Contents

Li	List of figures List of tables Acknowledgements	
Li		
A		
1	Privatisation, corporate supply management and procurement competence	1
	ART I rivatisation and the management of purchasing and supply	9
2	Privatisation, business restructuring and purchasing and supply management	11
3	The research project and methodology	38
-	ART II mpirical findings: the survey results and case material	47
4	The impact of privatisation on the purchasing and supply function	49
5	The impact of privatisation on utilities' purchasing and supply management	75
6	The impact of privatisation on non-utilities' purchasing and supply management	112
7	Developments in public sector procurement	125

vi Contents

Cas	RT III ses in strategic supply alignment and purchasing and supply fessionalism	139
pro	Introduction	141
8	Severn Trent Water	142
9	South West Electricity	156
10	British Airways	167
11	British Steel	184
12	The Post Office	196
Fu	RT IV ture options for supply alignment and procurement npetence in privatised companies	209
13	Beyond purchasing professionalism: on business strategy, supply alignment and procurement competence	211
Appendix Glossary of terms Notes References Index		235 242 246 250 256

Figures

1.1	The three phases of efficiency improvement	4
2.1	Ownership, competition and efficiency	27
2.2	Single to double-loop learning	32
2.3	Learning at British Gas	33
10.1	An example of a BA purchasing portfolio matrix	181
13.1	Procurement and purchasing competence analysis in eight	
	privatised and two public sector bodies	218
13.2	The appropriateness of static and learning approaches	
	for the ten initial cases	219
13.3	Procurement and purchasing competence analysis in	
	four privatised companies and one public sector body	226
13.4	The appropriateness of static and learning approaches	
	for the five detailed cases	227

Tables

2.1	Privatisations in the UK (major sales)	19
2.2	Differences between public and private organisations	30
3.1	The four key hypotheses and a summary of the proxy	
	indicators tested in the research	39
3.2	Privatised companies involved in the survey	42
3.3	The fifteen organisations involved in the detailed interviews	43-44
4.1	Direction of change in structure of the purchasing and	
	supply function since privatisation	50
4.2	Timing of changes in the structure of purchasing	51
4.3	Changes in the number of purchasing staff since	
	privatisation	52
4.4	Reasons for changes in the numbers employed in the	
	purchasing department	52
4.5	The most popular themes in purchasing mission statements	54
4.6	Procurement tools and techniques most commonly used	
	before and after privatisation	54
4.7	Initiatives in purchasing and supply since privatisation	55
4.8	Changes in the role of purchasing since privatisation	56
4.9	Factors that have driven changes in the role of purchasing	57
4.10	Perceived changes in the position of the most senior	50
	purchasing manager since privatisation	59
4.11	Changes in the involvement of purchasing in	50
	company spend since privatisation	59
4.12	Changes in outsourcing since privatisation	59
4.13	Reasons for changes in the level of outsourcing	
	since privatisation	60
4.14	Changes in supplier performance since privatisation	61
4.15	Direction of the change in the structure of the	
	purchasing and supply function – public sector	64
4.16	Changes in the number of purchasing staff – public sector	64
4.17	Details of current purchasing strategy – public sector	66
4.18	Procurement tools and techniques most	-
	commonly used – public sector	67

<i>Tables</i> ix
68
69
69
70
71
partment 72
3

.