



ELSEVIER

Contents lists available at ScienceDirect

Journal of Purchasing & Supply Management

journal homepage: www.elsevier.com/locate/pursup

Supply's strategic contribution: An empirical reality

André Tchokogué^a, Jean Nollet^{b,*}, Julien Robineau^c^a Department of Logistics and Operations Management, HEC Montréal, 3000, Chemin de la Côte-Sainte-Catherine, Montréal, QC, Canada H3T 2A7^b Department of Logistics and Operations Management, Supply Chain Management Association (SCMA) Professor, HEC Montréal, 3000, Chemin de la Côte-Sainte-Catherine, Montréal, QC, Canada H3T 2A7^c Vitra Factory GmbH, Charles-Eames-Strasse 2, 76576 Weil am Rhein, Germany

ARTICLE INFO

Article history:

Received 21 August 2015

Received in revised form

1 July 2016

Accepted 9 July 2016

Keywords:

Strategic contribution

Supply management

Strategic purchasing

Competitive advantage

ABSTRACT

Since the mid-1970s, authors from academia and from business have recognized that the strategic contribution made by supply is multi-faceted, although their work does not distinguish among the levels of strategic contribution. This study makes this differentiation by using a systematic literature review of the last 30 years and by performing a content analysis of 131 selected articles. The analysis of the increasing sophistication of supply's strategic contributions leads to three main observations: 1) the different types of contributions can indeed be classified into categories: category I (*support to corporate improvement targets*), category II (*support to the organizational competitive advantage*), and category III (*source of sustainable competitive advantage*); 2) contribution types in category I have been recognized since at least the early 1980s, while recognition has progressively taken place mostly in the 1990s for categories II and III; and 3) the contribution types in category I are perceived both as contributions that the supply function must master before it can take on those in categories II and III, and as contributions expected even when the supply function already contributes well to categories II and III. Therefore, supply professionals should develop their ability to better utilize the currently acknowledged strategic contributions, while being ready to take advantage of the new types of contributions.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

For more than 40 years, many authors have emphasized and promoted the strategic dimension of supply (England and Leenders, 1975; Kraljic, 1983; Carr and Pearson, 1999; Paulraj et al., 2006; Skilton, 2014). Some authors point out that supply's strategic contribution is partly based on helping to design and shape strategy (Narasimhan and Das, 2001; Baier et al., 2008), while others say that it is associated to supporting the operationalization of strategy (Burt, 1984; Ramsay, 2001). Therefore, since the expression "strategic contribution" is used for different types of contributions made by supply, it has different implications, which are not always clear in the various articles.

Supply's strategic contribution is multi-faceted (Carr and Smeltzer, 1997; Giunipero et al., 2005, 2006; Cousins et al., 2006); the trends associated with supply (just-in-time, international procurement, outsourcing, total quality, etc.) have spearheaded its strategic evolution, including the emergence of new types of strategic contributions over time (Schiele, 2007; Zhang et al., 2011;

Prior, 2012). For instance, Schiele (2007, p. 283) writes that "... purchasing's contribution to a firm's performance is not limited to cost reduction" and that one must now consider other types of contribution such as innovation. As pointed out by Cousins et al. (2006, p. 778): "...the debate is [now]not about how should purchasing become more strategic but what do we mean by the term "strategic"". However, although some articles have addressed that question specifically, none have examined the evolving reality; therefore, this paper focuses on the following research question:

How has supply's strategic contribution evolved over time?

The article is based on a systematic literature review covering the 1985–2014 period. It is structured as follows: the next section presents a typology of supply's strategic contribution according to the literature. In Section 3, there is a description of the methodology followed to deliver a systematic literature review, which comprises three stages: material identification and selection, coding schemes for the content analysis, and content analysis. Analysis of the main findings is included in Section 4, followed by the discussion and the overall conclusion in Section 5.

* Corresponding author.

E-mail addresses: Andre.Tchokogue@hec.ca (A. Tchokogué), Jean.Nollet@hec.ca (J. Nollet), Julien.Robineau@vitra.com (J. Robineau).

2. A three-step theoretical framework

As pointed out by Carter and Narasimhan (1996, p. 20): “The ultimate purpose of all corporate and functional level strategies, including purchasing, is the development of sustainable competitive advantage”. It is also clear that a more developed (i.e. mature) purchasing function also contributes more to the overall company performance (Schiele, 2007; Bemelmans et al., 2013). The supply function can contribute to the strategic planning process (Spekman, 1985; Cavinato, 1999; Goh et al., 1999; Cousins, 2005; Cousins et al., 2006; Paulraj et al., 2006), and play an important role in the organizational supply chain (Novack and Simco, 1991; Carter and Narasimhan, 1996) as well as in the operationalization of the global strategy and of the functional strategies (Porter, 1980; Ellram and Carr, 1994; Cavinato, 1999; Krause et al., 2001; Chen et al., 2004; Paulraj et al., 2006).

