

## **Purchasing & Supply Chain Management: Analysis, Strategy, Planning and Practice**

### **Learning Objectives**

#### **Chapter 1**

*After studying this chapter you should understand the following:*

- How changes in the business context affect business strategy and the supply strategies of organizations.
- The role and importance of the purchasing and supply function in business.
- The difference between concepts such as ordering, buying, purchasing, procurement, supply chain management and value chain management and how these are interrelated.
- The most important tasks and responsibilities related to the purchasing and supply function.
- The different products which may be sourced from suppliers.

#### **Chapter 2**

*After studying this chapter you should understand the following:*

- The major differences between organizational and consumer buying behavior.
- The key elements of the purchasing process.
- The various roles in a decision-making unit.
- The involvement of the purchasing department in the acquisition of various goods.
- How to model organizational buying behavior and network-theory.

#### **Chapter 3**

*After studying this chapter you should understand the following:*

- The most important elements of a purchase order specification.
- The various methods of contracting out, their advantages and disadvantages.
- The most important activities that precede the supplier selection decision.
- The main elements of a purchase contract.
- The way in which order follow-up and expediting can take place.

## **Chapter 4**

*After studying this chapter you should understand:*

- The various types of supply market structures.
- The influence of market structures on purchasing policy.
- The specific characteristics related to the buying of raw materials, components, maintenance, repair and operating supplies, investment goods and services.

## **Chapter 5**

After studying this chapter you should understand the following:

- The major tasks and responsibilities of purchasing.
- The basic principles on which purchasing policy can be based.
- The major policy areas in purchasing.
- How purchasing may develop over time as a business function.

## **Chapter 6**

After studying this chapter you should understand the following:

- The role and importance of purchasing market research in the purchasing management process.
- The most important characteristics and types of purchasing market research.
- How to organize for purchasing market research.
- How to conduct purchasing market research.
- Major areas for purchasing market research.

## **Chapter 7**

*After studying this chapter you should understand the following:*

- Why companies outsource part of their business processes.
- How to structure the process of outsourcing.
- The most important risks and pitfalls related to outsourcing.
- How to deal with the most important downside risks related to outsourcing.

## **Chapter 8**

After studying this chapter you should understand the following:

- The changing international business context and how companies strategically respond.
- The increasing strategic role of the purchasing function.
- How purchasing can support the company's overall competitive strategy.
- How to develop a differentiated purchasing and supplier strategy

## **Chapter 9**

*After reading this chapter you should understand the following:*

- The reasons why suppliers do not always think and act in the interest of their customers.
- Sourcing-strategy and contract-strategy as basic elements of supply management.
- Measures that have to be taken in order improve the performance of suppliers.
- How to develop partnership relations with suppliers.

## **Chapter 10**

*After reading this chapter you will be able to:*

- Explain the differences between e-procurement as defined in its broadest sense and its narrowest sense.
- Cite possible electronic solutions that are open to purchasing and supply managers and categorize them.
- Identify the different kinds of electronic marketplaces that are relevant for purchasing and supply managers.
- Outline how electronic marketplaces and e-procurement may support purchasing and supply strategies and what savings can be generated from these.
- Assess the value of electronic auctions for purchasing.
- Delineate the risks associated with implementing electronic procurement solutions and the conditions that should be met within organizations in order to do so effectively.

## **Chapter 11**

*After studying this chapter you should understand the following:*

- The possibilities and impossibilities of integrating the purchasing function into technical design and new product development processes.
- The most important concepts concerning purchasing and quality control.
- Purchasing's role in and contribution to quality management.
- The elements necessary for an approach aimed at improving supplier quality.
- The consequences of the implementation of total quality management for the purchasing organization.

## **Chapter 12**

*After studying this chapter you should understand the following:*

- The definition of supply chain management and the basic supply chain concepts.
- The most important steps in the materials planning cycle.
- How supply chain activities can be structured within organizations.
- Characteristics of just-in-time scheduling and purchasing.

- The most important elements of a purchasing information system.

## **Chapter 13**

*After studying this chapter you should understand the following:*

- The structure of the purchasing function within organizations.
- The underlying factors that determine the role, position and organizational structure of purchasing.
- The major tasks, responsibilities and competences of purchasing and how to organize these.
- How to get organized for purchasing in single-unit companies.
- How to get organized for purchasing in multi-unit companies.
- Which criteria to use in deciding on centralized versus decentralized purchasing.

## **Chapter 14**

*After studying this chapter you should understand the following:*

- The factors that influence the way performance measurement is executed and evaluated.
- The key areas that should be considered when measuring and evaluating purchasing performance.
- The methods, techniques and performance measures that can be used.
- How to conduct a purchasing audit as a tool to improve purchasing performance.
- The value of benchmarking in purchasing.

## **Chapter 15**

*After studying this chapter you should understand the following:*

- How prices are set by suppliers.
- How to use the learning curve technique as a basis for price negotiations.
- Supplier evaluation and vendor rating techniques.
- How to evaluate the financial position of suppliers.

## **Chapter 16**

*After studying this chapter you should understand the following:*

- The main characteristics of purchasing negotiations.
- How to recognize actual negotiating situations.
- Factors that can affect the course of the negotiating process and the buyer's negotiating position.
- How to prepare and plan for purchasing negotiations.
- The tactics that can be used during purchasing negotiations.

## **Chapter 17**

*After studying this chapter you should understand the following:*

- The main characteristics and importance of purchasing and supply in trade and retail companies.
- The most important developments going on in the purchasing policies of trade and retail companies.
- The way in which the purchasing function can be organized in trade and retail companies.
- The profile of the trade and retail buyer.

## **Chapter 18**

*After studying this chapter you should understand the following:*

- Trends and developments in the service industry.
- The role and position of purchasing in a facilities environment.
- Key success variables for purchasing in a facilities environment.
- Measures aimed at improving the effectiveness of purchasing in a facilities environment.
- How to classify services that are contracted by organizations.
- How to improve buying of services.

## **Chapter 19**

*After reading this chapter you should be able to:*

- Identify the most important differences in purchasing between private enterprises and governmental institutions.
- Understand the relationship between public procurement and the EC Directives on Public Procurement.
- Have an understanding of the basic principles which underlie the EC Directives on Public Procurement.
- Know the workings and contents of the most important EC directives and purchasing procedures.
- Understand the limitations and shortcomings of these directives.