Outsourcing relationships: Changes in power and dependency

Recent research has shown that it is important for companies to correctly reflect the power and (inter)dependency to vendors so that an appropriate and aligned relationship can be created. Power and dependency, however, can change over time, which means that the vendor strategy necessary for the relationship to remain aligned and appropriate must also change. Through an empirical dyadic investigation of a large multinational corporation and three of its vendors the key-determinants related to changes in outsourcing relationships are investigated. This dyadic study shows that companies need to consider three aspects additional to those mentioned in previous research when selecting a vendor strategy: (1) Vendor expectations, (2) Vendor potential, and (3) Long-term relationship goal.

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