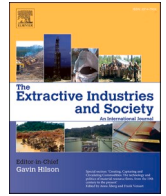




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Review article

## Redefining procurement paradigms: A critical review of buyer-supplier dynamics in the global petroleum and natural gas industry

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## ABSTRACT

This paper reviews critique of procurement approaches within the petroleum and natural gas sectors, whilst concurrently unveiling and scrutinizing the elements that amplify and shape the buyer-supplier interactions within this industry. The primary objective of this review is to redefine procurement paradigms in the global petroleum and natural gas industry by reassessing the dynamics between buyers and suppliers. The findings from our study reveal a noticeable gap in the literature concerning the fortification of buyer-supplier relationships in the petroleum and natural gas sector. While existing studies offer valuable insights into procurement trends, they significantly lack focus on strengthening these key relationships. This could be considered a limitation in the existing body of work, suggesting a need for targeted research in this area. The existence of certain strategies that have proven to enhance supplier partnerships offers a promising avenue for future research. The implications of these findings are twofold. First, organizations in the petroleum and natural gas industry may need to reevaluate their F to include a greater focus on buyer-supplier relationship management. Second, academic researchers may consider developing targeted studies that delve into the impacts of these relationships on procurement efficiency and organizational performance. The limitations of this study include the availability of industry-specific reports and the potential for subjectivity in interpreting qualitative data. Future research should aim to mitigate these limitations by employing a more diverse range of data sources and analytical techniques.

### 1. Introduction

Interactions with suppliers are a crucial component of Supply Chain Management (SCM), serving as a vital conduit for the acquisition of products and services and allowing an organization to meet its manufacturing and service providing requirements (Wang et al., 2004). To ensure the timely availability and appropriate placement of consumable goods and services, Supply Chain and procurement managers must strategize the input into the supply chain with ingenuity (Adjei, Ackah, & Society, 2023). The procurement process, which often involves considerable financial expenditures, demands effective strategies for supplier relationships. Depending on a variety of parameters, such as industry type and operating location, these techniques may demonstrate substantial variation. On the subject of strategic procurement and supplier partnerships, a vast body of literature exists, with the

car industry serving as an illustrative example. Initial study indicates a disproportionate focus on service companies within the field of Supply Chain studies. This paper aims to contribute to the academic discourse by examining the literature on supplier relationships, especially in the context of the oil and gas industry, in an effort to answer three key research questions:

What are the prevalent procurement techniques employed in upstream, midstream, and downstream sectors of the Oil and Gas industry?

i) This question narrows the focus to various stages of the oil and gas supply chain, making it clearer what the research aims to uncover.

What social, economic, and technological factors significantly influence buyer-supplier interactions in the oil and gas industry?

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ii) This question now specifies the types of factors (social, economic, technological) to be considered, offering a more targeted approach to gathering and analyzing data.

Which empirically validated methods demonstrate the potential to enhance buyer-supplier interaction efficiency in the Oil and Gas industry?

iii) This question specifies that methods should be empirically validated, adding a level of rigor to the findings. The term "interaction efficiency" further narrows the scope to a measurable outcome.

This paper has a four-part structure: the Introduction; Section 2, which provides a comprehensive background to procurement and explores the concepts and scope within which supplier relationships operate across industries; Section 3, which conducts a rigorous literature review in relation to the aforementioned research questions and establishes well-grounded answers; and Section 4, which provides a synthesis of the findings.

Following this introduction, Section 2 will provide an extensive overview of procurement, investigating into the dynamics of supplier relationships across various industries. Section 3 will deliver a thorough literature review on the procurement context, while Section 4 will consolidate the study's findings.

## 2. Literature review

A thorough literature study was conducted to give context for procurement. Searches were conducted using online databases, digital libraries, books, journals, conference papers, theses, PROQUEST, EMERALD, EBSCO, JSTOR, and Science Direct. This study reviewed the literature review in connection with definitions, historical views, background to procurement, numerous frameworks, theories, variables influencing procurement, and techniques for enhancing buyer-supplier interactions.

### 2.1. History of procurement

While there are numerous interpretations of procurement, a consistent theme is evident: at its core, procurement is a structured process. The essence of procurement underscores the importance of strategic foresight (Laequuddin et al., 2012). This foresight involves a sequence of steps that lead to the realization of procurement objectives (Gardenal, 2013). Moreover, the diverse participants and decision-makers within the procurement journey have a pivotal role in guaranteeing its efficiency and punctuality (van Weele, 2010). It's vital that the goods, services, and resources acquired align perfectly with their intended purpose (Al-Hakim et al., 2014).

Procurement is about securing high-quality goods or services at a favorable price from a reliable source to fulfill a specific requirement. If not managed properly, the procurement system can become convoluted. Various challenges, such as communication gaps, limited information exchange, trust issues, and subpar relationship handling, can obstruct this process (Rajkumar, 2001). Through technological or other innovative methods, procurement can become more streamlined, less daunting, and quicker (Edquist and Zabala-Iturriagoitia, 2012).

Embracing a strategic mindset can enhance the procurement journey, yielding better outcomes (Eriksson, 2008). Approaches to refine the procurement system can be categorized into technological and non-technological methods (Edquist and Zabala-Iturriagoitia, 2012). Technological methods require technical proficiency (Tassabehji and Moorhouse, 2008), increasingly recognized as crucial for optimizing procurement (Tassabehji and Moorhouse, 2008). Ensuring a supply chain's resilience to match demand with supply and preempting delays is a vital business approach (Guido et al., 2012). Preventing delays is

inherently linked to efficient time management (van Weele and van Raaij, 2014). Leveraging technology for data sharing fosters supply chain cohesion (SCI) and boosts procurement efficiency (Hsin Chang, Tsai and Hsu, 2013; van Weele and van Raaij, 2014). Technological interventions can vastly elevate the procurement cycle and associated processes (Rajkumar, 2001). Hence, technology can markedly uplift procurement outcomes and streamline the process (Wang, 2006; Gamal Aboelmaged, 2010; Al-Hakim et al., 2014).

At its essence, procurement is about determining what to buy, from whom, and the best timing for the purchase (Hsin Chang, Tsai and Hsu, 2013). This indicates that thorough planning is inherent to the procurement system (Laequuddin et al., 2012). In this context, planning pertains to the actions undertaken during the procurement cycle that lead to fulfilling procurement aims (Gardenal, 2013). In the same vein, the various actors and decision-makers in the procurement ecosystem are instrumental to its success and timeliness (Weele, 2010). The items, services, and materials acquired should resonate with their designated function (Al-Hakim et al., 2014). The interplay between buyers and suppliers is thus pivotal. A disorganized approach and unstable relationships can potentially derail procurement objectives and, by extension, the organization's ongoing operations. The relationship dynamics between the purchaser and vendor, alongside the strategies employed, further shape the concept of procurement, which is explored further in the subsequent section.

