their clients enough feedback and use the lessons learned from previous contracts to improve current and future ones (Figure 3).

## VI. FINAL REMARKS

The high point of empirical discovery is that, through this sample collected in Portugal, providers say that for commodity services, most of the big companies must substantially improve their quality indicators. This study shows that these exploration strategies are not sustainable in the long-term. Either for smaller companies, that go bankrupt because they have few big clients or for big ones that over the time loss quality in services. The only

way to achieve long-term win-win partnerships for both client and service providers is to focus on quality. It should be preferable to pay more for a better service and not to have a worse service because they want to pay less. Exploration times by price must be a thing of the past, and the interests of companies must increasingly be about quality. Who does not realize that it is here the path is likely to have many problems in adapting to the business market in the medium/long-term. With the suggestions given in this research, it is believed that the probability of suppliers comply with their contracts and be real partners will increase, they will live and thrive more time in the market and will always want to run for big company contests.

This research adds a significant contribution to the existing literature since the interests of suppliers were heard and analyzed as opposed to the usual studies to the interests of clients. However, since only service provider companies were interviewed, one of the limitations of this research is that the perspective of the clients was not explored, i.e., the big companies' perspective. The created flows present a few points of differentiation to those that have already been presented by other authors in the scientific community. In future studies, it is necessary to develop some aspects such as the quality indicators that should be used in each case and consequently tested and implemented in companies.

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