

PURCHASING
&

SUPPLY

MANAGEMENT

Leenders / Fearon



ELEVENTH EDITION

PURCHASING AND SUPPLY MANAGEMENT

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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 in its 11th edition, recognizes the major supply challenges facing all organizations and their purchasing and supply management implications. It also provides solid grounding in the basic tools and techniques, along with opportunities to test comprehension through carefully crafted questions and cases.

In these last few years in this century, interest in the supply side of organizations is growing, with terms like supply-chain management, the value chain, the supply base, and integrated logistics being used. The interest in outsourcing and supplier partnerships and alliances is reflected in a new chapter following traditional sourcing challenges. Significant new sections include coverage of team-based approaches, including cross-functional and commodity teams; supplier and purchasing councils; changing roles and responsibilities of the supply function and new organizational developments; total cost of ownership and activity-based costing; use of systems and the Internet; third-party logistics and international procurement. The strategic perspective on supply is the unifying theme throughout this text.

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.

On the case development side many researchers contributed, including in alphabetical order: Mark Applebaum, Nick Bontis, Clifford J. E. Campbell, Doug Clark, Debbie Compeau, Peter A. Goldthorpe, P. Fraser Johnson, Jennifer S. Jones, Robert Kemp, Winston Kwok, Chantell Nicholls, Detlev Nitsch, Catherine Paul-Chowdhury, Barbara Pierce, Franz Scherz, Virginia Webster, David Zeng, and Blair R. Zilkey.

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.

Professor John Haywood-Farmer was a major contributor to Chapter 5, John Arbeiter and Dr. Martin Farris to Chapter 9, and Dr. Fraser Johnson to Chapter 10.

Sue LeMoine anchored the production side of this text in the north, while Jennifer Richelsoph assisted in the south. Their high-quality assistance is deeply appreciated.

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The Irwin editorial staff, including Patrice Schmitt and Robert Preskill, has done a great job of supporting the educational principles of this book while balancing economic and artistic considerations.

Michiel R. Leenders
Harold E. Fearon

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