Over the years, many authors have written about the various types of strategic contributions. Some authors show that the supply department is only responsible for activities such as: (1) determining the characteristics of purchased materials, components, and services, and (2) managing the transaction so that the goods or services are delivered in a timely manner (Burt, 1984; Spekman, 1985), while others consider that supply's expertise in mobilizing key members of the supply base to form an effective knowledge sharing network is an organizational “core competence” (Eltantawy et al., 2009; Barney, 2012; Reuter et al., 2012). Moreover, the purchasing literature is replete with evidence that supply evolved over the last decade to a strategic level that supports the firm's competitive position (Carr and Smeltzer, 2000; Burt et al., 2003; Giunipero et al., 2006).

The expression “strategic contribution” has actually been used for many different types of strategic contributions. Nevertheless, based on some key articles (Cox, 1996; Dyer and Hatch, 2006; Azadegan et al., 2008; Eltantawy, 2008; Hunt and Davis, 2008; Bernardes, 2010; Reuter et al., 2010; Barney, 2012), it is possible to classify those contributions in two or three categories. Some authors such as Eltantawy (2008) and Barney (2012) suggest two categories, which are quite similar to Cox's (1996) three categories. For example, Eltantawy (2008, p. 154) writes: “Supply management skills are like other organizational assets; they could be classified as core or peripheral assets”. Cox (1996) is the first author to have suggested three categories: 1) residual competence; 2) complementary competence, and 3) core competence. Since Cox's (1996) classification is the one that we identified as being the best suited to classify the specific types of strategic contributions found in the literature, it is the one that this paper has adapted for that purpose (see Table 1).

Table 1 illustrates that all types of contributions can be classified in one of the three categories in the first column; however, the scope of the contributions mentioned in the second column shows why it is important to clarify and understand better what “strategic contribution” really means. Table 1 could thus be used not only for examining the scope of the strategic contributions made, but also how that scope has evolved over time. The next section examines how Table 1 can be used as a “coding scheme” (Cullinan and Toy, 2000; Guthrie et al., 2004; Spens and Kovács, 2006) to perform the content analysis of the literature dealing with supply's strategic contribution over time.

3. Methodology

Many studies make it clear that the variety of supply's strategic contributions has increased over time, as the scope of supply expanded (Blascovich and Markham, 2005; Nollet et al., 2005; Smith et al., 2009). However, there is neither an analysis of when those

strategic contributions became widespread, nor as to how they evolved. In order to consolidate the existing knowledge about supply's strategic contribution, we have followed an established procedure for content analysis (Spens and Kovács, 2006; Wynstra, 2010; Seuring and Gold, 2012; Schneider and Wallenburg, 2013), which allows for a reliable, objective and systematic study of existing publications on a given topic (Kolbe and Burnett, 1991; Schneider and Wallenburg, 2013).

A three-stage process was used in this research, based on methods suggested by Tranfield et al. (2003) and Seuring and Müller (2008). Those three steps are: 1) material collection (the material to be collected is defined clearly); 2) category selection (general aspects, e.g., publication year, research type, and specific aspects of the material to be assessed are selected); 3) material evaluation (also called “content coding” and the analysis of the articles selected according to the categories defined in stage 2). These three stages are discussed hereafter.

3.1. Material collection

In the initial search for relevant articles, the authors used the “ABI/INFORM Complete” database, combining in different ways three groups of key words (i.e. *Purchasing/Procurement/Supply/Networks; Strategic/Strategy; Contribution/Competitive Advantage*). The search was restricted to articles published in scholarly or peer reviewed journals, written in English, and published between 1975 and 2014. The year 1975 was initially selected since it is recognized by many authors (Ellram and Carr, 1994; Cousins and Spekman, 2003; Schneider and Wallenburg, 2013; Spina et al., 2013) as the starting point of articles dealing with the strategic role of supply. This initial search resulted in 1292 articles (see Fig. 1).

The titles of the 1292 articles were initially checked for relevance: the duplicates and those papers with a title that was beyond the scope of this review were removed; this reduced the list to 764 potentially relevant articles. Then, the abstract of each of these papers was read to ensure that it really dealt with a specific issue related to supply's strategic contribution (or/and competitive advantage); as a result, 183 articles were still being considered. For each of those, we determined if it was possible to download a pdf version, since we wanted to use the NVIVO¹ software for content analysis. This meant the elimination of 65 articles due to inexistent pdf or paper versions; nearly all of these had been published in the 1970s. In retrospect, the impact on the results would have been to have more articles mostly in category I (“residual competence”), which is the most basic of the three types of contributions.

However, included in this sample are all the relevant articles published between 1985 and 2014 in journals such as *Journal of Purchasing and Supply Management*, *Journal of Supply Chain Management*, *European Journal of Purchasing & Supply Management*, and *International Journal of Purchasing and Materials Management* (see Exhibit A1). Moreover, 13 additional articles were retrieved based on the references of the 118 articles remaining in the process. Therefore, in total, our research was based on 131 articles for the full paper review (see Exhibit A2). Such a systematic search normally provides a relatively complete census of the relevant literature (Webster and Watson, 2002; Denyer and Tranfield, 2009).

¹ It is demonstrated that the software package NVIVO can facilitate many aspects of the iterative process associated with grounded theory and can help provide a transparent account of that process; therefore, it should ultimately enhance study validity (Bringer et al., 2006).

Download English Version:

<https://daneshyari.com/en/article/5110188>

Download Persian Version:

<https://daneshyari.com/article/5110188>

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