

Nordic Journal of Surveying and Real Estate Research, Special Series, Vol. 2 (2004)

Received April 30, 2004. Accepted after revision November 8, 2004.

Attributes and success factors of partnering relations – a theoretical framework for facility services

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***Abstract.** Traditionally, relationships between facility service providers and clients have been based on an adversarial approach. The expansion of existing outsource contracts and outsourcing of strategically more important services have created a need to develop relationships based on a more collaborative approach. These relationships can be called partnering relations or partnerships, and currently they are also widely applied in many other industries. In the real estate industry the term partnering is used rather loosely and thus there is a need to define the elements that characterize partnering more exactly.*

The aim of this article is to define the attributes of partnering relations and to identify the key factors that help a relationship to succeed. These attributes and success factors are analysed from the theoretical point of view. From the literature review conducted, conclusions are drawn from the point of view of facility services.

A partnering relation is selected when companies outsource strategically more important functions or when a property owner bundles outsourced services together or moves from single-site sourcing to multiple-site sourcing. Partnering relations are based on mutual trust, commitment, openness, involvement of different organisational levels, continuous development and sharing of benefits and risks. The success of the relationship is based on two-way information-sharing, joint problem-solving, the partners' ability to meet performance expectations, clearly-defined and mutually-agreed goals, and mutual involvement in relationship development and planning.

***Keywords:** inter-organisational relationships, partnering, facility services.*

1 Introduction

A move from transactional to relational approaches in managing buyer-seller interaction has been a feature of business practice over the past decade. However, the extent of relational co-operation varies widely, while the profusion of terms describing relational approaches can often misdirect the uninitiated. Often, so-called relationships can include a range of relationship types, such as strategic partnering and arm's length co-operation. Clearly, not all relationships are the same, and there may be risks in treating them as if they were (Bensaou 1999; Möller and Halinen 1999; O'Toole and Donaldson 2000a). As a consequence, during recent years issues related to relationship management have attracted more and more attention in many industries and academic research.

Historically, facility services have been provided in-house. In the Finnish property market, outsourcing took place during the 1980's and 1990's. Following that, many companies focused on price as the most important factor in purchasing. This, in turn, resulted in adversarial relations with their suppliers. As existing outsource contracts were expanded and strategically more important services were outsourced, it was realised that relationships based on a more collaborative setting were also needed (Incognito 2002). Currently, problems exist in defining the optimal type of relationship and in deciding how different relationship types should be managed.

As Atkin and Brooks (2000) state, partnering is the most common form of co-operative relationship between facility service providers and clients. It offers some benefits that are not offered by traditional contracting. For example, for the client organisation, savings can accrue from not having to tender repeatedly, while, for the supplier, benefits can be gained getting work regularly from a client whose requirements are better understood than they would otherwise be. However, partnering is not the answer to all needs and situations (Ellram 1991; Parker and Hartley 1997; Spekman *et al.* 1998).

Additionally, the term partnering is used rather loosely in the real estate industry and also used to refer to a variety of different relationship types (Miettinen *et al.* 2004). Therefore, there is a need to define the elements that constitute partnering more precisely. Because it is usually more expensive to get new customers than keep existing customers (Reichheld 1996), there is a need to identify the factors that make a relationship a success. Success factors vary across relationship types and relationship performance may be quite different in different relationship types (O'Toole and Donaldson 2000b).

The aim of this article is to throw light on the nature of the attributes of partnering relations and to identify the factors that make a partnering relation a success in facility services. The attributes and success factors of partnering relations are analysed from the theoretical point of view. From the literature review conducted, conclusions are drawn from the point of view of facility services. The research questions of this article are defined as follows:

- What are the attributes of partnering relations?
- Which are the factors that make a partnering relation a success?

The answers to these questions are essential to managers in both buying and supplying companies in the process of developing and maintaining partnering relations. These answers will also point out guidelines for future research. In particular, it is important for the results to be tested empirically in the future.

