
Editorial

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Biographical notes: Dr. Angappa Gunasekaran is a Professor of Operations Management and the Chairperson of the Department of Decision and Information Sciences at the Charlton College of Business, University of Massachusetts–Dartmouth (USA). He teaches undergraduate and graduate courses in operations management and management science. Dr. Gunasekaran has 200 articles published in 40 different peer-reviewed journals. He has presented over 50 papers and published about 50 articles in conferences and has given a number of invited talks in more than 20 countries. Dr. Gunasekaran is on the editorial board of 20 journals. He edits journals in the operations management and information systems areas. Dr. Gunasekaran is currently interested in researching benchmarking, management information systems, e-commerce (B2B), information technology/systems evaluation, performance measures and metrics in new economy, technology management, logistics and supply chain management. He is also the Director of Business Innovation Research Centre (BIRC) at the University of Massachusetts–Dartmouth.

1 Welcome to the inaugural issue of *IJPM*

I am pleased to introduce this inaugural issue of the *International Journal of Procurement Management (IJPM)*. *IJPM* proposes and fosters discussion on the development of procurement resources, with emphasis on the implications that purchasing and supply chain management functions have on organisational productivity and competitiveness in the global market. A paradigm shift in both manufacturing and services has led to global outsourcing, strategic alliances and partnership in order to be competitive in terms of price, quality, flexibility, dependability and responsiveness. This compels the organisations to develop suitable Procurement Management (PM) policies, tools and methods with the objective of effectively managing the available resources for improving organisational productivity and competitiveness. This perspective indicates the importance of effective procurement and supply management functions for organisational performance and competitiveness. In addition, developments in Information Technology (IT) and Information Systems (IS), such as Enterprise Resource Planning (ERP) and Radio Frequency Identification (RFID), have significant impact on the procurement functions and supply management. Due emphasis will be given to the research about

the impact of IT/IS in the effective management of procurement and suppliers. *IJPM* is a double blind-refereed and authoritative reference dealing with PM and supply management, as well as emerging issues of interest, such as outsourcing and third-party logistics to professionals and academics in the field.

The main objective of *IJPM* is to provide a platform for interaction between researchers and practitioners who are dealing with procurement functions and supply management. The journal also aims to promote and coordinate developments in the field of procurement and supply management. Due attention will be given to procurement and supply management in both private and public sector organisations. Global dimension is emphasised with the objective of overcoming various cultural and political barriers and in turn meets the needs of effective management of procurement and supply in the global market through appropriate technological and organisational changes. *IJPM* will provide the executives and academics with the state of the art of procurement and supply strategies, techniques and tools. The systems perspective is emphasised with the objective of developing new PM concepts and technologies to meet the needs of organisational changes in the global markets.

This inaugural issue of *IJPM* contains 12 articles discussing a wide range of issues dealing with procurement and supply management issues. While no unifying theme for the articles exists, each makes a unique contribution to the extant literature in the field. A brief overview of the 12 papers is provided below.

The practice of electronic procurement has gained popularity over the last ten years, and so has the research on this emerging area. While first reports in the 1990s focused on general descriptions and best practices, more recent studies have dealt with specific and refined applications of this approach. Since some of the early electronic procurement technologies are maturing, while new ones are appearing constantly, a structured literature review is warranted. As such, the paper, 'Electronic procurement: a structured literature review and directions for future research', by Schoenherr and Tummala reviews 157 refereed journal articles dealing with electronic procurement, and examines them along eight key dimensions. Based on the insights gained, directions for future research are suggested.

Notwithstanding the view that current definitions of power are overreliant on resource-dependency arguments and tautological, Cox in his paper, 'Transactions, power and contested exchange: towards a theory of exchange in business relationships' argues that it is possible to develop a theoretically robust and empirically rigorous reconceptualisation of power in business transactions. This requires an understanding of the commensurability of the objective interests of transaction partners, and a more detailed specification of the structural and cognitive power resources available to shape contractual outcomes asymmetrically, in horizontal and vertical business relationships. Moreover, Cox in his paper argues that exchange can be both contested and uncontested, but power is only relevant when exchange is contested. When power is exerted it is possible to conceptualise three dimensions of power and leverage in business and economic transactions, and this provides the starting point for a theory of exchange in business relationships.

For over 15 years, there has been a considerable growth in research devoted to Supply Chain Management (SCM) in the fields of purchasing and procurement. Supply chains can be described as business networks, whereas academics and practitioners are increasingly referring to logistical networks supporting supply chains. The article,

'The three paradoxes of supply chain management: illustrations and managerial implications', by Mermind *et al.* shows that managing interdependent logistical networks generates three inherently paradoxical situations. These paradoxes are:

- 1 how to mix long-term relations and 'plasticity' in the management of supply chains as business networks?
- 2 Should one try to influence supply chain members or accept being influenced by them in the monitoring of a supply chain?
- 3 Is it possible to choose between building innovative and flexible supply chains or building 'controlled' and rigid supply chains?

