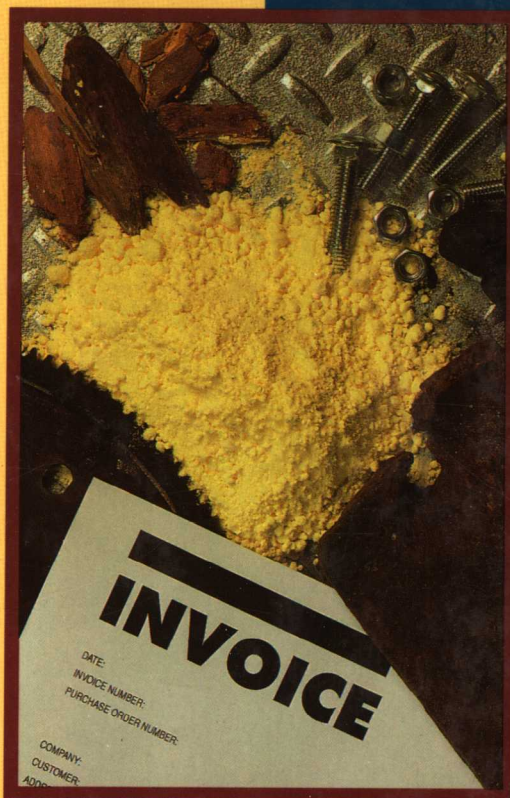


PURCHASING **AND** MATERIALS

MANAGEMENT



TENTH
EDITION

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PURCHASING AND MATERIALS MANAGEMENT

Michiel R. Leenders, D.B.A., PMAC Fellow

*Professor and Chairman, Operations Management
School of Business Administration
University of Western Ontario*

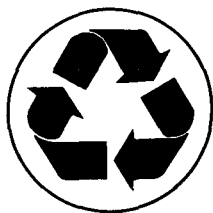
Harold E. Fearon, Ph.D., C.P.M.

*The National Association of Purchasing Management
Professor Emeritus and Director, Center for Advanced Purchasing Studies
Arizona State University*

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PURCHASING AND MATERIALS MANAGEMENT

ABOUT THE AUTHORS

Michiel R. Leenders is Professor and Chairman of Operations Management in the School of Business Administration at The University of Western Ontario. He received a degree in mining engineering from the University of Alberta, an M.B.A. from the University of Western Ontario, and his doctorate from the Harvard Business School. Mike has written a number of articles in a variety of magazines and journals. His texts have been translated into eight different languages and include: *Reverse Marketing*, *The New Buyer-Supplier Relationship*, published by The Free Press; *Improving Purchasing Effectiveness Through Supplier Development*, published by the Harvard Division of Research; *Case Research: The Case Writing Process* (with James A. Erskine); and *Teaching With Cases* with James A. Erskine and Louise-Andree Mauffette-Leenders. Both of these texts have been published by the Western Business School. He has also coauthored five editions of *Purchasing and Materials Management* published by Richard D. Irwin. Mike has taught and consulted extensively both in Canada and internationally. He has been Educational Advisor to the Purchasing Management Association of Canada since 1961, when he helped design the association's professional development program. He received PMAC's Fellowship Award in 1975.

Harold E. Fearon is the National Association of Purchasing Management Professor Emeritus and former Chairman, Purchasing, Transportation and Operations Department, Arizona State University. Hal is Director of the Center for Advanced Purchasing Studies (CAPS). He is a graduate of Indiana University (B.S. with distinction, and M.B.A.) and Michigan State University (Ph.D. in Business Administration). He is founding editor and continues to serve as editor emeritus of the *International Journal of Purchasing and Materials Management*, the scholarly quarterly in the purchasing/materials management area, and has published more than 450 articles in business and academic journals. Hal has authored and coauthored several texts, including *Purchasing Research in American Industry*, published by the American Management Association; five editions of *Fundamentals of Production/Operations Management*, published by West Publishing Company; and four editions of *Purchasing and Materials Management*, published by Richard D. Irwin. Hal has been active as a lecturer and consultant both in North America and internationally. He received the "President's Award" from the National Association of Purchasing Management in 1991, and the J. Shipman Gold Medal Award, NAPM's highest honor, in 1992.