2 Partnering relations as a form of collaboration

Traditionally only markets and hierarchies have been considered in economic science for allocating resources and co-ordinating economic activities (Coase 1937). During the last decades, researchers have also concentrated on co-operative forms combining markets and hierarchical allocation structures. The significance of different forms of relationships has also grown in business practices because companies try to gain a competitive advantage by outsourcing non-critical activities, establishing close partnering relations, and reducing and trimming their supplier bases (Gadde and Snehota 2000). In this chapter we highlight the position of partnering relations in a continuum of business relationships and explain the reasons behind the need for more collaborative approaches such as partnering.

As Webster (1992) states, the range of business relationships can be described as a continuum ranging from pure transactions to vertical integration. Movement from vertical integration to pure transactions is associated with a growing number of suppliers (Parker and Hartley 1997). Relationships can also be divided simply into adversarial and collaborative relationships (Macbeth 1994). One type of collaborative relationship is the partnering relation. Partnering relations are often divided into operational and strategic partnering (Mentzer *et al.* 2000). When the term partnering is used alone, it usually means operational partnering.

Strategic partnering is defined as an ongoing, long-term inter-organisational relationship for achieving strategic goals (Mentzer *et al.* 2000). Johnson (1999) suggests that the relationship between organisations is strategic when a firm perceives that it needs the relationship in order to be competitive in the industry and that if the partner goes out of business, it would have to change its competitive strategy. On this basis, the number of partners offering a certain product or service cannot usually be more than one in strategic partnering (Mentzer *et al.* 2000; Cousins 2002).

The need for collaborative relationships, e.g. partnering, depends on two factors. Some relationships are important because of the volume of business they represent, others because they affect the future of the company in that they are sources of technical development and important for product or service quality and performance. The impact of a specific supplier relationship depends on how it fits into the operations and strategy of the buying company and on how other customer and supplier relationships are affected by it. This means that the role and value of a particular relationship cannot be assessed based on its product or service content

only, and that the decisions made in one relationship may also have wider effects, which may be unintended or unforeseen (Gadde and Snehota 2000).

Additionally, the need for a collaborative approach and also the success of the relationship is affected by the level of co-dependence and the power positions between buyer and seller. The four generic positions are buyer dominance, supplier dominance, buyer-supplier independence, and buyer-supplier interdependence (Cox *et al.* 2000). The greater the interdependence is, the stronger the motivation to form a long-term partnering relation (Mentzer *et al.* 2000). Cox and associates (2003) state that buyers will be most successful in developing collaborative relationships when they are in a position of either buyer dominance or interdependence. However, a powerful buyer may show its strength and squeeze the submissive partner to such an extent that is potentially harmful for both sides in the relationship (McHugh *et al.* 2003). Supplier dominance is problematic from the point of view of collaboration because when a supplier is dominant it may not wish to direct its scarce management resources towards a relationship with a buyer. In a situation of independence the relationship is of little importance and there are a large number of potential partners in the market, and thus there is not likely to be a requirement for collaboration.

As we can see, the choice of relationship type and the exploitation of one's power position need careful analysis. The main characteristics, which affect the decision, are the strategic importance of purchase and the purchasing volume. As the importance of external relationships has grown, there is a need for a more strategic approach to supply management and for the development of sourcing strategies, which form the basis for decisions related to relationship management. As Cousins and Spekman (2003) state companies who align their corporate and supply strategies are significantly more likely to have successful long-term collaborative relationships.

2.1 Attributes of partnering relations

In the previous chapter we found out that business relationships can be divided into adversarial and collaborative relationships. Partnering relations are one expression of collaborative relationships. In this chapter we continue the analysis of partnering relations by defining the attributes of partnering relations. These attributes describe the nature of partnering relations. The attributes of a relationship type are needed in classifying of relationships. They are also useful in defining the appropriate relationship type for the purchasing entity, which represents a certain level of importance for a company's business.

Partnering relations are built on commitment, trust, and openness (Ellram 1991; Spekman *et al.* 1998). Commitment refers to the willingness of partners to make an effort on behalf of the relationship and the belief of the committed party that the relationship is worth working on to ensure that it lasts indefinitely (Morgan and Hunt 1994). It suggests a future orientation in which partners attempt to build a relationship that can weather unanticipated problems. In other words, partnering

relations are of a long-term nature. A high level of commitment provides a context in which both parties can achieve their individual and joint goals without raising the spectre of opportunistic behaviour (Mohr and Spekman 1994).