### 2.2. The concept of acquisition

Procurement encompasses the range of activities designed to facilitate the transfer of a product from its origin to its ultimate point of use (Nicoletti, 2013). Since procurement constitutes a significant financial outlay for any entity, it's crucial to consistently enhance the procurement divisions, especially in intensely competitive sectors like the oil and gas industry (Brandmeier and Rupp, 2010).

Procurement stands as an essential cornerstone within organizational frameworks and assumes a central role within managerial groups. These groups are tasked with obtaining the required assets from external vendors to support internal processes (Pereira, Christopher and Da Silva, 2014). But procurement isn't just about managing resources and vendors; it also involves aligning an organization's in-house demands with external provisions, ensuring the organization's objectives are met. This alignment is fortified through collaborative efforts between the

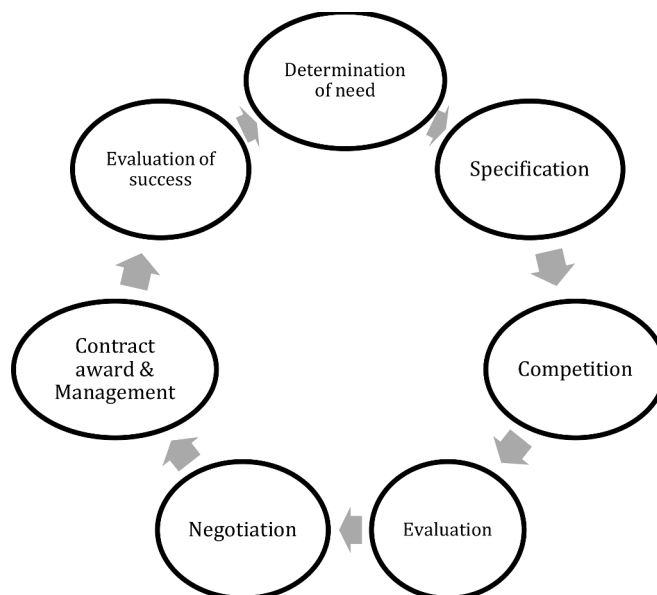


Fig. 1. Procurement process (Adapted from Raymond, 2008).

procurement sector and other internal departments, fostering efficient organizational decision-making (Roberta Pereira et al., 2014). Fig. 1 presents the key stages involved in the procurement cycle.

Fig. 1 underscores the salient point that the procurement process can only be deemed successful once the evaluation phase is finalized. It also hints at multiple interactions between the buyer and vendor before the procurement cycle reaches its fruitful conclusion. However, the success of the entire process hinges on the judicious choice of a vendor and an exhaustive assessment of their performance during the delivery phase (de Arajo et al., 2017). Hence, it's imperative for leadership roles to lay significant stress on these two pivotal stages: choosing the supplier and evaluating their performance. Both elements are instrumental in the smooth running of the procurement process (White, 2017). By adhering to guiding tenets, managers and institutions can arm themselves with vital tools for vendor selection and appraisal (Kumar et al., 2015; Hunsaker, 2009; Hanák and Muchová, 2015; Raymond, 2008; Albano et al., 2017). These tenets, encompassing value for money (VfM), ethical considerations, transparency, responsibility, and competition, can refine the procurement cycle, amplifying organizational productivity.

Value for Money (VfM), perceived as harmonizing output efficacy with resource utilization, holds paramount importance for public bodies (Kumar et al., 2015). VfM strikes an optimal equilibrium of quality, quantity, expense, and attributes over a project's duration (Kumar et al., 2015). Though there isn't a universally agreed-upon definition, this concept typically alludes to an administration's evaluation of the most favorable mix of quantity, quality, attributes, and expense projected over a project's tenure. Ethical considerations can significantly influence VfM, and they hold paramount importance in public procurement contexts. Particularly in public entities, those in procurement must be conversant with the legal contours governing their profession (Hunsaker, 2009). Transparency, intertwined with ethics, stands as a hallmark of procurement, epitomizing complete clarity.

Such transparency begets accountability, thereby curbing illicit practices (Raymond, 2008). In a governmental backdrop, transparency ensures unwavering compliance with ethical standards, rendering the procurement procedure open to scrutiny (Raymond, 2008). This engenders superior services by encouraging organizational accountability, be it in enterprises answerable to their investors or in public agencies responsible to their citizens (Raymond, 2008). The principle of competition presides over most purchases of goods and services (Raymond, 2008). Often, the identification of proficient and adept suppliers is rooted in a transparent procurement mechanism (Albano et al., 2017). Effective utilization of public assets typically pairs with a well-orchestrated bidding process leading to competitive bid quotations (Hanák and Muchová, 2015). This notion can also be employed by private enterprises in their vendor selection for goods and services. Throughout the procurement phase, enterprises must craft and uphold a robust and effective procurement strategy. A distinction should exist between administrative procurement, like office provisions and support staff, and strategic procurement targeting the institution's broader goals, which might involve procuring vital services and operational staff. Besides clear articulation, an enterprise's procurement blueprint should offer comprehensive insights into how effective procurement aligns with the institution's aspirations. This procurement blueprint should demarcate the approach needed for diverse products and services and disclose the institution's perceived market value for these procurements (DFID, 2011). Four strategies can elevate procurement design and management: refining contracts, amplifying international commerce, nurturing closer relationships, and forging strategic partnerships (Virolainen, 1998). Alongside rapport building, quality assurance, and operational excellence (Sánchez-Rodríguez and Martínez-Lorente, 2004), supply chain integration, vendor adaptability (Wang, 2006), and overarching strategies (Sporrong and Bröchner, 2009), both relationship governance and strategic planning emerge as pivotal for procurement enhancement (Caplice and Sheffi, 2003). Furthermore, recurring non-technological tactics such as relationship governance, performance

augmentation, integration oversight, and bolstered collaboration are prevalent, alongside networking, partnership sourcing, enduring stakeholder rapport (Lawson et al., 2009), trust-building methodologies (Laequuddin et al., 2012), innovation strategies (Lember et al., 2013), collaboration principles (Allal-Chérif and Maira, 2011), and sustainable practices (Lindgreen et al., 2009).

### 2.3. Acquisitions in industries

The service industry report on the procurement research but less reporting in the manufacturing and oil and gas business by Al-Hakim et al. (2014); Tassabehji and Moorhouse (2008); Lawson et al. (2009) in the UK, Sánchez-Rodríguez and Martínez-Lorente (2004); Tai et al. (2010); Dahwa et al. (2013); Existing literature in the oil and gas industry focuses on retailing, supply-chain agility, development in oil and gas, financing and market challenges in oil and gas, but there is nothing on techniques for strengthening oil and gas procurement supplier relationships. Strategies may be sector-specific (Cox, 1996; Edquist and Zabala-Iturriagoitia, 2012; Gardenal, 2013); Table 1 illustrates the disparities in the oil and gas business.

Table 1 illustrates that procurement in the service industry is better-researched than in the oil and gas industry.

