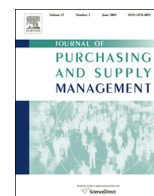




ELSEVIER

Contents lists available at ScienceDirect

## Journal of Purchasing &amp; Supply Management

journal homepage: [www.elsevier.com/locate/pursup](http://www.elsevier.com/locate/pursup)

## Purchasing strategy development: A multi-level review



Frank Henrik Hesping\*, Holger Schiele

University of Twente School of Management and Governance, PO Box 217, NL-7500 AE Enschede, The Netherlands

## ARTICLE INFO

## Article history:

Received 28 May 2013

Received in revised form

10 December 2014

Accepted 23 December 2014

Available online 6 January 2015

## Keywords:

Literature review  
 Hierarchical framework  
 Purchasing strategy  
 Category strategies  
 Sourcing levers  
 Supplier strategies  
 Purchasing competence

## ABSTRACT

Is it reasonable to speak of 'the' purchasing strategy, or do different hierarchical levels of analysis need to be distinguished? A fragmented research field and a diverse set of understandings (including misunderstandings) of the scope of strategy development at various levels of analysis make a thorough discussion among researchers and practitioners difficult. Here, the state of the art in the purchasing strategy literature has been structured as a hierarchical framework fostering a multi-stage understanding of strategy development in purchasing. Research suggests that in purchasing, it is difficult to develop a single, all-encompassing strategy. To the contrary, a hierarchy of stages emerges when general strategy is disaggregated into executable and controllable activities: (1) firm strategy; (2) purchasing strategy as a particular functional strategy; (3) category strategies for the multitude of supply markets; (4) effectuation by a set of tactical sourcing levers and (5) strategies for each supplier within a sourcing category. In an effort to conceptualize the research field, this study extended existing stages of strategy development in purchasing and, for the first time, completely integrated sourcing categories and sourcing levers as levels of analysis.

© 2015 Elsevier Ltd. All rights reserved.

## 1. Introduction: a fragmented research field of strategy in purchasing

The scientific community has devoted substantial effort to study decisions and activities of groups or individuals to improve purchasing performance. These decisions and activities have often been loosely discussed as part of 'purchasing strategy' (Nollet et al., 2005; Quayle, 2006; Virolainen, 1998). Unfortunately, scholars largely fail to clearly differentiate the scope of strategy development at different hierarchical levels of analysis. Often, several content areas and stages of the strategy development process are confounded with no acknowledgment of the implications. However, neglecting differences between hierarchical levels of analysis may hinder academic reasoning and mislead managerial actions.

The discussion of global sourcing strategy provides a good example of an area in which substantial effort has been devoted to decoupling different levels of analysis. Global sourcing can be regarded an organization-wide strategy of global standardization and coordination spanning across several functions, such as purchasing, manufacturing and logistics (Hultman et al., 2011; Lintukangas et al., 2009; Quintens

et al., 2006a; Trent and Monczka, 2003). Other scholars limit global sourcing strategy to the purchasing function (Kotabe and Murray, 2004; Smith, 1999). More narrowly, Schiele et al. (2011a) define global sourcing as a tactical approach to sourcing a group of materials internationally, while Arnold (1997) uses global sourcing to describe the approach toward a single material or supplier.

It is clear that formulating a single overall strategy for the purchasing function is a difficult task; rather, a diverse set of strategies and tactics for a diverse set of purchases and suppliers may apply. As recent literature suggests, strategy development in purchasing might only be comprehensively understandable by applying a hierarchical model differentiating while, simultaneously, integrating different levels of analysis (e.g., Essig, 2011; Nollet et al., 2005; Schiele et al., 2011a). Therefore, a central argument presented in this paper is that it is difficult to formulate a single overall strategy for the purchasing function; rather, strategy development in purchasing "is composed of a series of plans" (Nollet et al., 2005, p. 137). Thus, this paper is guided by the following research question: Which hierarchical levels of analysis for strategy development in purchasing exist in the purchasing literature, what are their particularities, and how do the different levels relate to one another?

Against this background, the aim of this study is to present the current status of research by categorizing the strategy development process along hierarchical levels of analysis. In this light, the strategy development process includes strategic and tactical steps that differentiate general strategy into executable and controllable

\* Corresponding author.

E-mail addresses: [f.hespings@utwente.nl](mailto:f.hespings@utwente.nl) (F.H. Hespings), [h.schiele@utwente.nl](mailto:h.schiele@utwente.nl) (H. Schiele).

activities (González-Benito, 2007; Nollet et al., 2005). In contrast to the operational activities actually taken by the actors involved, strategy and tactics refer to the approaches that actors plan to take (Burgelman and Grove, 1996; Prahalad and Hamel, 1994).

Following the steps of a structured literature review proposed by Mayring (2003), this study is structured as follows. First, materials were collected using a structured keyword search of electronic databases. Second, descriptive analysis was applied to analyze the number and chronology of identified publications. Third, qualitative analysis was employed to further insights into the content of the extant literature on strategy development in purchasing. The paper concludes by offering suggestions for future research. To structure the literature review, this study builds on González-Benito's (2007) framework of purchasing competence, adopted from a manufacturing research context. However, this study argues that (1) firm strategy and (2) purchasing strategy, as one of a firm's functional strategies, can be extended by (3) category strategies for the multitude of supply markets, (4) sourcing levers, i.e., tactics applied to specify category strategies, and (5) supplier strategies toward each supplier within a sourcing category (see Fig. 1). The extended framework will (1) contribute to a more complete, hierarchical analysis of strategy development in purchasing and offer a shared set of vocabulary for sourcing strategists and further research, (2) enable sound argumentation when discussing sourcing categories and sourcing levers in further research, and (3) serve as a tool for crafting and executing strategy in purchasing.