Trust is a multilevel phenomenon that exists at the personal, organisational, and inter-organisational levels. Because organisations are coalitions of people, it could be said that only individuals exercise trust (Blomqvist 2002). However, both organisations and individuals may be the recipients of trust (Barney and Hansen 1994; Doney and Cannon 1997; Blomqvist 2002). Trust is mostly connected to risks and risk-taking (Mayer *et al.* 1995; Coulter and Coulter 2002). As Blomqvist (2002) states, there are always some short-term inequities in any relationship and thus a need for trust also exists (see also Sako 1992). As risks increase, so does the need for trust. Risks are multiplied when the products and services exchanged become more complex, more transaction-specific investments are needed, or there only exist a limited number of potential partners. Relationships based on a high reliance on trust are characterised by mutual interdependency and strong ties, which are created through extensive interaction in the long run (Wicks *et al.* 1999).

The need for trust varies in different economic exchanges. Wicks and associates (1999) suggest that there must be an optimal level of trust, depending on the value of the relationship for the firm. If excessive trust is placed in a business partner, one may be misallocating precious resources or taking unnecessary risks that could have a substantial negative effect on the firm's performance. On the other hand, underinvestment in trust is also problematic. It may cause a firm to bypass opportunities for more efficient and mutually beneficial exchanges and creates significant added risks (e.g. opportunism) and costs (e.g. monitoring).

Openness refers to frequent interaction between parties. Interaction must occur at many levels and across many functions between firms (Ellram 1991). As Macbeth (1994) states, it is necessary that interactions are not just problem-driven. Some involve information-sharing and are aimed at preventing difficulties. Others are explicitly for reasons of relationship building. The nature of the information shared differs according to the orientation of the partners: partners with a strategic partnering orientation share information that is both strategic and operational, whereas partners with an operational partnering relation only share operational information (Mentzer *et al.* 2000).

As stated earlier, interaction must occur at different organisational levels in partnering relations. The involvement of all organisational levels and importance of active social structure have been connected to partnering and collaboration by many authors (see e.g. Macbeth 1994; O'Toole and Donaldson 2000a), and the role of top management has been especially emphasised. Lee and Kim (1999) state that top management support is usually considered a prerequisite for every successful outsourcing partnering relation. If a partnering relation is to overcome the inevitable divergence of interests between the participants, top executives

have to share an understanding of the specific benefits of collaboration. Indirectly, the participation and support of top management symbolises the organisation's commitment to the partnering relation and its success, contributing to trust building among partner organisations (Brinkerhoff 2002). Mentzer and associates (2000) suggest that especially in strategic partnering top management vision is needed in shaping an organisation's orientation towards relationships. Top management must understand the operational and market impacts of partnering and develop a good understanding of their partner and the top management of that partner.

Top management support also entails flexibility and consequent timesavings in terms of making adaptations (Brinkerhoff 2002). It has been found that mutual adaptations of some kind are generally a prerequisite for the development and continued existence of a collaborative relationship between two companies. The two companies in a relationship tend to modify and adapt the products or services exchanged, as well as the routines and rules of conduct, in order to function better in relation to each other (Håkansson and Snehota eds. 1995). As Brinkerhoff (2002) states, partnering is a dynamic relationship of diverse actors and it is based on mutually-agreed goals. As companies join forces to achieve mutually beneficial goals, they acknowledge that each is dependent on the other (Mohr and Spekman 1994). To be dynamic, the relationship must be based on continuous development, which is directed by mutually-agreed goals. If there is no congruence between the short and long-term goals of the buyer and those of the supplier, a conflict between the parties is possible (Mentzer *et al.* 2000).

As we can see, the implementation and management of partnering relations takes time and resources. Thus, a partnering approach should also yield mutual benefits (Ellram 1991), and these benefits should be shared proportionally with respect to the investments of the various parties (Ring and van de Ven 1994). Potential benefits could be divided into strategic, economic and technological benefits (Lee and Kim 1999). Like benefits, risks should also be shared (Brinkerhoff 2002). As Ganesan (1994) states, collaborative relations bring about efficiencies through joint synergies resulting from investment in, and exploitation of, idiosyncratic assets and risk sharing.

