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Conflict Management in Export Distribution Channels: A Case Focusing on Skills to Improve Operations

Exporting is a common alternative for small- and medium-sized companies particularly in the entry phase of their internationalization process. At this early phase the companies easily face great challenges in managing the conflicts that inevitably occur with their foreign distributors, since they have not yet been able to accumulate knowledge on how to manage such conflicts. Therefore, this article should be of value for them if they want to improve the performance of their export operations. The traditional view has been to regard conflicts as dys-

functional, which should be avoided by any means. Recently, conflicts have been recognized to also have a valuable functional role when managed well. In this article we present a normative conflict management model and describe the key steps to be followed. The use of such a model is described in an export distribution conflict case involving Swedish and U.S. firms. The results are expected to be largely usable for exporters from Finland and other small and open economies when dealing with their U.S. export distribution channels. The model is divided into preliminary, resolution and maintenance steps and related management skills and techniques for conflict management. Implementing basic skills for conflict management in an export distribution system will ensure preservation of the individual and organizational worth and integrity of those involved, and an appropriate degree of psychological support for each individual participant's creative contributions. The export manager will be able to filter out the interpersonal and inter-organizational static and the unrealistic assumptions that get in the way of meaningful problem solving in the creative conflict management process. The managers utilizing this model will identify the specific steps that are needed to accomplish operational objectives of major importance. This will increase a manager's readiness when the inevitable takes place and the next conflict is at hand. ■