#### 2.3.1. Procurement within manufacturing industry

In the industrial domain, procurement stands as a linchpin, with data suggesting that businesses allocate 50 – 75 percent of their total revenue towards the acquisition of goods and services (Lindgreen et al., 2013). During the latter years of the 20th century, the relevance of procurement and supply management became increasingly linked with strategic elements in industrial entities - encompassing risk, value, and cost oversight. This insight led to a sharpened emphasis on curtailing costs and elevating quality, fostering competitive advantage (Lindgreen et al., 2013). The procurement journey within manufacturing entities can manifest diverse models, contingent on the myriad challenges these corporations confront. Three distinct procurement scenarios have been delineated, each demanding its own decision-making blueprint and action course, profoundly impacting both the purchasing entity and its vendor base. The categories are demarcated as:

**Table 1**  
Comparison of procurement research in different industries.

Authors	Manufacturing industry	Service industry	Oil & gas industry
Al-Hakim et al. (2014)		✓	
Caplice and Sheffi (2003)		✓	
Virolainen (1998)		✓	
Tassabehji and Moorhouse (2008)		✓	
Carr and Smeltzer (2000)	✓	✓	
(Gamal Aboelmaged (2010)		✓	
Lawson et al. (2009)		✓	
Hsin Chang et al. (2013)		✓	
Laequuddin et al. (2012)		✓	
Lember et al. (2013)		✓	
Sánchez-Rodríguez and Martínez-Lorente (2004)		✓	
Rajkumar (2001)		✓	
Wang (2006)	✓		
Tai et al. (2010)		✓	
Dahwa et al. (2013)		✓	
Sporrong and Bröchner (2009)		✓	
Lindgreen et al. (2009)		✓	
Caldwell et al. (2005)		✓	
Kumar and Markeset (2007)			✓
Allal-Chérif and Maira (2011)		✓	
Aschhoff and Sofka (2009)		✓	
Olsen et al. (2005)			✓

- Straight Rebuy involves the automated, routine procurement of familiar goods from established vendors. This approach is manpower-light, forgoes scouting for new suppliers, and necessitates minimal informational inputs (Leonidou, 2005).
- Modified Rebuy: This procurement modality warrants a heftier investment of time, resources, and personnel involvement. It might also entail exploring fresh vendors due to dissatisfaction with current ones or issues with procured goods or services (Leonidou, 2005).
- New Task Rebuy: Arguably the most intricate procurement mode, it encompasses the procurement of goods or services previously alien to the firm. It demands exhaustive data collection, augmented staffing, extended timeframes, and the evaluation of a plethora of potential vendors (Leonidou, 2005).

The procurement decision-making milieu in industrial firms is influenced by a plethora of elements. These encompass factors like vendor trustworthiness, vendor flexibility, cross-departmental dialogue, executive leadership backing, buyer price consciousness, and habitual procurement practices (Sinčić Ćorić et al., 2017). When assessing prospective goods and service vendors, four primary dimensions surface: vendor attributes (trustworthiness and adaptability), product dimensions (cost-effectiveness), personnel traits (support from senior management and open communication), and procurement circumstances (routine procurements).

### 2.3.2. Purchasing within the service sector

In the 1990s, as the services sector burgeoned and there was a growing trend towards outsourcing services, the spotlight shifted to service procurement. This global upsurge in sourcing services drew increased attention to the international acquisition of services within this domain (Kotabe and Murray, 2004; Roodhooft and Van den Abbeele, 2006). The service industry, encompassing consulting realms, is vast, roping in professionals like attorneys, business consultants, IT experts, marketing firms, designers, and medical consultants (Edwards, 1990; Roodhooft and Van den Abbeele, 2006). The intrinsic nature of these services can make their precise representation or evaluation challenging before purchase, and monitoring them can be intricate. Classic procurement methods, tailored for tangible goods, might falter when applied to service acquisition. Purchasing services can be more convoluted than tangible goods, leading to heightened buyer apprehension and necessitating mitigative measures (Roodhooft and Van den Abbeele, 2006; Wynstra et al., 2017).

Distinct facets of service procurement include the simultaneous creation and utilization of services, necessitating the direct involvement of both the service provider and the customer; and the interplay between them. It's pivotal that the methodology for service acquisition emphasizes active engagement (Roodhooft and Van den Abbeele, 2006).

In the oil and gas domain, there's a burgeoning trend of product and service outsourcing (Sepehri, 2013). Yet, literature on procurement in this sector remains sparse. For oil and gas entities, cherry-picking service providers and vendors through competitive tenders is paramount (Sepehri, 2013; Wood, 2016). It's essential to make judicious supplier choices and articulate the rationale behind preferring one over the others. Procurement contracts for expansive infrastructural projects can involve significant funds, compelling stakeholders to opt for the cream of the crop in suppliers, contractors, and service providers (Wood, 2016).

Broadly, the process to select suppliers for expansive engineering, procurement, and construction (EPC) contracts is intricate and multifaceted, weighing both the bid amount and other delineated parameters to gauge supplier aptness (Wood, 2016). As oil and gas entities progressively delegate their project functions and source more externally, adept procurement process guidance becomes indispensable (Sepehri, 2013). Contracts and stewardship frameworks are quintessential for managing intricate, multi-entity procurements (Olsen et al., 2005).

Olsen et al. (2005) postulated a schema merging incentives, policy

guidance, and trust to refine the procurement landscape in Norway's oil and gas sector. Their research deduced that adeptly harnessing trust, incentives, and governance in Norway's oil and gas arena could bolster procurement practices. Conversely, inept practices could stymie other potential methodologies, thus impeding the procurement trajectory (Olsen et al., 2005).

There's a pressing need to pinpoint and gauge disparities between demanded and furnished services and to continually reexamine the determinants or tactics of service strategy (Kumar and Markeset, 2007). A Norwegian study underscored performance-driven services, cost determinants, and pivotal success indicators as cardinal elements for optimizing procurement dynamics and outcomes (Kumar and Markeset, 2007). Beyond trust, incentives, and governance (Olsen et al., 2005), methodologies to amplify procurement encapsulate performance-oriented cost and service catalysts (Kumar and Markeset, 2007). Several theoretical frameworks like the Principal Agent Theory (PAT), Resources-Based View (RBV), Dynamic Capabilities Approach (DCA), Network Theory (NT), Resource Dependence Theory (EDT), and Industrial Organisational Theory (IOT) have found their way into supply chain research (Chicksand et al. 2012; Shook, 2009). Employing an array of these theoretical lenses can prove advantageous (Defee and Fugate, 2010). Such theories can help pinpoint pivotal stakeholders and foundational attributes for the durability and structural integrity of supplier relationships (Fabian, 2000). These frameworks can deepen the understanding of supplier dynamics in the procurement journey (Fabian, 2000).