2.2 Partnering success factors

In the previous chapter we found out that attributes, which describe the nature of partnering relations, are mutual trust, commitment, openness, involvement of different organisational levels, continuous development and sharing of benefits and risks. This chapter examines success factors of partnering relations. While attributes are related to the partners' attitudes and prevailing atmosphere in the relationship, success factors are more concrete and could be exploited in developing guidelines for the implementation and management of partnering relations.

Success in partnering relations depends on the partners having a common vision of the future (Spekman *et al.* 1998). As Whipple and Frankel (2000) state,

the success of a relationship requires the establishment and execution of clearly-defined goals; in order to achieve these goals, well-defined procedures must be clearly communicated to the managers involved with the relationship. Ellram's (1995) and Juhantila's (2002) studies also underline the importance of shared goals. It is also necessary for parties to have regular meetings, which are designed to assess the ongoing progress towards the goals of the relationship (Whipple and Frankel 2000).

In their research, Whipple and Frankle (2000) found that one of the success factors is the ability to meet performance expectations. The ability to meet performance expectations concerns the execution and evaluation of the goals of the relationship. Whether or not the partners or member organisations possess the necessary skills and capacity should be assessed and monitored. The ability to meet performance expectations also refers to the existence of constraints beyond the control of the partnership, which can inhibit its performance. These might include, for example, legal or regulatory policies imposed by a government agency (Brinkerhoff 2002).

It is probable that there will be some conflicts between parties during the relationship, and thus it is important to know how the parties solve the conflicts (Mohr and Spekman 1994). Some amount of conflict might even be necessary in order to keep the relationship between two companies healthy (Håkansson and Snehota eds. 1995). The impact of conflict resolution on the relationship can be productive or destructive. It is important that parties do not concentrate on blaming each other but rather try to find a solution to the problem and to make sure that the problem does not arise again. When parties engage in joint problem-solving, a mutually satisfactory solution may be reached, thereby enhancing the success of the relationship (Mohr and Spekman 1994).

In her study, Ellram (1995) found two-way information sharing to be the most important factor in establishing and maintaining partnering relations. Mohr and Spekman (1994) and Landeros and associates (1995) support this observation. Landeros and associates (1995) state that awareness and detailed knowledge of each partner's requirements and expectations is obtained through the mutual exchange of information and through open and candid communication flow at all levels, and across functional areas. Although communication should be a two-way process, the supplier is usually responsible for triggering communication (Fram 1995).

A partnering relation should entail the full participation of all member partners, according to their comparative advantages and agreed roles. This includes decision-making, as well as participation in meetings, relevant discussions, and programme activities (Mohr and Spekman 1994; Brinkerhoff 2002). As Ford (1980) states, business relationships tend to become institutionalised over time. This can create problems, because in the longer term old routines may not meet the requirements of either party. Routinisation could be prevented by the continuous development of the relationship. It is important that both parties participate in

the planning and development activities (Macbeth 1994; Mohr and Spekman 1994). Additionally, both parties must behave flexibly and the agreement itself must be flexible (Ellram 1995; O'Toole and Donaldson 2002), so as to allow for contingencies and adjustment to changing circumstances.

Altogether, the most frequently mentioned success factors of partnering relations seem to be two-way information-sharing, joint problem-solving, the partners' ability to meet performance expectations, clearly-defined and mutually-agreed goals, and mutual involvement in relationship development and planning. These factors should be taken into account when implementing and managing partnering relations.

2.3 Performance indicators of partnering relations

A successful partnering relation enables the participants to achieve organisational objectives and to build a competitive advantage that each organisation could not easily attain by itself (Lee and Kim 1999). Successful partnering relations can be described in terms of fulfilling the mutual expectations of the relationship, and unsuccessful partnering relations in terms of not meeting the expectations held by one or both partners (Landeros *et al.* 1995). Thus, the relationship success or performance can be viewed as the level of or fitness between partners' expectations (and requirements) and the relationship outcomes (Lee and Kim 1999; O'Toole and Donaldson 2002).