**2. Material collection: a structured keyword search**

Prior to the structured literature review, English publications were read that address the level of sourcing categories and sourcing levers, which are currently 'blind spots' in González-Benito's (2007) framework of purchasing competence. Many of these publications (e.g., Arnold et al., 2005; Baier, 2008; Boutellier and Wagner, 2003; Essig, 2000; Kaufmann, 2002; Schiele, 2007; Schiele et al., 2011a) refer to German publications. To gain a deeper understanding of sourcing categories and sourcing levers, the materials collected for

the structured literature review thus included publications in both German and English.

To capture input from various research fields and recent trends, the search was not pre-limited to a certain group of journals. Material collection covered peer-reviewed scientific journals, as well as papers and books written for an audience of practitioners or students. The recognition of the strategic relevance of purchasing dates back to the early 1970s (Ellram and Carr, 1994). Thus, material collection was limited to publications from between 1970 and 2012. A structured keyword search was conducted in the electronic 'Business Source Elite' and 'Springerlink' databases. Keyword-based search might present certain disadvantages, as the results may vary according to the keywords selected. Nevertheless, scanning all sources in those databases would not be appropriate, as the aim of this study is to capture a broad range of concepts reviewed over 42 years of contributions. To address the limitations of keyword-based search, three groups of keywords in both German and English were constructed (Glock and Hochrein, 2011) (see Table 1). Group A included terms used to describe the overall research field of purchasing and supply management. Group B included terms that describe the specific research field of hierarchical levels of strategy development in purchasing. Group C included terms to describe sourcing categories and sourcing levers not included in González-Benito's (2007) framework.

Paper selection was initiated using the online search applications provided by the selected databases (see Table 2). Thereby, the relevance of articles in 'Business Source Elite' was assessed by determining whether the title or abstract contained one or several keywords from both groups A and B or from groups A and C. Through this procedure, 2321 publications could be identified as satisfying the search criteria. For these publications, the abstract and table of contents were further analyzed manually. Publications that appeared to be relevant to this literature review were read completely. In this step, 69 publications were identified as relevant. In a second step, while reading the papers, 69 further publications were identified through a 'snowball approach' by consulting the references of the previously selected works. In total,

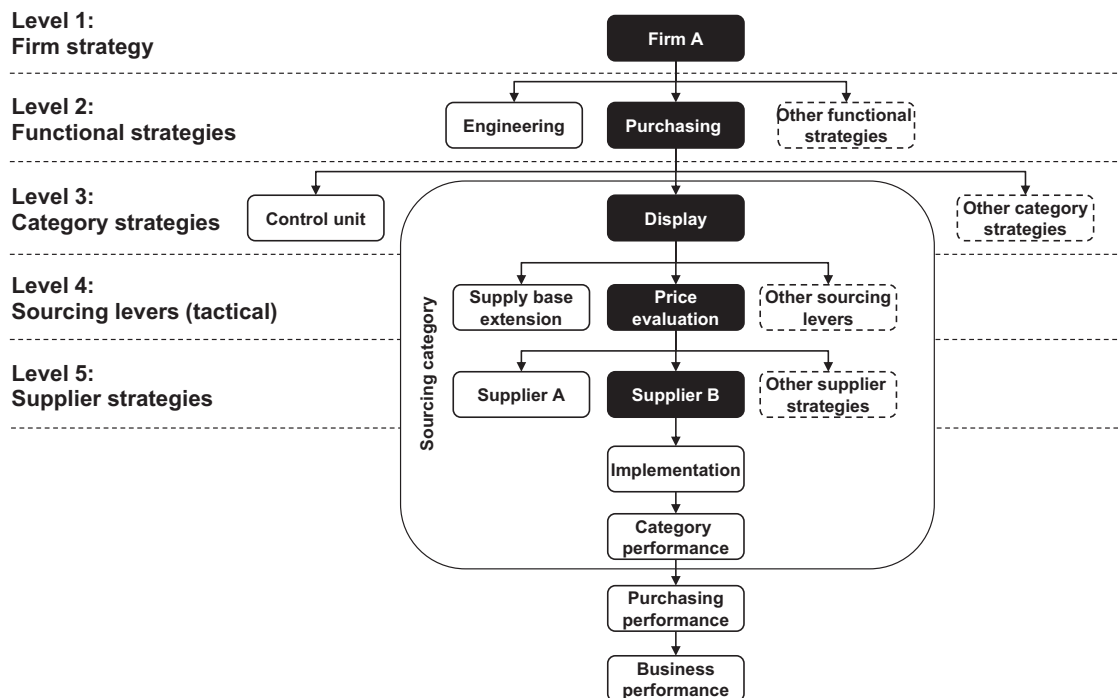


Fig. 1. Five levels of strategy development in purchasing (Based on González-Benito (2007)).

Download English Version:

<https://daneshyari.com/en/article/1020743>

Download Persian Version:

<https://daneshyari.com/article/1020743>

[Daneshyari.com](https://daneshyari.com)