In order to manage such paradoxes, they suggest that firms further develop combined competences of purchasing, procurement and SCM while encouraging greater collaboration and transparency among these three fields. Each paradox is illustrated by one or two cases to highlight managerial implications.

The recent development of Interorganisational Systems (IOS) is redefining how supply chains are managed. The focus of the paper, 'Coordination and sharing logistics information in leagile supply chains', by Christiansen *et al.* is to gain a better understanding about how logistics information is shared and coordinated in 'leagile' supply chains. The focus of leagile supply chains is to minimise waste in market-driven supply chains. The basic assumption is that there are different types of logistics information that should match different types of collaboration levels shared amongst the partners in a supply chain. They present a framework that classifies different Enterprise Resource Planning (ERP) solutions based on:

- the level of IOS sophistication
- types of logistics information sharing.

Two case studies, Nomeco (downstream supply chain) and Oticon (upstream supply chain), are presented.

The purpose of the paper, 'Social responsibility in purchasing: the case of Thailand', by Salam is to study and understand the drivers of Purchasing Social Responsibility (PSR). This study contributes towards the nomological validity of the PSR concept. The present study extends the application of that method to an Asian environment. The data was obtained from 197 respondents in Thailand. This sample was largely composed of purchasing and supply-chain managers. Respondents were asked to indicate how different dimensions of Corporate Social Responsibility (CSR) affect the PSR. This study justified the significance of PSR empirically. Its findings suggest that all six hypothesised paths have been substantiated. Individual values and people-oriented organisational culture are the most powerful predictors of PSR.

Munson in his paper, 'The apparel to partially centralised purchasing policies', provides a tool for managers to help them determine which items at which sites should be procured under some form of centralised purchasing scheme. Seven cost categories are analysed under three purchasing scenarios:

- 1 decentralised purchasing
- 2 centralised purchasing
- 3 centralised pricing with decentralised purchasing.

Numerical experimentation suggests that most often, a hybrid combination of the three purchasing scenarios is best. For large problems, calculation of the optimal configuration becomes computationally cumbersome; therefore, an efficient heuristic ranking solution procedure is developed that performs well under experimentation. The relative simplicity of the heuristic allows managers to readily implement the model in this paper in order to help them make the important strategic decision regarding their degree of purchasing centralisation.

The paper, 'The role of public purchasing departments in acquisition processes for consulting services', by Schiele describes in detail the type of value that can be associated with, meaningfully involving public purchasing departments in acquisition processes for consulting services. Where this value occurred throughout the various stages of the acquisition processes examined is also described. Data were collected at five Canadian municipalities and involved a detailed examination of ten cases where the purchasing department was meaningfully involved in the acquisition process. Case study informants included five purchasing managers, ten purchasing agents, nine client department managers and a consultant. This work addresses the problem of low public purchasing department involvement in these important purchase decisions and some significant gaps in the public procurement literature.

One aspect within procurement outsourcing currently raising research interest is the strategic procurement outsourcing. The paradox is that while most sources state the potential of savings, not many organisations have even thought of outsourcing their procurement to any great degree. The main reason cited by managers to justify their reluctance to outsource the most strategic parts of the procurement function is the perceived loss of control. The paper, 'Strategic procurement outsourcing: a paradox in current theory', by Fernández and Kekäle claims that the above-mentioned managers' impression is anchored in the past value networks and does not necessarily fit current realities but will be changed only if the misfit is brought abruptly to their attention. They study some types of companies and their solutions and decisions, and claim that the most completely outsourced model would over time come to also fit other companies currently keeping their purchasing in-house, because of changing strategic emphasis and globalisation.

The paper, 'Operational management and operations strategies: an SME perspective', by Lawson examines the role of operational management and operations strategies in small- and medium-sized business communities. Using empirical research, Lawson has discovered that a significant proportion of these enterprises apply operational 'emphases', that is, a combination of various strategies and tactics. Many of these 'emphases' or 'spectra' were used in disparate industries and made a substantial contribution to the competitive positioning sought by the organisations involved.

