



Self-test 1.1

In the long term, the success of any organisation depends on its ability to create and maintain profitable customers. What does this have to do with procurement management? What are the direct and indirect contributions of procurement management to an organisation's competitive position and customer satisfaction?



Self-test 1.2

Generally speaking, effective management and control of operations can be achieved only when a firm is analysed and controlled as a total operating unit. In the cost area, uncoordinated cost reductions can be misleading, because cost reductions made in one area frequently pop up as increased costs in other areas. What do you think are some of the key characteristics associated with effective cross-functional teams for procurement's many interfaces within the organisation?