

## Canadian and U.S. Suppliers:

### How They Differ and Why that Matters

#### Background

On a theoretical level, researchers (e.g., Ghosal & Insead, 1996; Heide & John, 1990; Heide & Miner, 1992; Levinthal & Fichman, 1988) have attempted to identify the circumstances and actions which lead to the development and maintenance of close relationships between buying and selling firms. These researchers have identified several variables which have been shown to influence the development and maintenance of buyer-supplier relationships in a variety of situations. Among these variables, investments in assets on the part of the exchange partners which are tailored to the relationship (Heide & John, 1990), the mutual dependence of the firms upon each other (Frazier & Rody, 1991), and the partners' participation in joint projects (Kogut, 1988) have been shown to be consistent predictors of the quality of buyer and supplier relationships.

On an empirical level, research has established that Canadian suppliers may fall behind U.S. suppliers in several areas, including customer and supplier interfaces, warehousing, transportation, and materials planning (Brown, 1995; Byrne, 1993; Inglis, 1992). Other research has shown that Canadian products are not perceived highly by domestic and foreign consumers (Papadopoulos, Heslop, & Bamossy, 1994).

The goal of this research is to (1) determine whether a performance gap exists between Canadian suppliers and U.S. suppliers as perceived by their customers on both sides of the border, (2) assess the size of any technical or relationship performance gaps between Canadian and U.S. suppliers, and (3) recommend changes that may be implemented to reduce any gaps