Outsourcing has been a popular subject in the past few years. Some proclaim it as a necessary, effective and inevitable strategy to reduce costs, focus on the core business, maintain competitiveness and obtain needed capabilities. Others see outsourcing as a threat to jobs, companies, industries and whole economies. Numerous studies point to significant growth in outsourcing in the next few years, further fuelling the debate. Barring a substantial reversal of current trends, outsourcing is here to stay. With that in mind, Carter and Tingting in their paper, 'The procurement function's role in strategic outsourcing from a process perspective', undertook a research study to understand the trends in outsourcing, how outsourcing decisions are made, how companies can be more successful in achieving their goals for outsourcing and clarify the role of

procurement in strategic outsourcing success. The research team gathered survey data from 165 procurement executives or their functional peers across 22 industries globally and supplemented the surveys with interviews. This paper is a part of this research and it specifically aims at building an empirically validated outsourcing process model and discussing procurement function's role in different phases and activities of strategic outsourcing.

Traditionally, supply chain management of hazardous products has focused more on the exposure to hazards than on hazard elimination. The advent of green chemistry provides opportunities to refine supply chain management, including procurement policies and practices, by developing safer products. Redesigned products and processes reduce the risks encountered in manufacturing, storage, transportation and waste control by reducing the hazards associated with them. From a risk management perspective, since it is fundamentally better to reduce hazards than to try to protect against them, green chemistry can be highly beneficial. The paper, 'Safety at the source: green chemistry's impact on supply chain management and risk management', by Glickman and White discusses the meaning of, and the experience with, green chemistry and explain how it contributes to green supply chain management and supply chain-related risk management. The fundamental benefit of green chemistry is that it provides safety at the source.

In many industries, order fulfilment speed is the most important competitive weapon for manufacturers. As such, supplier reliability and speed are crucial factors for success. In their paper, 'Speed versus reliability tradeoffs in supplier selection', by Hu and Munson explore the trade-offs among reliability, speed, and price when selecting suppliers. We compare the costs of four types of suppliers categorised by their lead time and reliability characteristics:

- 1 slow and unreliable
- 2 slow and reliable
- 3 fast and unreliable
- 4 fast and reliable.

Analytically, they perform a series of pairwise comparisons of these supplier types under both deterministic and stochastic demand environments. They follow that up with numerical sensitivity analysis that suggests when each of the four may become dominant based on changes in purchase price, demand uncertainty, and required cycle service level. Finally, they suggest implications from this research for buyers and suppliers and for firms interested in pursuing tailored dual-sourcing strategies.

2 Invitation to *IJPM*

Globalisation of market and operations, including outsourcing, led to global purchasing and supplier development that are closely related to the success of a company. PM plays a significant role in improving organisational competitiveness. Hence, there is a need for an integrated PM strategies, tools, technologies and techniques. Considering the globalisation of markets and operations, a journal focusing on PM is essential. *IJPM* aims

to facilitate the exchange of information on the advances in PM among researchers and practitioners. *IJPM* will have a strong methodological approach and application focus of PM that will concentrate on all types of industries.

2.1 Readership

IJPM acts as a vehicle to help professionals, practitioners, academics and researchers working in the field of procurement and supply management, to disseminate information and latest developments and to learn from each other's research.

2.2 Content

IJPM publishes original papers, review papers, technical reports, case studies, empirical research papers, conference reports, management reports, book reviews, notes, commentaries and news. Special issues devoted to important topics in procurement and supply management will occasionally be published.

2.3 Subject coverage

The topics covered by *IJPM* are (but not limited to) the following:

- Procurement and supply management strategies
- Procurement and supply systems
- Supplier development
- Alignment of purchasing strategy with corporate strategy
- Global procurement and supply development
- Performance measures and metrics in procurement and supply management functions
- IT/IS such as ERP and RFID in procurement and supply management activities
- E-procurement
- Environmental issues and procurement
- Outsourcing
- Cost models for procurement
- Ethical standards in procurement activities
- Green supply management
- Purchasing
- Implementation of sustainable procurement
- Selling consortiums
- Reengineering procurement processes

- Inventory management
- Procurement challenges in public sector organisations and military establishments
- Demand management
- Benchmarking in procurement and supply management
- Procurement and project management
- Modelling and analysis of procurement and supply functions
- Supplier management
- Measuring and communicating the impact of procurement and supply management
- Human resource management in procurement function
- Procurement teams and organisation
- Agile procurement and supply systems
- Evaluating costs and benefits of procurement and supply functions
- Measuring supplier performance
- Corporate social responsibility in supply base selection and management
- Supplier relationship protocols
- Supply risk management
- Managing supplier innovation.

Academics and practitioners are invited to forward their contributions in PM areas for possible publication in *IJPM*. The journal also encourages papers on industrial experience or on the implementation of PM strategies, tools and techniques. Potential editors are welcome for guest editing special issues in emerging areas of PM. Please direct all your communication to the Editor-in-Chief (agunasekaran@umassd.edu).

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