The primary objective of this research is to redefine procurement paradigms by scrutinizing the dynamics between buyers and suppliers in the global petroleum and natural gas industry. Specifically, the study aims to answer the question, "How can procurement paradigms be redefined to enhance buyer-supplier interaction efficiency in the Oil and Gas industry?" Data for this research were collected from multiple sources, including peer-reviewed academic journals focused on procurement and supply chain management in the petroleum and natural gas sectors, industry reports from credible organizations, and real-world case studies. A stratified random sampling technique was employed to select these sources. Academic journals were chosen based on their impact factor, while industry reports were selected for their credibility and relevance. Case studies were chosen to represent a diverse range of buyer-supplier relationships, from successful to problematic. The collected data were analyzed using a multi-faceted approach. Initially, a content analysis was performed to categorize the literature and reports thematically, identifying common patterns and insights. This was followed by a comparative analysis that cross-compared the findings from different sources to validate or challenge existing paradigms. Statistical analyses, including regression analyses and hypothesis testing, were conducted where applicable. However, the study has certain limitations, including the availability and accessibility of industry-specific reports, the representativeness of the sample size due to the specialized nature of the topic, and the potential for subjectivity in the interpretation of qualitative data.

### 2.3.3. Principal agent concept

The Principal Agent Theory (PAT) offers a distinctive perspective for delving into the intricacies of the procurement framework and its foundational tenets. PAT has found applications spanning fields like economics, accounting, marketing, and various other social disciplines (Eisenhardt, 1989; Yukins, 2010). The theory springs from the foundational principles of agency theory, which predominantly zeroes in on the broad agency relationship where one entity, termed the "Principal," delegates tasks to another, known as the "Agent," for execution. Within the confines of agency theory, a contract symbolizes the bond between the principal and the agent. PAT finds relevance in contexts like procurement (encompassing buyer-supplier dynamics) and other analogous agency relationships, for instance, the bonds between lawyers and their clients or employers and their employees (Eisenhardt, 1989). At its core,

the theory seeks to pinpoint the quintessential contract while deciphering the behavioral patterns and resultant outcomes in the principal-agent dynamic. This theoretical framework can be superimposed on the exchanges and interconnections between organizations and their vendor base during the procurement cycle.

As previously delineated, PAT predicates that the agent undertakes tasks at the behest of the principal, which inherently implies bestowing a certain measure of decision-making prowess upon the agent. A nuanced challenge embedded within this paradigm is the occasional misalignment between the decisions made by agents and those that would best serve the principal’s interests. This misalignment often stems from agents prioritizing their personal agendas over the principal’s when charting decision-making pathways. This suggests that if an agent is tasked with an activity that solely accrues benefits to the principal (sans discernible perks for the agent), there’s a likelihood of the agent dialing down their effort rather than amplifying it (Soudry, 2006). Within the procurement landscape, the principal-agent model can be harnessed to enforce accountability upon both vendors and personnel ensconced in procurement activities, be it for corporate or public sector entities. It behooves the principals to ensure that agents (in this context, suppliers) roped in for delivering goods or services have a crystalline understanding of objectives that resonate with the organizational imperatives. Additionally, principals should endeavor to ensure that pivotal decisions about the provisioning of goods and services also dovetail with the agent’s overarching interests.

Agency theory equips entities with pivotal insights for gauging the risk landscape and character of procurement contracts. While it acknowledges potential pitfalls, it also posits that information stands as a tradable commodity. However, this approach leans more towards organizational efficacy rather than shedding light on the buyer-supplier dynamic and its bearings on procurement. This shortcoming underscores the need for a deeper dive into theories like network theory.

### 3. Rationale for choice of theories

The interconnectedness of various theories such as Principal-Agent Theory (PAT), Resource-Based View (RBV), Dynamic Capabilities Approach (DCA), Network Theory (NT), Resource Dependence Theory (RDT), and Industrial Organizational Theory (IOT) offers a multidimensional framework for understanding procurement in the oil and gas sector. For instance, PAT focuses on the optimization of contracts between buyers and suppliers, providing a framework for formal agreements and obligation management. On the other hand, RBV contributes to the decision-making process by identifying the unique resources or capabilities that make a supplier an optimal choice. Together, PAT and RBV can offer a balanced perspective on both the contractual and resource-based aspects of supplier relationships. Similarly, DCA provides insights into how procurement strategies adapt to external changes like market volatility or new technologies. Network Theory complements this by focusing on the relational aspects between suppliers and buyers, including the dependencies and trust that could affect, or be affected by, changes in procurement strategies. Therefore, combining DCA with Network Theory enables a nuanced understanding of how procurement practices are both adaptive and relationally driven. Furthermore, Resource Dependence Theory highlights the power dynamics and dependencies that exist between suppliers and buyers, which can influence procurement choices and negotiations. Industrial Organizational Theory provides a broader context, elucidating the market structures, competition levels, and other external factors that influence these dynamics. Together, RDT and IOT can offer a comprehensive backdrop for understanding the intricacies of decision-making in procurement activities. In the specific context of the oil and gas sector, these theories can be applied in various ways. For example, PAT can be used to delve into the contractual aspects, while Network Theory might offer insights into the development of trust and governance within the supplier network. RBV could identify unique resources that suppliers

might possess, while RDT could help elucidate the dynamics of resource dependencies. Finally, the adaptability of procurement practices in response to changes in the market and technology could be examined through DCA, while IOT could provide a broader view of the competitive landscape influencing these changes. Therefore, the multifaceted application of these theories can provide a holistic understanding of procurement complexities in the oil and gas industry.

The rationale for the selection of these theories is substantiated as follows in Table 2:

#### 3.1. Network science

Network theory champions the enhancement of organizational efficacy through fostering trust and collaboration (Chicksand et al., 2012). When critically examining the supplier relationships in the oil and gas sector, the network model/theory, frequently discussed in academic literature pertaining to Supply Chain Management (SCM), becomes pivotal. Conceptually, a network is an assembly of entities, whether they be individuals, objects, or events, often termed as actors or nodes (Harland, 1996). Furthermore, a network is a blend of nodes and ties, with the dyad serving as the foundational overlap of these components. A dyad consists of a buyer and a supplier, interconnected by their mutual relationship (Choi and Wu, 2009). Contemporary insights in SCM have unveiled the ‘triad’, the most rudimentary network component. While SCM traditionally zeroes in on dyadic buyer-supplier interactions, a triad encompasses three nodes and their respective ties (Choi and Wu, 2009). This structure is depicted in Fig. 2.

In the realm of industry, procurement holds paramount importance, with projections suggesting that companies allocate 50 – 75 percent of their income towards acquiring goods and services (Lindgreen et al., 2013). In the latter segments of the 20th century, the significance of procurement and its allied supply management escalated, dovetailing with the strategic facets of industrial entities, like risk management, value creation, and cost containment. This awakening spurred an intensified emphasis on trimming costs and amplifying quality, laying the foundation for robust competitiveness (Lindgreen et al., 2013). The procurement trajectory within industrial entities can take myriad shapes, contingent on the diverse challenges these firms grapple with. Three distinct procurement scenarios have been delineated, each demanding its unique decision-making blueprint and operational approach, profoundly influencing both the purchasing enterprise and its vendor base. The categories are:

- Straight Rebuy: This is the automated procurement of familiar items from seasoned vendors. It demands minimal manpower, sidesteps the need for scouting alternative suppliers, and requires limited informational inputs (Leonidou, 2005).