Just as knowledge about success factors is needed to implement and manage the partnering relation successfully, knowledge about relationship performance dimensions is needed to understand the range of outcomes possible in partnering relations, and thus, to evaluate the relationship success. Often the conceptualisation of supplier or buyer performance is limited to easily identifiable bottom line cost savings for one party. Relationship performance is a wider view that incorporates the perspective of the other partner and measures the performance of a wider variety of relationship activities. O'Toole and Donaldson (2002) suggest that buyer-supplier relationship performance could be divided into financial and non-financial dimensions. The financial factors are related to the economic performance of partners and include economic measures such as long-term profitability, prices, return on investment, purchasing volume, and running costs (see also Fram 1995).

Another dimension includes the non-financial outputs of relationship. These factors could be assessed from the business and user perspectives (Lee and Kim 1999). The user perspective includes user satisfaction and the business perspective includes factors such as flexibility, operational effectiveness, stability, joint value-added projects and innovations (Mentzer *et al.* 2000; O'Toole and Donaldson 2002). Related to performance dimensions O'Toole and Donaldson (2000b) emphasise that the importance of different performance indicators varies across relationship types and some of the indicators are more strategic than others.

3 Partnering relations between facility service providers and clients

In this chapter we analyse the characteristics of partnering relations between facility service providers and clients. In parallel, the impact of characteristics on attributes of partnering relations is analysed.

According to Atkin and Brooks (2000), partnering is the most common form of co-operation used to manage relationships between facility service providers and clients. However, the partnering relations in facility services are by nature more operational than strategic. It is hard to see that any service provider could be so important from the client's point of view that the firm would have to change its competitive strategy if the provider goes out of business.

Relationships between facility service providers and clients are often buyer-dominated (Lehtonen 2004; see also Salonen 2004) and clients are not dependent on service providers. This phenomenon is based on three facts: for most organisations facility services are support services without significant strategic importance, they are usually fairly standardised services and in most cases there are a lot of alternative service providers in the market. The large number of alternative service providers is based on the fact that establishing of a facility service company is not such a complicated process. The providing of facility services does not need major capital investment or unique know-how and usually the facility service business is not strongly regulated by the government. Due to the simplicity of the service, facility service providers have usually no chance to gain a competitive advantage by standing out of the rest through technical differentiation. However, as Atkin and Brooks (2000) state, this does not mean that it is not worthwhile to have close relationships with this kind of supplier. By partnering, the supplier's knowledge about products and processes could be used to reduce the wasting of resources and to increase productivity.

Because relationships are buyer-dominated, mutual benefits and risks may not be shared proportionally with respect to the investments of the various parties (Lehtonen 2004). On the other hand, this may not be a barrier in building partnering relations. As Cox and associates (2003) state, there are good examples of this kind of relationship and the sharing of mutual benefits in the automobile industry. It is important that clients avoid opportunistic behaviour because they could in most cases squeeze service providers to such an extent that is potentially harmful to both sides in the relationship. Thus, some proportion of risks and benefits should be shared.

In most cases, the choice of a partnering relation in facility services is justified by purchasing volume. Purchasing volume per transaction becomes higher when clients move from single-site sourcing to multiple-site sourcing or when clients bundle outsourced services (see Ventovuori 2004). Benefits gained through the economies of scale or wider service packets offer cost advantages, which service provider can convert into a corresponding lower price or offer higher service levels, novel technologies or innovative structures and procedures (Meneghetti and Chinese 2002). On the other hand, the bundling of outsourced

services or multiple-site sourcing means that the number of partners is reduced. This could be a risk, especially in the case of single sourcing. As Ancarani and associates (2004) state, the dependency of the client on the service provider then becomes higher, resulting in greater vulnerability. Additionally, for instance in the Finnish property market, there are only a few alternative facility service providers, which are able to provide bundles of services or which operate nationwide.

