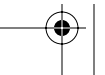
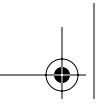


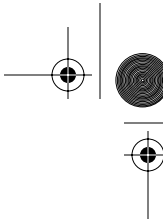
# Contents at a Glance

<i>Introduction</i>		<i>xix</i>
<i>Assessment Test</i>		<i>xxv</i>
<b>Part I</b>	<b>Operational Purchasing Practices</b>	<b>1</b>
<b>Chapter 1</b>	Procurement and Best Business Practices	3
<b>Chapter 2</b>	Sourcing	29
<b>Chapter 3</b>	Selecting Suppliers and Measuring Performance	61
<b>Chapter 4</b>	Administering Contracts	85
<b>Chapter 5</b>	Administering Contracts for Supplier Compliance	109
<b>Part II</b>	<b>Managing Systems and Relationships</b>	<b>133</b>
<b>Chapter 6</b>	Managing Negotiations	135
<b>Chapter 7</b>	Using Computer-Based Systems	159
<b>Chapter 8</b>	Managing Quality	179
<b>Chapter 9</b>	Maintaining Internal Relations	197
<b>Chapter 10</b>	Supplier Relationship Management	223
<b>Part III</b>	<b>Providing Added Value</b>	<b>245</b>
<b>Chapter 11</b>	Making Sound Sourcing Decisions	247
<b>Chapter 12</b>	Managing Material and Supply Operations	267
<b>Chapter 13</b>	Adding Value to the Organization	289
<b>Chapter 14</b>	Strategic Procurement Planning	307
<b>Part IV</b>	<b>Leading the Procurement Organization</b>	<b>337</b>
<b>Chapter 15</b>	Managing the Procurement Organization	339
<b>Chapter 16</b>	Managing Human Resources	371
<b>Appendix A</b>	Bibliography	399
<b>Glossary</b>		405
<i>Index</i>		457

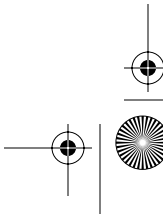
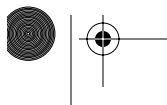




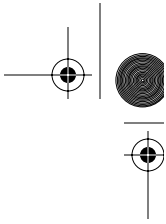


**xii Contents**

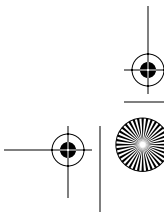
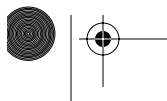
	Regulatory Factors Governing Purchasing	51
	Uniform Commercial Code	51
	Antitrust Legislation	51
	Other Governmental Legislation	53
	Foreign Trade Regulations	54
	Summary	55
	Exam Essentials	56
	Review Questions	58
	Answers to Review Questions	60
<b>Chapter 3</b>	<b>Selecting Suppliers and Measuring Performance</b>	<b>61</b>
	Selecting the Supplier and Awarding the Contract	62
	Evaluating Offers	62
	Applying Selection Criteria	67
	Reviewing, Approving, and Issuing the Contract	74
	Administering the Contract	74
	Implementing Performance Standards and Rating Systems	74
	Following Up and Expediting	76
	Developing Good Practices	76
	Managing Records and Data	78
	Summary	79
	Exam Essentials	79
	Review Questions	81
	Answers to Review Questions	83
<b>Chapter 4</b>	<b>Administering Contracts</b>	<b>85</b>
	Contract Essentials	86
	Contract Essentials	87
	Contract Requirements	88
	Contract Types	89
	Methods of Exchange	95
	Other Contract Elements	97
	Legal Authority and the Buyers' Responsibilities	97
	Reviewing Contracts for Legal Requirements	99
	Aligning Contracts and Practices with Policy	101
	Conformance to Law	101
	Ethical Principles	102
	Maintaining Purchasing Documents and Records	103
	Summary	104
	Exam Essentials	105
	Review Questions	106
	Answers to Review Questions	108