**Table 2**  
Rationale for the selection of these theories.

Theoretical framework	Importance
Principal-Agent Theory (PAT)	Essential for studying asymmetric information and agency problems in procurement practices
Resource-Based View (RBV)	Useful for understanding how resources at the disposal of suppliers and buyers can create a competitive advantage.
Dynamic Capabilities Approach (DCA)	Helps in comprehending how organizations adapt their procurement strategies in response to external changes, such as market volatility or regulatory shifts
Network Theory (NT)	Provides a lens for examining the relationships, trust, and dependencies between suppliers and buyers.
Resource Dependence Theory (RDT)	Focuses on how the interdependencies between organizations (buyers and suppliers) affect procurement processes.
Industrial Organizational Theory (IOT)	Useful for analyzing the structural factors that influence procurement activities, like market competition and barriers to entry.

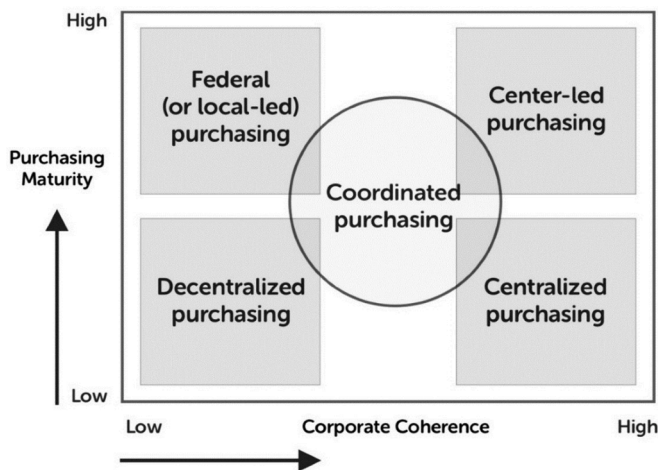


Fig. 2. Procurement strategies (Rozemeijer et al., 2003).

- **Modified Rebuy:** A more labor-intensive procurement strategy, it might necessitate the exploration of new vendors due to dissatisfaction with current ones or issues with procured offerings (Leonidou, 2005).
- **New Task Rebuy:** Arguably the most intricate procurement mode, it revolves around the sourcing of offerings previously unfamiliar to the firm, necessitating exhaustive research, enhanced staffing, prolonged timelines, and the scrutiny of an array of potential vendors (Leonidou, 2005).

The decision-making ambience in industrial corporations pertaining to procurement is influenced by a gamut of determinants. These span aspects like vendor trustworthiness, vendor adaptability, inter-departmental synergy, top-tier management backing, price-consciousness of the buyer, and standard procurement practices (Sinčić Čorić et al., 2017). When vetting potential product and service vendors, four cornerstone dimensions surface: vendor attributes (like trustworthiness and versatility), product facets (such as cost-effectiveness), personnel traits (like leadership endorsement and transparent communication), and procurement circumstances (like habitual purchases).

### 3.2. Purchasing within the service sector

In the 1990s, with the rise of the services industry and a rising inclination for service outsourcing, service procurement grew to prominence. This global expansion in service procurement resulted in a heightened awareness of the foreign sourcing of services within the service sector (Kotabe and Murray, 2004; Roodhooft and Van den Abbeele, 2006). The service industry, which includes consulting services, is a huge sector that consists of lawyers, management consultants, information technology (IT) professionals, advertising agencies, architects, and healthcare consultants (Edvardsson, 1990; Roodhooft and Van den Abbeele, 2006). Due to the inherent qualities of these services, it may be difficult for the provider to accurately describe or assess them prior to procurement, and exercising control may provide issues. Traditional procurement procedures, which are based on the purchase of physical items, may be difficult to adapt to the acquisition of services. The purchase of services may be more complex and difficult than the purchase of goods; buyer uncertainty may grow and additional steps to alleviate this concern may be necessary (Roodhooft and Van den Abbeele, 2006; Wynstra et al., 2017).

The concurrent production and consumption of services, requiring the direct participation of the supplier (service provider) and client (representative of the procuring organization); and the interaction between the buyer and supplier, including the buyer's direct participation

in the production process, are unique aspects of service procurement that must be taken into account. It is crucial that the approach for acquiring a service be characterised by high levels of participation (Roodhooft and Van den Abbeele, 2006).

In the oil and gas industry, the rate of outsourcing of products and services has been on the rise (Sepehri, 2013). Despite this, the procurement literature in this area remains limited. Crucial for oil and gas organisations is the selection of service providers and suppliers via competitive bidding processes (Sepehri, 2013; Wood, 2016). It is crucial to make optimal judgements in the selection of suppliers and to offer clear explanations for why a certain supplier was picked above others. Contracts for the procurement of products and services for big facilities projects may have a high monetary value; thus, decision-makers and investors must often choose the most qualified suppliers, contractors, and service providers (Wood, 2016).

Generally, the supplier selection process for large engineering, procurement, and construction (EPC) contracts is multidimensional and multifarious, including bid price and other specified criteria to provide an informed assessment of supplier suitability (Wood, 2016). As oil and gas companies increasingly outsource their project operations and acquire more items and services from external suppliers, support with procurement process management becomes vital (Sepehri, 2013). Contracts and governance mechanisms are necessary for handling multi-party complicated procurements (Olsen et al., 2005).

Olsen et al. (2005) proposed a framework that combines incentives, authority (policy), and confidence to enhance the procurement process in the Norwegian oil and gas industry. According to the findings of their research, the proper use of mechanisms such as trust, incentives, and regulation in the Norwegian oil and gas sector will improve the use of other mechanisms and the procurement process as a whole. Inversely, poor utilization may restrict the use of other approaches, hence slowing the procurement process (Olsen et al., 2005).

Exists a requirement for detecting and quantifying gaps between requested and delivered services, as well as for continuous reevaluation of the influencing aspects or strategies of service strategy (Kumar and Markeset, 2007). A Norwegian case study emphasised performance-based service, cost drivers, and essential success factor characteristics as crucial factors for enhancing procurement process and performance (Kumar and Markeset, 2007). In addition to addressing trust, incentives, and policy (Olsen et al., 2005), measures for boosting procurement include performance-based cost and service drivers (Kumar and Markeset, 2007). Principal Agent Theory (PAT), Resources-Based View (RBV), Dynamic Capabilities Approach (DCA), Network Theory (NT), Resource Dependence Theory (EDT), and Industrial Organisational Theory (IOT) have all been used in supply chain management studies (Chicksand et al. 2012; Shook, 2009). Applying diverse conceptual frameworks or concepts may be beneficial (Defee and Fugate, 2010). These ideas may be utilised to identify key stakeholders and general characteristics for supplier relationships' robustness and structural stability (Fabian, 2000). These ideas may facilitate comprehension of the supplier relationship in the procurement process (Fabian, 2000).