Widening the range of services supplied by the same provider and outsourcing of strategically more important services has increased the need for trust and commitment because more activities and responsibilities are entrusted to service providers. Especially, when a service is strategically important for the client (see Barrett and Baldry 2003), the existence of trust is essential. This is based on the fact that sensitive and strategic information must be shared. On the contrary, the less complex the service, the less crucial the information itself is for facility service providers to efficiently satisfy client's needs (Meneghetti and Chinese 2002).

The more complex the service purchased or the more extensive the contract, the more resources both parties usually need to invest during negotiations and the implementation of the relationship. As a consequence, it is worthwhile to enter into a long-term contract. The long-term nature of partnering relations means that there is a need for continuous development to keep a service concept up-to-date, and for open discussion about changes in business conditions. As stated earlier, purchasing volume makes it economically profitable to put more effort into relationship development activities. In this way not only the personnel at the operational level, but also top management, participate in the development of the relationship. The role of top management is to set mutual strategic long-term goals (Incognito 2002) and to try to find out the potential synergies between the operations of the service provider and the client.

Based on our analysis, we suggest that the same attributes, which were found in the literature review, exist in partnering relations in facility services. These attributes are mutual trust, commitment, openness, involvement of different organisational levels, continuous development and sharing of benefits and risks.

Implementation of the successful partnering relation in facility services

Success factors are related to implementation and management of successful partnering relations. As a consequence, if the nature of partnering relations is like the nature of partnering relations generally, also the success factors should be the same. Next we analyse the role of success factors in management of partnering relations between facility service providers and clients.

The one essential characteristic, which distinguishes facility services from other business services, is that they are delivered on the premises of clients (Bröchner 2001). Thus, a third party – the users of the premises – affects the relationship. On the other hand, the service provider and the client (property owner or manager) have the power to make decisions related to the business

relationship, while the users of the premises are able to act only indirectly through either of those members (cf. Järvinen 1998). For instance, if the trust of end-users in their service provider is lost, it could be very hard to gain back and it is probable that the client will be forced to dissolve the relationship. Although the users of the premises and their influence play an important role in the relationships, in most cases they can be studied from the perspective of how service providers and property owners perceive them and their influence.

The existence of end-users affects the evaluation of relationship performance, and both business and user perspectives should be taken into account in evaluation. User satisfaction and the profitability of the relationship are important measures of performance for both the client and the facility service provider. In addition, the client may evaluate factors such as flexibility, operational effectiveness and reliability, and the service provider factors such as stability, meaning predictability of expectations and confidence in the actions of a partner, and the status of the service provider, which is equivalent to the role and importance of the service provider from client's point of view.

Considering the success factors of partnering relations we can see that the partners' ability to meet performance expectations refers especially to the performance of the service provider and the quality of the provided service. What is promised must also be done. Expectations concerning the level of service should be translated into formal requirements through service level agreements (Atkin and Brooks 2000). From the client's point of view, technical quality is usually more important, because it represents the core of service process. Instead, end-users work on the premises and they often see functional service quality as more important than technical quality. This emphasises the role of the front-line service staff's activities and behaviour in creating end-user satisfaction.

Information sharing is related to open discussion about the problems that each company faces in their own operation, and spontaneous representation of development ideas and new innovations. In addition, the opinions of end-users should be taken into account. Because facility services are by nature operational support services, there is usually no need to share strategic and proprietary information between parties, especially from the client's point of view. However, this does not mean that there is no need for systematic information sharing. It only means that the risk related to information sharing is not so great. Systematic information sharing is related to regular meetings in different organisational levels and the quality of shared information. Both parties must make sure that timely, accurate, and relevant information is communicated to the partner.

As two-way communication is needed to represent development ideas, mutual involvement in relationship development and planning is needed to convert new ideas and changes in requirements into practical operations. Participating in development is also a sign of commitment to the future of the relationship, while enabling both parties to have the information needed to develop the relationship to their mutual benefit. As partners get to know each other's businesses better, they

may find synergies, which make it possible to develop the service concept more efficiently and, in this way, to achieve cost savings. Nevertheless, although it is necessary that both parties participate in the development process, the role of the service provider is important in keeping up development activity.