In the early 1930s, Wilbur B. England, or Bill as we knew him, was responsible for the case research published in the first purchasing text by Professor Howard T. Lewis at the Harvard Business School. Twenty years later, after a brilliant marketing career, Bill England returned to the Harvard Business School as a professor and champion for the purchasing cause. For a quarter century he was the sole author of this text. His ideas and writings influenced thousands of practitioners and academics around the world.

Bill will not see this 10th edition. He died while the work for this book was in progress. He was one of purchasing's great pioneers and we gratefully acknowledge our debt to our mentor, colleague, and friend by dedicating this edition to Bill and Ruth England.

Total customer satisfaction, total quality management, total cost of ownership, continuous improvement, time compression, world-class competition, focus on value-added activities, environmental concerns—the challenges for today's managers are enormous. Organizations need to enlist their suppliers to accomplish their goals and strategies. An organization cannot survive without suppliers. And no organization can be better than its suppliers. The recognition that customers, employees, and suppliers need to be treated equally and with great care has been rather slow in coming, but is gaining acceptance fast.

This text, now into its sixth decade with the 10th edition, recognizes the major challenges facing all organizations and their purchasing implications. It also provides a solid grounding in the basic tools and techniques of purchasing, along with opportunities to test comprehension in carefully crafted questions and cases.

Aside from major revisions in almost all chapters, additional inclusions are: an expanded treatment of quality, the ISO 9000 standard and the Malcolm Baldrige Award, standards of conduct and code of ethics for purchasing professionals, supplier relationship management, strategic alliances, partnerships and preferred suppliers, performance benchmarking, an expanded treatment of transportation in a deregulated environment, more thorough treatment of investment recovery, environmental considerations in procurement, the U.N. Convention for the International Sale of Goods, and a strategic perspective on capital asset acquisition. Twenty new cases are included in the text, all contributed by practitioners facing interesting decisions.

The purchasing field continues to provide significant challenges into the 1990s and we hope this text will assist in the field's continuing development.

Every author knows that the assistance of many persons is required to bring a new edition of a text to completion. This text is no exception.

We are most grateful to Anna E. Flynn of Purchasing Education Plus for her research, editorial contributions, proofing, and indexing.

On the case writing side many researchers contributed, including in alphabetical order: Francine Blanchette, Nola Buhr, Andres Castillo, Patrick Y.K. Chau, Doug Clark, Cam DesBrisay, Jason P. Donville, Paul Fitzgerald, Gavan J. Fitzsimons, Anna E. Flynn, Linda Goulet, Carolyn Griffiths, Nicole Haggerty, P. Fraser Johnson, Glenn Luinenburg, Lisa Melnychyn, Brad C. Meyer, Lorrie Moore, Jean Nollet, Susan Pinder, Todd Roberts, and Honorio Todino.

The Purchasing Management Association of Canada and the National Association of Purchasing Management graciously agreed to permit the publication of cases written during their case writing workshops. It is impossible to write cases without the support of the practitioners who deal with situations without the help of class discussions. Their willingness to share their challenges on the job made it possible to bring exciting new case material into this text.

Professors John Haywood-Farmer and Robert Britney were major contributors to Chapter 5 and Nillen Wong did some excellent competitive benchmarking.

Karen Katsiroumbas did not join the project until September 1991, but provided the strength for the production side in the north, while in the south Julie Waters handled the production. Kathleen Little, C.P.M., Sr. Associate Librarian at the National Association of Purchasing Management, also provided invaluable assistance.

The reviews by Professors Jack F. Rizzo, Paul S. Fronczek, and Joseph J. Leydon helped improve the text and reinforce the need for change.

Michiel R. Leenders

Harold E. Fearon

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