## 4. Procurement strategies and supplier relationships

This section addresses the three RQs from literature. It starts by discussing what procurement strategy is, its importance and types.

### 4.1. Procurement strategies in oil and gas

*RQ1; what types of procurement strategies are used in the Oil and Gas industry?*

A procurement strategy encapsulates the array of decisions related to the acquisition of essential goods and services that support operations, aligning with the overarching competitive strategy of the organization (Watts et al., 1995). Before embarking on significant procurement

activities, this strategy acts as a foundational blueprint, needing to be meticulously crafted and adhered to (Lester, 2017; Ateş et al., 2018). Such strategies are instrumental in shaping an organization’s holistic procurement approach, influencing all involved parties and phases of the procurement journey (Watts et al., 1995). The facets of a procurement strategy can span various domains: the goals and specifications of the procured items or services, the optimal count of suppliers to be solicited for bids, risk assessments related to the acquisition, and the contractual modalities tailored for the suppliers (Lester, 2017). Crafting a cohesive procurement strategy can pose challenges, leading organizations to adopt a myriad of approaches, each tailored to distinct procurement processes and supplier dynamics (Bildsten, 2015; Ateş et al., 2018). Multiple procurement methodologies might be employed throughout the procurement journey (Bildsten, 2015; Ateş et al., 2018).

Different acquisition modalities necessitate varied procurement strategies, buttressed by specialized processes and resources (Kraljic, 1983). Based on their procurement maturity, organizations might gravitate towards diverse procurement methodologies. In the procurement sphere, maturity signifies the sophistication level embedded within the purchasing operations (Rozemeijer et al., 2003). An organization’s procurement maturity sheds light on the extent to which the procurement function is intricately woven into strategic decision-making and the underlying procurement strategy (Pearson and Gritzmacher, 1990; Rozemeijer et al., 2003). Rozemeijer and colleagues (2003) put forth a matrix delineating five prominent organizational procurement methodologies. These procurement strategies were plotted on a matrix showcasing their alignment with high or low organizational coherence and procurement maturity. Here, organizational coherence signifies the degree to which various departments within an entity are orchestrated or function harmoniously (Rozemeijer et al., 2003). However, the nature of purchasing might steer these functions, which could be demarcated by procurement maturity (either high or low) and organizational coherence (ranging from low to high), as represented in Fig. 2.

While Rozemeijer et al. (2003) proposed the purchasing categories outlined in Fig. 3, procurement is frequently distinguished as either centralized or decentralized, as described by Gelderman and Semeijn (2006). In a centralized approach, the organization’s headquarters or regional hubs dictate purchasing decisions, with senior management determining both the suppliers and the goods or services to be procured (Dubois and Pedersen, 2002). Conversely, decentralization allows for the diffusion of the procurement function and decision-making across an organization’s various branches or units (Medeiros and Ferreira, 2018). Centre-led purchasing, however, strikes a balance between the two: while strategic decisions are centralized, the operational tasks related to procurement are executed in a dispersed manner (Boehmke et al., 2017).

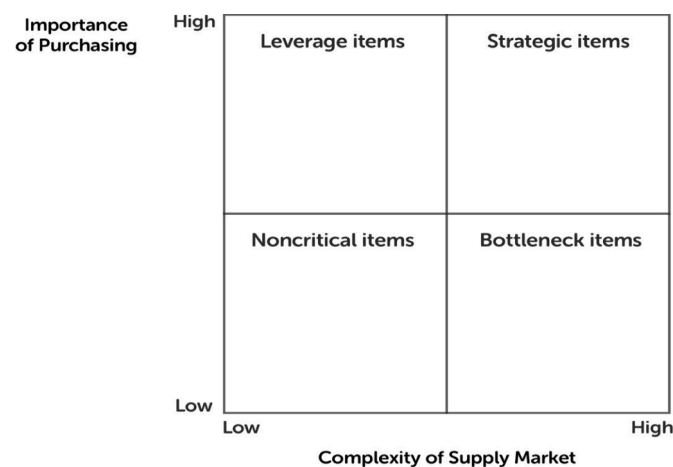


Fig. 3. Classification of procured item (Kraljic, 1983).

Centre-led procurement is often favored as it sidesteps the pitfalls inherent in purely centralized, decentralized, and federally-led systems that might inhibit the realization of full value. Centralized procurement can compromise the efficiency of certain supplier markets and consumption patterns, potentially resulting in suboptimal purchasing decisions at the branch level and diminished stakeholder satisfaction (Boehmke et al., 2017). The decentralized model, on the other hand, restricts companies from leveraging their aggregate spending power, aligning purchases with strategic objectives, and its constrained information flow can culminate in uneven performance (Knight et al., 2014).

Lee and Drake (2010) introduced a portfolio model crafted to devise procurement strategies, grounded in Kraljic’s matrix. This portfolio approach was piloted by two small to medium enterprises (SMEs) in South Korea. Their research underscored the pivotal role of strategic procurement in bolstering organizations’ competitive edge and emphasized the imperative of intertwining strategic procurement with a firm’s overarching business strategy (Lee and Drake, 2010). A misalignment between the procurement structure and strategy can hamper an organization’s procurement outcomes, underscoring the need for innovation and cost-effective purchasing paradigms. Such a disconnect adversely affects the innovative and cost-effective procurement practices of an organization. As per the findings of the study, alignment with the procurement strategy - rather than the procurement structure itself - emerges as a decisive predictor of success (Ateş et al., 2018). The salience of tailoring procurement structures to resonate with distinct procurement strategies should not be overlooked by organizational leaders.

4.1.1. Classification of acquired merchandise

Kraljic’s matrix is a seminal framework in procurement strategy, which aids organizations in classifying their purchased goods based on two dimensions: supply risk and profit impact. Supply risk pertains to the volatility or unpredictability of the supply market. Factors contributing to supply risk encompass the number of available suppliers, the uniqueness of the goods or services, potential substitutes, storage risks, and competitive demand dynamics. In essence, it measures the level of vulnerability an organization might face in the supply market. Lee and Drake further refined the understanding of supply risk by emphasizing the significance of supplier size and the presence of monopolistic conditions in the market (Lee and Drake, 2010). Profit impact, on the other hand, gauges the significance of the purchased items to the profitability of the organization. It takes into account factors like the volume of items purchased, the impact of the purchase on competitive positioning or product quality, and the proportion of total costs associated with the procured items. Kraljic’s matrix classifies items into four distinct quadrants based on their respective supply risk and profit impact (illustrated in Fig. 3):

**Strategic Items:** These have both high profit impact and high supply risk. They are critical to the organization’s operations, and there might be supply market complexities. The recommended strategy here is to form close, long-term relationships with suppliers and even consider strategies like vertical integration.