Relationship development is supported by clearly defined and mutually agreed goals. Relationship goals must take into account the short- and long-term goals of both parties (Ventovuori 2004). A more precise setting of goals for the purchase of services and the building of inter-organisational relationships is needed (Miettinen *et al.* 2004). Goals can consist of the parties' own goals and their mutual goals, but it is important that both parties know these goals and accept them. Besides setting the goals, it is necessary to monitor the accomplishment of the goals and update them if required. Both short-term and long-term goals are needed and especially if the outsourced function is a strategic one from the client's point of view, there is a need for more strategic and longer-term goals.

Altogether, in spite of efforts to avoid conflicts it is possible that some problems will exist between parties during the relationship. In that case it is important that parties do not concentrate on blaming each other but rather try to discover a solution to the problem and to make sure that the problem would not arise again. When parties engage in joint problem solving, a mutually satisfactory solution may be reached, thereby enhancing relationship success.

Combining the factors mentioned before, we propose a partnering framework for facility services (Figure 1). It consists of two parts, which are the partnering attributes and partnering success factors. These parts are connected to each other. When partners are trying to build a successful long-lasting partnering relation, both parts of this framework must be considered. These two parts affect the outcomes and effectiveness of the relationship, and thus, determine the level of performance of the relationship.

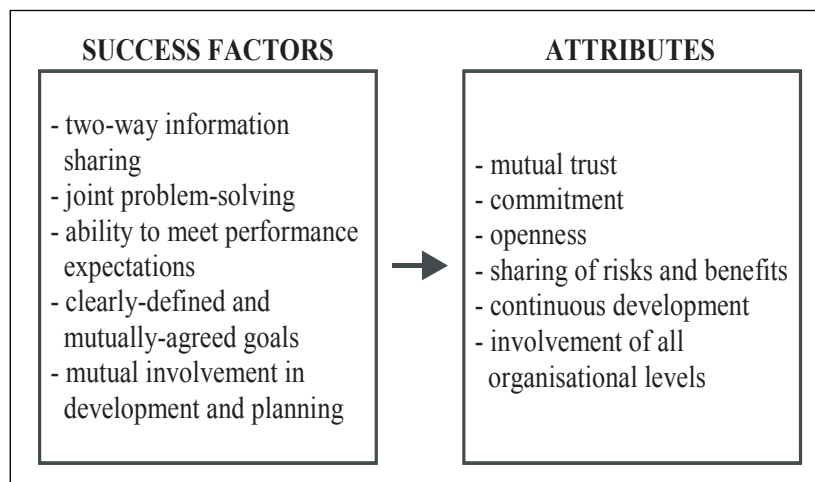


Figure 1. Partnering framework for facility services.

4 Conclusions and discussion

This article contributes to an enhanced understanding of the partnering phenomenon for both researchers and practitioners. We have proposed a model for managing partnering relations between facility service providers and clients. Practitioners should be able to utilise the framework in Figure 1 to diagnose their current partnering relations and arrive at prescriptions for redesigning their partnering relations. We do not, however, propose that partnering relations should be used in every situation. A careful cost-benefit analysis should be performed before the final decision is made. Two firms involved in discrete and arm's-length transactions can also have a high-quality relationship.

In the future, corporations must evaluate each relationship more thoroughly and decide which type of relationship to apply in each sourcing situation. As a consequence, there is a need for a more strategic approach to service procurement and for the development of sourcing strategies, which form the basis for decisions related to sourcing and relationship management. In order to implement and manage collaborative relationships it is necessary that both partners have a collaborative mindset. Thus, when a partnering approach is chosen, companies must build their partnering relations with others who have compatible corporate philosophies.

Construct measurement and the empirical testing of the framework have been left to future research. Earlier research into the relationships between facility service providers and clients is scarce. Further research should include a quantitative study (e.g. a mail survey), which should be designed to capture the extent to which different features of partnering are related in partnering relations and to investigate the respective importance of different success factors in establishing and maintaining partnering relations between facility service providers and clients. It would also be interesting to carry out the same study in different countries in order to find out possible culture-related differences in the attributes and success factors of partnering relations. There is also a need for further research in which descriptions of different types of relationship in the real estate industry and guidelines for managing these types would be provided.

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