Suggestions for further reading

Chapter 1 – The role of purchasing in the supply chain
Chapter 2 – Industrial buying behavior: decision making in purchasing
Chapter 3 – The purchasing process: the buyer’s role
Chapter 4 – Markets and products

   This article investigates the difference between making purchase decisions based on lowest price and on highest value and discusses the further implications.

   A detailed look into the future of purchasing based on a large study in the US.

   Detailed overview and analysis of purchasing literature of the last decade.

   In this article the CPO of a large company stresses the importance of purchasing for the bottom line.

Chapter 5 – The purchasing management process
Chapter 6 – Purchasing market research

   McKinsey’s view on how to develop the purchasing function. A 5-stage purchasing development model is presented in this article.

   Based on sound research in the US and Europe, the authors present a number of major developments going on in purchasing. A large number of best practices is presented in this article.

Chapter 7 – Outsourcing and risk management

   This article investigates an issue that many companies are dealing with: the outsourcing of product development activities to suppliers.
8. Thomson and Anderson, (2000) ‘Pursuing risk sharing gain sharing arrangements’, *Marketing management*, Summer, pp.40–47. Collaboration between buyers and suppliers often fails due to not wanting to mutually share risks and gains. In this article the authors explore the possibilities for fair sharing of risks and gains

**Chapter 8 – Purchasing and business strategy**

**Chapter 9 – Sourcing strategy: getting better results from suppliers**


**Chapter 10 – Purchasing and supply strategy, electronic market places and e-procurement**


   This was one of the first articles in HBR about B2B electronic market places and is used by many authors afterwards as a source for inspiration


**Chapter 11 – Purchasing, development and quality control**

   This article investigates the process of suppliers development and describes how companies may implement it successfully.

   This article summarizes the results of a PhD research project on supplier involvement in product development and defines some practical guidelines.

**Chapter 12 – Purchasing and supply chain management**

   In this article the authors investigate the concept of Supply Chain Management and shows that implementing this concept demands some changes in the purchasing function as well.

   Dell computer’s story demonstrates the power of blending virtual and integrated approaches, achieving both the leanness of outsourcing and the control of centralized coordination (i.e. virtual integration).
   Dell focuses on mass customization, supplier relationships, and just-in-time manufacturing to sell built-to-order computers directly to customers.

   This article presents a case study of Hong Kong based company called Ly & Fung. This company started out as a small buying office, but today it is a global company managing an impressive network of supply chains.
Chapter 13 – Getting organized for purchasing

   Based on PhD research in The Netherlands, a new matrix is introduced that should help companies with deciding what purchasing structure is best in their specific situation.


Both 26 and 27 summarize the findings of a large study on changes in how large companies organize their purchasing function. Both reports can be found on www.capsresearch.org.

Chapter 14 – Purchasing performance measurement
Chapter 15 – Supplier assessment: cost approaches and techniques

   This article attempts to link PSM best practices to corporate success. After a brief survey of literature, the results of the research are presented and discussed and the article concludes with managerial and research implications.

   This article describes seven definitions of cost reduction, explains the difficulties in measuring cost savings and comes up with a set of practical suggestions.

Chapter 16 – Negotiating techniques and rules of conduct
Chapter 17 – Buying for retail
Chapter 18 – Facility management and buying services
Chapter 19 – Public procurement and the EC Directives

   This article documents the growing importance of the services sector and of services purchasing. Next, it develops a supply chain framework appropriate for a services supply chain by comparing and contrasting the applicability of three product-based manufacturing models: Global Supply Chain Forum Framework, SCOR and Hewlett-Packard's Supply Chain Management Model.


The vendor in this case is the first supplier to go into a full-scale VMI relationship with the wholesaler – and has, through this, substantially reduced delivery costs to the retailer. The case demonstrates that it is possible to arrive at a simple but efficient solution in a standard systems environment.