**Leverage Items:** These have a high profit impact but low supply risk. Organizations usually have the power in negotiations for these items. The strategy usually revolves around leveraging that purchasing power to secure favorable terms.

**Bottleneck Items:** These have a low profit impact but high supply risk. The goods might not be critical in terms of value, but their limited availability can pose challenges. Organizations might consider stockpiling or seeking alternative sources to mitigate risks.

**Non-Critical Items:** With both low profit impact and low supply risk, these items don’t require as much focused strategic effort. The primary strategy for these items is typically operational efficiency.

By classifying items into these quadrants, organizations can tailor their procurement strategies to manage their supplier relationships optimally. This matrix not only aids in understanding the current

dynamics but also offers insights into how power dynamics between buyer and supplier might evolve, allowing for proactive strategy adjustments (Kraljic, 1983; Caniëls and Gelderman, 2007; Lee and Drake, 2010).

As illustrated in Fig. 3, leverage items and strategic things are categorised based on the significance of buying, while noncritical and bottleneck products are categorised based on the supply market complexity.

#### 4.1.2. Classification of oil and gas items

Leveraged products typically have a strong impact on profits while posing minimal supply risks. Acquiring these items is straightforward, and they hold significant strategic value. Multiple suppliers often offer them, giving buyers the upper hand in their relationships with suppliers. This approach aligns well with competitive bidding practices. The aim here is to amplify purchasing leverage, carefully choose suppliers, drive price negotiations, and consider alternative products. In this context, the balance of dependence between buyers and suppliers falls between strategic and bottleneck categories, leading to buyers having a dominant role. Strategically vital items carry both a significant profit influence and a pronounced supply hazard. Acquiring these pivotal items is crucial for organizational success, necessitating focused involvement from the procurement department and fostering close ties with suppliers. Often, there's a reliance on a singular supplier, introducing heightened risk. Organizations prioritize forging robust relationships with their suppliers to counteract these risks. This involves strategic alliances, backup plans, routine risk evaluations, and fostering enduring supplier partnerships. Within this category, the dynamic between buyers and sellers is defined by mutual dependence and shared influence. Items classified as non-critical have a minimal bearing on profit and present limited supply threats. The procurement of these items is relatively hassle-free, both financially and technically. However, the frequent acquisitions from multiple suppliers can lead to substantial administrative and logistical expenses. The strategy here is to curtail transactional costs through measures like process optimization, standardization, and inventory management. The power dynamics in this category are fairly distributed due to the moderate interdependence between buyers and sellers. Bottleneck items, on the other hand, come with a subdued profit influence but a pronounced supply challenge. Acquiring these items is intricate given their non-strategic nature. The potential dominance of suppliers in their interactions with buyers renders the procurement of these items complex and risky. The strategy emphasizes ensuring ample stock (sometimes even overstocking), exploring alternative supplier options, and devising contingency plans. Here, the interdependence between buyers and suppliers is minimal, often leading to suppliers having the upper hand.

#### 4.2. Supplier relations in purchasing

What variables impact buyer-supplier interactions in the Oil and Gas industry?

Proactively overseeing supplier relationships and the overall supply base is pivotal for organizations. Effective management of these relationships demands the incorporation of organizational norms and processes to streamline the supplier base, as highlighted by Forkmann et al. (2016). At the heart of sustainable collaboration between clients and suppliers lies the pursuit of shared goals. Numerous studies emphasize an array of techniques that businesses can employ to nurture inter-organizational bonds, especially in procurement, bridging the gap between the buyer and supplier. Wang et al. (2016) detail these techniques, encompassing emotional, psychological, economic, and tangible facets that fortify ties between trade partners.

Transitioning from operational buying to strategic supply management can ensure a constant supply of critical resources at competitive prices (Kraljic, 1983). Kraljic underscores the role of supply management in procurement, especially when securing critical items under

intricate conditions becomes a necessity. This holds particular relevance in sectors like the oil and gas industry, where global supply chains encompass a myriad of facets, including transportation, IT, inventory management, and more.

##### 4.2.1. Delineation of suppliers

Suppliers form the backbone of the procurement process. Recognizing and nurturing the right suppliers can propel a company's competitive edge. A contemporary trend in the oil and gas sector is the streamlining of the supplier base, eliminating those misaligned with the company's vision. According to Kraljic's model, strategic supplier management is gradually overshadowing the traditional buying role (Kraljic, 1983; Sepehri, 2013). Building upon Kraljic's model, Sepehri (2013) proposed a supplier management framework tailored for project-centric organizations. This framework classifies suppliers into Tier A and Tier B, with the former being integral, representing a significant value but a smaller number.

##### 4.2.2. Factors shaping supplier relationships

Numerous studies within the SCM domain emphasize the tenets of trust and long-term commitment as cornerstones of fruitful buyer-supplier relations. To achieve meaningful insights, understanding the dynamics between buyers and suppliers in the oil and gas domain, and the elements influencing these relations, becomes paramount. Despite the criticality of dependence and power dynamics in understanding buyer-supplier interactions, empirical studies in this area remain scant (Caniëls and Gelderman, 2007). Kraljic's portfolio model, rooted in power and dependence dynamics, offers a promising approach to managing supplier relationships.

**4.2.2.1. Market analysis.** In market evaluations, an enterprise juxtaposes its buying strength against the selling prowess of its suppliers (Tangpong et al., 2015). Thorough market assessments allow businesses to gauge supplier strengths and the availability of critical items. Kraljic's strategies (1983) can guide these activities, shedding light on the strategic placement of items within an organization.

**4.2.2.2. Positioning approaches.** Strategic positioning encompasses the placement of identified strategic products. Kraljic's second matrix in his portfolio model emphasizes the identification of such products based on the power dynamics between buyers and suppliers. The relationship dynamics could be exploitative, balanced, or diversified, each with its implications. According to Kraljic, strategic product positioning can sway the power dynamics between a client and supplier, illuminating areas of vulnerability or opportunity.

**4.2.2.3. Strategic plans.** Action plans are crafted based on the positioning of the product, ensuring that every essential product or service has a tailored strategy. The KPM (Kraljic's Portfolio Matrix) has been employed across various sectors, including oil and gas, as a diagnostic tool. However, a notable limitation is its qualitative nature, relying on subjective methods for classifying and rating products or suppliers.

**4.2.2.4. Effects of culture.** Cultural variances between buyers and suppliers can significantly impact the dynamics of their relationship. Understanding the cultural perspectives of both parties, especially concerning trust and performance in the context of the buyer's long-term goals, is pivotal. Kouvelis et al. (2006) postulate that one of the most intricate facets of supply chain management is navigating interactions that cut across corporate, national, and functional divides.

