

# Purchasing and Supply Management

Fourteenth Edition

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# Preface

Purchasing and supply management has become increasingly visible in a world where supply is a major determinant of corporate survival and success. Supply chain performance influences not only operational and financial risks but also reputational risk. Extending the supply chain globally into developing countries places new responsibilities on supplier and supply, not only to monitor environmental, social, political, and security concerns but also to influence them. Thus, the job of the supply manager of today goes way beyond the scope of supply chain efficiency and value for money spent to search for competitive advantage in the supply chain. Cost containment and improvement represent one challenge; the other is revenue enhancement. Not only must the supply group contribute directly to both the balance sheet and the income statement; it must also enhance the performance of other members of the corporate team. Superior internal relationship and knowledge management need to be matched on the exterior in the supply network to assure that the future operational and strategic needs of the organization will be met by future markets. The joy of purchasing and supply management lives in the magnitude of its challenges and the opportunities to achieve magnificent contributions.

For more than 80 years this text and its predecessors have championed the purchasing and supply management cause. Based on the conviction that supply and suppliers have to contribute effectively to organizational goals and strategies, this and previous editions have focused on how to make that mission a reality.

Thus, the examples in the text and more than 40 real-life supply chain cases afford the chance to apply the latest research and theoretical developments in the field to real-life issues, opportunities, decisions, and problems faced by practitioners. Continuing advances in MIS and technology provide new ways to improve supply efficiency and effectiveness. New security, environmental, and transparency requirements and the search for meaningful supply metrics have further complicated the challenges faced by supply managers all over the world.

In this edition the focus on decision making in the supply chain has been strengthened considerably. Also the chapter sequence has been adjusted accordingly to reflect the chronological order of the acquisition process. Criteria for supply decisions have been identified in three categories: (1) strategic, (2) operational, and (3) additional. It is the third category with balance sheet and income statement considerations, all dimensions of risk, environmental, and social considerations that is growing in relevance, making sound supply decisions an even more complex challenge.

Since the sixth edition of this text over 30 years ago, Harold E. Fearon has been an author of this text. As the founder of the supply chain group at Arizona State University, the first editor of the *International Journal of Supply Chain Management* and the conceptualizer and first director of CAPS Research, Hal Fearon has been one of the true trailblazers of our field for decades. In this edition, Hal has no longer participated, although his past contributions are still evident throughout this text.

A second change in authorship for this edition has switched the roles of Michiel R. Leenders, listed as the first author of six previous editions, and P. Fraser Johnson, who has taken over the Leenders PMAC Chair of Purchasing Management at the Richard Ivey School of Business. Anna Flynn continues as a valuable member of the author team.

A book with text and cases depends on many to contribute through their research and writing to expand the body of knowledge of the field. Thus, to our academic colleagues our thanks for pushing out the theoretical boundaries of supply management. For their specific suggestions regarding the manuscript, our appreciation goes to Casey Kleindienst, *California State University—Fullerton*; William Magrogan, *University of Maryland—University College*; Jayanth Jayaram, *University of South Carolina*; and John Hanson, *University of San Diego*, all of whom provided detailed reviews and offered numerous suggestions for improving the presentation. To many practitioners, we wish to extend our gratitude for proving what works and what does not and providing their stories in the cases in this text. Also many case writers contributed their efforts so that about half of all the cases in this edition are new.

Case contributors in alphabetical order included: Collin Ashton, Louis Beaubien, Larry Berglund, Jorge Colazo, Nancy Dai, Niki da Silva, Dev K. Dutta, Tony Francolini, Manish Kumar, Matthew D. Lynall, Louise Mauffette-Leenders, Leane Morfopoulos, Elizabeth O’Neil, Peruvemba Sundaram Ravi, Suhaib Riaz, Frank Tang, Rob Turner, Dave Vannette, Asad Wali, and Marsha Watson.

The production side of any text is more complicated than most authors care to admit. The original manuscript preparation largely fell to Elaine Carson, who was obviously not scared off during the previous editions. At McGraw Hill/Irwin, Rebecca Mann, Dick Hercher, Lee Stone, and many others contributed to turn our efforts into a presentable text.

Kathleen Little, CPM, ably indexed this text and many previous editions.

The support of Dean Carol Stephenson and our colleagues at the Richard Ivey School of Business has been most welcome.

The assistance of the Institute for Supply Management in supporting the continuous improvement of supply education is also very much appreciated.

*P. Fraser Johnson*

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