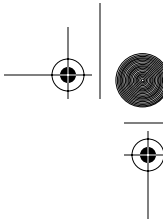
<b>Chapter 5</b>	<b>Administering Contracts for Supplier Compliance</b>	<b>109</b>
	Managing Contract Compliance	110
	Post Purchase Order Administration	110
	Supplier Relationship Management (SRM)	115
	Tracking and Expediting Deliveries	117
	Tracking and Monitoring Shipments	117
	Expediting Orders	118
	Handling Supplier-Related Deviations	119
	Dealing with Inadequate Performance	119
	Resolving Errors and Omissions	124
	Resolving Supplier Conflicts	125
	Summary	128
	Exam Essentials	128
	Review Questions	130
	Answers to Review Questions	132
<b>Part II</b>	<b>Managing Systems and Relationships</b>	<b>133</b>
<b>Chapter 6</b>	<b>Managing Negotiations</b>	<b>135</b>
	Assessing the Negotiating Environment	136
	The Competitive Environment	137
	Early Involvement	139
	Gathering Information and Analysis	140
	Preparing for the Negotiation	143
	Selecting and Leading the Negotiating Team	143
	Formulating Objectives and Developing Strategies	144
	Conducting the Negotiation	149
	Creating the Climate	149
	Adopting a Negotiating Style	151
	Documenting the Negotiation	152
	Summary	153
	Exam Essentials	154
	Review Questions	155
	Answers to Review Questions	157
<b>Chapter 7</b>	<b>Using Computer-Based Systems</b>	<b>159</b>
	Using Basic Information Technology Processes	161
	Computer Basics	161
	Platforms	163
	Software Applications	164
	Using Software for Procurement	165
	General Business Applications	165
	Supply Management Applications	167
	Impact of Automation on Procurement Organizations	172



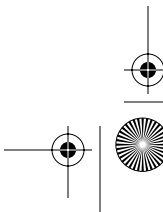
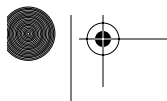
	Sourcing Supply Management Tools	172
	Software	173
	Summary	174
	Exam Essentials	175
	Review Questions	176
	Answers to Review Questions	178
<b>Chapter 8</b>	<b>Managing Quality</b>	<b>179</b>
	Managing Quality Performance	180
	Quality Assurance	180
	Measuring Quality Performance	182
	Ensuring Quality Performance	185
	Enforcing Quality Requirements	185
	Total Quality Management	188
	Employing Quality Systems	189
	Summary	191
	Exam Essentials	191
	Review Questions	193
	Answers to Review Questions	195
<b>Chapter 9</b>	<b>Maintaining Internal Relations</b>	<b>197</b>
	Understanding Key Departmental Roles	198
	Administrative and Support Functions	198
	Production Functions	201
	Sales and Marketing	202
	Advertising/Sales Collateral	203
	Distribution	203
	Engineering and Design Functions	203
	Research and Development (R&D)	203
	New Product/Service Introduction	204
	Developing Good Working Relationships	204
	Communicating within the Organization	204
	Gaining Early Involvement	206
	Participating in Cross-functional Operations	207
	Reengineering Supply Management	210
	Understanding the Scope of Operations	211
	Managing the Change Process	214
	Purchasing Policy and Procedures Training	215
	Summary	217
	Exam Essentials	217
	Review Questions	219
	Answers to Review Questions	221



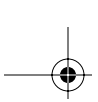
<b>Chapter 10</b>	<b>Supplier Relationship Management</b>	<b>223</b>
	Managing Productive Supplier Relationships	224
	Creating Good Working Relations	224
	Resolving Relations Issues	226
	Certifying New Suppliers	228
	Developing Continuous Improvement	229
	Gaining Early Supplier Involvement	229
	Implementing Small/Disadvantaged Business Programs	230
	Pricing	232
	Understanding Market Conditions	232
	Cost-based Pricing Models	233
	Price Analysis Methods	234
	Representing the Organization	236
	Meeting Sales Personnel	236
	Summary	240
	Exam Essentials	241
	Review Questions	242
	Answers to Review Questions	244
<b>Part III</b>	<b>Providing Added Value</b>	<b>245</b>
<b>Chapter 11</b>	<b>Making Sound Sourcing Decisions</b>	<b>247</b>
	Performing Make or Buy Analysis	248
	Make or Buy Dynamics	248
	Subjective Make or Buy Analysis Factors	250
	Outsourcing Business Processes	252
	Performing Lease or Buy Analysis	253
	Leasing Features	253
	Decision-Making Factors	254
	Formulating Financial Strategies	256
	Organizational Considerations	257
	Monetary Considerations	258
	Legal Aspects	261
	Summary	261
	Exam Essentials	262
	Review Questions	263
	Answers to Review Questions	265
<b>Chapter 12</b>	<b>Managing Material and Supply Operations</b>	<b>267</b>
	Inventory Control and Management Systems	268
	Types of Inventory	268
	The Role of Inventory	270
	Systems for Managing Inventory	270
	Inventory Economics	277