In the oil and gas sector, recognizing and addressing prevailing cultural challenges in supplier-buyer relationships is crucial (Kouvelis et al., 2006; Cannon et al., 2010). Numerous studies have delved into the influence of cultural differences on these relationships. For instance, Chinese culture, with its emphasis on high-power distance and



collectivism, affects the commitment and authority dynamics between buyers and suppliers (Zhao et al., 2006). Similarly, in Korea, cultural nuances shape outsourcing strategies, distinguishing them from Western practices (Samaddar and Kadiyala, 2006). Thus, while cultural norms are external elements, they can influence procurement, typically perceived as a domain shaped by internal organizational needs.

Understanding the nuances of supplier relationships is paramount, particularly in gauging the impacts of economic volatility (Jacob, 2012) and cultural disparities (Cannon et al., 2010). Although the presumption is that the oil and gas industry is not immune to cultural influences, most research indicates that the sector’s cultural implications are largely confined to human resource management and rarely extend to economic activities like procurement.

### 4.3. Enhancing supplier collaborations

This segment explores ways to fortify buyer-supplier relationships in the oil and gas industry. The exploration into procurement strategies underscores that certain approaches, including federal, centralized, and decentralized methods, may inherently possess drawbacks that aren’t conducive to nurturing robust supplier relationships. In contrast, centered procurement emerges as a more favorable strategy, championing a seamless procurement process and fostering equilibrium in power dynamics between buyers and suppliers (Gutiérrez Rodríguez, 2020).

Revisiting our categorization, we classified strategies based on two pivotal metrics: the intricacy of the supplier market and the significance or profit impact of the acquisition. Given the market’s complexity and the purchase’s criticality, organizations might be compelled to adopt strategies that influence their immediate and future supplier relationships, contingent on the product’s intrinsic value (Hesping and Schiele, 2016). While this doesn’t inherently slot the supplier into tier A, it insinuates that organizations should prudently gauge supplier relationship dynamics to avert inadvertently relegating to a category that could sow discord among employees, clients, and suppliers. Key takeaways from this segment are encapsulated in Table 3.

As seen in Table 2, leverage products tend to have more buyer dominance, which may be advantageous for the oil and gas industry. However, it should also be noted that strategic, non-critical products are equally advantageous in terms of having balanced power dynamics and positive supplier relationships. Examining diverse goods through the perspectives of their inherent elements, profit consequences, supply concerns, power dynamics, and overarching linkages clarifies the procurement environment (Geipel, 2017). For instance, leverage items are crucial to the purchasing process and have a significant influence on earnings. However, their plentiful availability indicates a minimal danger of supply, enabling purchasers to exercise dominance. This predominance results in an interdependent relationship with suppliers, in which both sides are dependent yet wield considerable influence. In contrast, while strategic products are likewise essential for purchases and have a significant influence on profits, their power and connection dynamics are distinct. Neither the buyer nor the seller has the upper hand, resulting in a balanced power dynamic and encouraging a long-term, mutually beneficial partnership. On the other end of the spectrum, non-critical products are characterised more by market complexities than by their buying importance. They may not be crucial to earnings and constitute a modest supply risk, but their pervasiveness guarantees a balanced power structure. This is a transactional

partnership, with mutual dependency but no deeper strategic interactions. Finally, bottleneck objects provide a distinct difficulty. Their distinguishing characteristic is market complexity, and even if they have little impact on earnings, they carry considerable supply risks owing to their scarcity or specialisation. Recognizing the scarcity of these products, suppliers adopt a naturally dominating position. This dominance, along with the item’s specialised character, leads in a buyer-supplier relationship with little dependency and minimum engagement. In summary, the procurement process is an elaborate web of decision-making that balances profit incentives, supply vulnerabilities, and relationship dynamics, all while negotiating buyers’ and sellers’ delicate power dynamics.

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## 5. Concluding remarks

From the core insights of this paper, it’s evident that the relationship balance between strategic and non-critical items is pivotal, with mutual dependence being the linchpin. If both the supplier and the buyer perceive the association as beneficial, it augments the probability of its longevity. This study underscores a glaring research gap concerning supplier relationships, specifically within the parameters of procurement ideologies and within the oil and gas industry. A deep dive into the Kraljic model reveals a plethora of factors that could influence supplier categorizations and their ensuing relationships, especially given that the service and manufacturing sectors often bear the brunt of stringent procurement mandates. While the essence of due process in procurement isn’t undermined, how suppliers are classified can dictate the efficiency, timeliness, and overall satisfaction of procurement.

**Table 3**  
Comparison of purchasing classification types (adapted from Hesping and Schiele, 2016).

Item	Factors	Profit impact	Supply risk	Power dynamics	Relationship
Leverage	Purchase importance	High	Low	Buyer dominance	Interdependence supplier relationship
Strategic	Purchase importance	High	Low	Mutual	Balance supplier relationship
Non-critical	Market complexity	Low	Low	Balanced	Mutual dependence between buyer and supplier
Bottleneck	Market complexity	Low	High	Supplier dominance	Low interdependence, no involvement between buyer and supplier

The bifurcation into Tier A (strategic and crucial suppliers) and Tier B (those selected based on product or service demand) is particularly illuminating. The underlying theme is not about the indispensability of every procured item but rather the prioritization hierarchy. The crux lies in the fact that the nature and category of suppliers can be instrumental in determining procurement outcomes.

The emphasis, as laid out in this discourse, gravitates towards the architecture of supplier relationships and the myriad factors influencing them. Irrespective of the tier, elements like market research, strategic alignment, actionable roadmaps, and the pervasive cultural nuances can profoundly affect the equilibrium and dynamics of these associations. With a spotlight on the classifications delineated in this paper, it emerges that strategic and non-critical procurement items hold the promise of fostering enhanced supplier relationships, owing to their intrinsic equilibrium and co-dependent dynamics. This exposition, in essence, has systematically addressed and deconstructed the research queries, offering insights into the diverse procurement strategies in the Oil and Gas domain, the variables steering buyer-supplier dynamics, and viable blueprints to fortify these relationships. The center-led strategy emerges as the beacon, promising enhanced supplier collaborations. Additionally, the discourse accentuates the ripple effects of market intelligence and strategic placements in shaping industry-specific supplier dynamics. While actionable blueprints and organizational culture are pivotal, the overarching industry landscape cannot be sidelined. The existing scholarly narrative suggests that by emphasizing leverage, strategic and non-critical facets, the Oil and Gas sector can refine and solidify their supplier liaisons, navigating the multifaceted challenges they encounter.

In wrapping up, this study has delineated specific procurement paradigms embraced within the Oil and Gas landscape. Prospective research could delve into discerning the predominant strategies championed by specific industry giants. Such endeavors could encompass comparative analyses of multiple entities or zero in on the Gulf region's Oil and Gas behemoths. Given the region's competitive fervor and its dense concentration of industry stakeholders, the Gulf could offer unparalleled insights into the intricate tapestry of these strategies. Future studies could also pivot on pinpointing the cardinal factors shaping buyer-supplier dynamics and the potential to fortify these associations amidst the industry's ongoing global challenges.

### Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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