

SECURING AND MANAGING EXTERNAL RELATIONSHIPS: CHAPTER SUMMARY*

Global Text Project

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Abstract

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This chapter presents the basics necessary for developing relationships among organizations. These include the common types of external relationships, phases of relationship development, the building blocks of successful relationships, and the skills necessary for developing a variety of relationships. Several strategies for managing external relationships were presented that focus on the integration of the processes of multiple organizations to create “virtual suppliers” that benefit from rapid information exchange and just-in-time adjustment of sales forecasts and production capacities.

Managers must consider the many factors of each situation and design a unique relationship or set of relationships that enable the organization to accomplish its goals in the most efficient manner possible. Yet efficiency is not enough, as the needs for flexibility and quality assurance lead to ever more integrated networks of organizations, which require strategic perspectives for maximizing profitability. It is expected that every organization be involved in a variety of external relationships, where each relationship is justified according to cost and quality.

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