**xvi Contents**

	Physical Management and Inventory Accounting	278
	Controlling Inventory	278
	Reconciling Discrepancies	279
	Disposition Surplus Assets	280
	Disposal Strategies	280
	Disposal Methods	282
	Summary	283
	Exam Essentials	284
	Review Questions	285
	Answers to Review Questions	287
<b>Chapter 13</b>	<b>Adding Value to the Organization</b>	<b>289</b>
	Standardizing Purchased Materials	290
	Standardization Considerations	290
	Standards Organizations	292
	Improving Purchasing-related Processes	294
	Measuring Performance Improvement	296
	Controlling and Reducing Cost	296
	Cost Reduction Considerations	296
	Cost Control and Reduction Opportunities	297
	Supporting New Product Introduction	300
	Summary	300
	Exam Essentials	302
	Review Questions	303
	Answers to Review Questions	305
<b>Chapter 14</b>	<b>Strategic Procurement Planning</b>	<b>307</b>
	Developing Demand- and Forecast-Based	
	Purchasing Strategies	308
	Defining Purchasing Strategies	309
	Implementing Procurement Strategies	311
	Planning Procurement Requirements	315
	Forecasting and Demand Planning	315
	Coordinating Forecasted Requirements with Suppliers	317
	Developing Market Analysis	319
	Developing Market Awareness and Early Involvement	319
	Collecting and Distributing Data	321
	Forecasting Market Trends	322
	Summary	332
	Exam Essentials	332
	Review Questions	334
	Answers to Review Questions	336



<b>Part IV</b>	<b>Leading the Procurement Organization</b>	<b>337</b>
<b>Chapter 15</b>	<b>Managing the Procurement Organization</b>	<b>339</b>
	Planning Procurement Strategies and Objectives	340
	Supporting the Organization	341
	Supply Management Strategies	342
	Developing Departmental Goals and Objectives	345
	Defining the Department's Mission	345
	Formulating Goals and Objectives	345
	Keys to Successful Planning	346
	Formulating Operational Policies and Procedures	347
	Management Control	347
	Workload Distribution	348
	Workload Tracking	348
	Organizational Structure	348
	Preparing Departmental Reports	350
	Identifying Relevant Activities	350
	Selecting and Managing Data	352
	Methods of Presentation	352
	Responding to Audits	356
	Validating Current Processes	356
	Responding to Corrective Actions	357
	Conflict Resolution	358
	Evaluating Purchasing Department Performance	358
	Purpose of the Performance Evaluation	358
	Performing the Evaluation	359
	Evaluation and Appraisal Criteria	359
	Benchmarking Performance	360
	Administering Departmental Budgets	361
	Budget Functions	361
	Budgeting Processes	361
	Working with Operational Forms	363
	Functional Purpose of Forms	363
	Commonly Used Forms	363
	Designing and Managing Forms	364
	Summary	365
	Exam Essentials	366
	Review Questions	367
	Answers to Review Questions	369
<b>Chapter 16</b>	<b>Managing Human Resources</b>	<b>371</b>
	Leading the Supply Management Team	372
	Understanding Management Theory	373
	Principles of Organizational Management	375



**xviii**    **Contents**

Recruiting, Hiring, Promoting, and Terminating Employees	378
Recruiting and Hiring Staff	378
Promoting Employees	381
Training for Professional Competence	381
Determining Training Requirements	381
Employing Training Methods	382
Conducting the Training	383
Encouraging Professional Development	383
Appraising Job Performance	384
Developing Appraisal Factors	384
Handling Employee Performance Issues	386
Identifying Problems and Performance Issues	387
Implementing Corrective Action	387
Preventing Workplace Discrimination and Harassment	390
Administering Equal Opportunity Processes	390
Eliminating Sexual Harassment	393
Summary	393
Exam Essentials	394
Review Questions	396
Answers to Review Questions	398

<b>Appendix A</b>	<b>Bibliography</b>	<b>399</b>
<b>Glossary</b>		<b>405</b>
<i>Index</i>		457

