

Contents

<i>List of figures</i>	xi
<i>List of tables</i>	xiv
<i>List of notes</i>	xvi
<i>Foreword</i>	xviii
<i>Acknowledgements</i>	xx
1 Introduction	1
Learning objectives	1
Introduction	2
The emergence of purchasing as an academic discipline	3
Two developments in purchasing	5
Varying use of key concepts: a discussion	8
Underpinning theoretical framework of the book	13
Book overview	16
Conclusions	21
References	23
Part A: Purchasing and Sourcing	27
2 The strategic sourcing and purchasing process	29
Learning objectives	29
Introduction	29
A framework for strategic sourcing	30
A purchasing process typology	33
The purchasing process	34
Case study: Novozymes	48

Conclusion	52
Notes	52
References	53

3 Purchasing strategy and organization 54

Learning objectives	54
Introduction	54
Purchasing strategy and strategic purchasing	55
Purchasing maturity	57
The role of purchasing in the organization	61
Managing different purchase categories	63
Purchasing organizational design	64
Purchasing skills and competencies	74
The special case of public procurement	78
Case study: Starbucks	86
Conclusions	89
Notes	90
References	90
Appendix 3.1: the sustainable procurement process (SPP): UN guidelines for sustainable procurement	93

4 Sourcing strategy and supplier relationships 95

Learning objectives	95
Introduction	95
Sourcing strategy	96
Foundational models of customer–supplier relationships	107
Supplier partnerships: hard work	110
Supplier assessment and development: monitoring and mentoring	114
Supplier relationship assessment	120
A portfolio of supplier relationships	123
Case study: Danone	125
Conclusion	129
Notes	130
References	130

5 Outsourcing and global sourcing 134

Learning objectives	134
Introduction	134

Outsourcing: 'make-or-buy' analysis	135
Theoretical perspectives informing the outsourcing decision	137
A synthesis of the theoretical approaches to outsourcing	144
International and global outsourcing	148
Going local: a trend towards re-shoring?	154
Case study: IKEA	158
Conclusion	160
Note	161
References	161
Bibliography	164

6 Purchasing, innovation and technology 165

Learning objectives	165
Introduction	165
Early supplier involvement (ESI) in new product development (NPD)	167
The challenging case of discontinuous innovation: sourcing new suppliers	175
Purchasing process innovations and technology	179
Case study: Airbus	188
Conclusions	192
Note	193
References	193
Useful websites	195
Appendix 6.1: supplier involvement in new product development: an audit instrument	196

Part B: Supply Chain and Network Management 199

7 Supply chain strategy 201

Learning objectives	201
Introduction	201
Supply chains and networks	202
Lean and agile supply chain strategy	205
Mass production and mass customization	214
Responsiveness and building to order	217
Supply chain risk	221
Supply chain traceability: the sustainability challenge	226
Intermediation and disintermediation strategy	229
Closed-loop supply strategy	230

Case study: Desso	232
Conclusion	237
Notes	237
References	238
Bibliography	241
8 Service-based supply chains	242
Learning objectives	242
Introduction	242
The rise of service operations	243
Purchasing and through-life management	249
New operating models and the servitized supply chain	256
Product-service systems (PSS)	259
Remanufacturing	261
Case study: UK aircraft carrier	263
Conclusion	268
References	269
Bibliography	271
9 Logistics decisions in the supply network	272
Learning objectives	272
Introduction	272
Transport decisions in supply chains: modes of transport	274
Inventory decisions in the supply chains	280
Balancing total cost, lean and sustainable logistics	283
Location decision making	284
Reverse logistics	285
Logistics service providers	290
Case study: DHL	291
Conclusion	297
Notes	298
References	298
10 Distribution systems	301
Learning objectives	301
Introduction	301

Channels to market	302
Physical distribution structures	308
Order fulfilment cycle	312
Last mile and city logistics	314
RFID use in distribution	319
Case study: Mars and Nestlé	321
Conclusion	322
Notes	322
References	323

Part C: Policy, Tools and Implementation **325**

11 Supply chain mapping and evaluation **327**

Learning objectives	327
Introduction	327
Representation of organizational processes, flows and systems	330
Supply chain value analysis	333
Life-cycle assessment	337
Carbon management, footprinting and procurement	341
Case study: Serge Ferrari	344
Conclusion	347
References	348
Useful websites	350

12 Standards and legislation **351**

Learning objectives	351
Introduction	351
International standards focusing on sustainability	352
Policy focusing on sustainability	360
Policy agreements affecting trade	362
Codes of conduct and sector standards	366
Supplier audits	371
Case study: financial services	373
Conclusion	376
Notes	377
References	378
Useful websites	380

13	Towards sustainable supply networks	382
	Learning objectives	382
	Introduction	382
	Core principles of sustainability in supply networks	383
	Industrial ecology and industrial symbiosis	393
	Stakeholder engagement in supply networks	395
	Case study: Metsa Group	400
	Conclusion	403
	Notes	404
	References	405
	Useful website	406
14	Conclusion	407
	Introduction	407
	Main messages for purchasing and supply chain management	407
	Sustainability challenges for purchasing and supply chain management	409
	The rise of sustainability in education	409
	<i>Index</i>	411