

Selecting relationship type in facility services

Tomi Ventovuori (tomi.ventovuori@tkk.fi)

CEM Facility Services Research, Helsinki University of Technology, Finland

Tero Lehtonen (tero.t.lehtonen@tkk.fi)

CEM Facility Services Research, Helsinki University of Technology, Finland

Ilkka Miettinen (ilkka.miettinen@tkk.fi)

BIT Research Centre, Helsinki University of Technology, Finland

Abstract

The expansion of existing outsource contracts and the outsourcing of the strategically more important services have created the need to develop relationships based on a more collaborative approach. Since collaborative relations do not work in every situation, there is the need to develop an understanding of the different relationship types. The aim of this paper is to identify the factors that influence the choice of relationship type and the factors that distinguish collaborative relations from adversarial relations. The research is qualitative, based on thematic interviews, informal discussions and focus group interviews. Empirical findings are compared to and linked with the findings in the literature. The results indicate that transaction cost economics could be used to support decisions related to the selection of relationship type in facility services. When selecting a partner for a collaborative relationship, the perceived potential for long-term improvement as a result of joint learning processes is more important than the immediate financial benefits. In an adversarial approach, the most important criterion for selecting the service provider is often price.

Keywords: facility services, inter-organisational relationships, sourcing strategy, transaction cost economics