

FROM COST REDUCTION IMAGE OF PURCHASING TO SUPPLY CHAIN MANAGEMENT: COMPETITIVE CHALLENGES OF THE AFRICAN CONTINENT

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ABSTRACT

The emergence of the purchasing function from a position of "corporate obscurity" to a role that is active and integrated is evident in highly developed economies. In the African countries, the tendency is for top management to be hesitant to acknowledge that in a cost competitive environment it would be prudent to develop purchasing's profit generating potential. Central to the notion of developing purchasing as a competency center is the ability of purchasing managers to broaden their focus and think beyond the traditional role of the purchasing department. This implies a refocus of the purchasing department's effort to concern itself with more strategic considerations, away from those traditional and more tactical issues of buying the right products at the right price and right quantity from the right source. This entails moving from purchasing to Supply Chain Management (SCM). As SCM becomes streamlined and reaches new levels of intensity, Supply Chain Leadership (SCL) will become more important as a source of earnings. SCL* has been coined by the author to reflect a more emotional intelligence in dealing with external supply resources in an understanding and sensitive manner which characterizes business conduct in the African countries.

Introduction

Business is one of the major institutions in society. As such it is part of the social, political and economic structure that defines and helps to shape the nature and character of a nation. One of the major pressures of business in recent years has been the expectation that managers exercise authority and full control over those aspects of their operations which have social consequences. With specific reference to the African countries, impediments to business progress are widely discussed among the countries' policy makers, private sector, business promotion agencies and the investing communities. In spite of various attempts to remove impediments, there is a widespread perception that outdated or inappropriate rules and regulations promote bureaucratic inefficiency, retard business dynamism and raise the costs of doing business in African countries. These regulations entail many controls, stipulations and limitations, which in the present era of globalization and liberalization would stifle further development of trade and industry with African countries. There are sound 'in principle' reasons for taking these widespread perceptions seriously. This paper considers the premise that manufacturing enterprises within the African countries are facing increased competition and are operating in a new dynamic environment requiring a different set of sound business practices and principles. Value adding in an ethical and moral way requires a deep understanding of cultural norms and practices in which a firm is domiciled. Leading towards mutually aligned gains and benefits becomes paramount in this environment.

The World Economic Forum report of 2004 identifies three areas that affect the competitiveness of African countries, namely, the quality of the macro-economic environment, the state of the countries' institutions, and their technological level. Within this context there ought to be an emergence of the corporation in African countries from a

position of "corporate obscurity" within the hierarchical structure of the country to a role that is more active and integrated. Within the confines of this, the greatest competitive advantages (and profits) will go to businesses with the most efficient, informed, coordinated and responsive internal operations, and broad and accurate visibility into the many tiers of governance, linking customers, suppliers and competitors into trade networks. Having identified the role of business in a country, one of the critical tasks of the purchasing function within the business is an examination of purchasing's contribution to economic value added (EVA) activities. Adding economic value entails numerous critical activities requiring leadership and a clear understanding of the role of business in society.

Visiting Supply Chain Management Within African Countries

Moody (2001) citing The National Association of Purchasing Management's Center for Advanced Purchasing studies contends that the purchasing function is caught in a gap between strategic intentions and tactical realities. Within this context, this paper addressed the question to purchasing professional within the African countries: *whether the purchasing department is viewed by top management as the competency centre for all matters pertaining to the supply environment?* Central to the notion of developing purchasing as a competency centre is the ability of purchasing managers to broaden their focus and think beyond the traditional role of the purchasing department. This implies a refocus of the purchasing department's effort to concern itself with more strategic considerations, away from those traditional and more tactical issues of buying the right products at the right price and right quantity. Consequently, a move from purchasing to SCM and then to SCL alters reporting relationships within the firm. This study is a result of focus group discussions with purchasing personnel in major industries across the African continent and academics at higher educational institutions. Site visits to forty eight manufacturing enterprises across twelve African states and contact visits to fifteen universities were also made. The general observation and concerns of purchasing practitioners are that manufacturing enterprises within the African countries are failing to adapt to changes in the marketplace, which include, *inter alia*, a host of regulations, deregulations, globalization, advancing customer focused technology and services, growing quality requirements and constant cost improvement pressures. Not a single university offers any program in supply chain management. This phenomenological study conducted in the African countries suggests that the African corporations need to strategically manage and lead the groups of people contributing to the economic value of the firm and ultimately the country. These groups of people, many of whom are western and eastern expatriates, need to position the corporations in such a way to turn the changes that are taking place into competitive advantage. One way this can be achieved is by leveraging the corporation's purchasing power and maximizing the contribution of the supply base through mutually aligned interests. The unduly narrow view of purchasing within the African enterprises relegates it to a purely clerical function which characterizes the scope of African purchasing personnel.

Academics within the higher education institutions in the African countries unequivocally stated that there is no unanimity among practitioners and researchers on what the profession should be called. Supply chain management (SCM) remains a topic of considerable interest among practitioners and academics in the U.S. Academic journals are being created or

renamed; business schools are offering SCM programs; professors are altering their titles and research interests. Larson and Halldorsson (2002) suggest that activities such as: creating and renaming academic journals, the offering of SCM programs at business schools, the altering of professorial titles make the scope of SCM unclear. Considering the rapid evolution of the purchasing function, corporations in the U.S. are moving away from the functional and transactional focused purchasing practices towards an approach requiring interaction with overall business objectives, business market intelligence, total cost decision making, cross functional input, more integrated supply base, management of the entire supply chain and finally customer focus. This relationship approach causes a shift in purchasing philosophy from low price buying to total cost management. A paradigm shift from that of managing a transaction, to that of managing the cost of an entire business process, the process that starts with design of the product or service and ends with the ultimate disposal of the product or completion of the service, propels purchasing closer to strategic business issues that should stimulate business conduct in any region.

This paper presents an opportunity for the purchasing department within corporations in African countries to stand out as a strategic leader. It offers specific plans on how strategic management of purchased goods and services can contribute to the enterprise's objectives and also the overall objectives the country. In order to achieve the overall objectives of the enterprise, the purchasing department must clearly understand what the strategic issues in purchasing management are and must define its role in the change effort. In addition it must plan for implementation of the change throughout the enterprise. Within this context purchasing is identified as a constantly evolving function in its role as a marketer to the internal customers within the manufacturing enterprise, marketer to the external suppliers and a participant in the corporate management process.

Purchasing is perceived by academics and elsewhere as a key contributor to an enterprise's competitiveness (Carbone 2001). As such purchasing departments within the African countries should reinvent itself to fit the new role of SCM. By continuously enhancing its skills mix and the performance of its resource base, SCM within the African countries should become a driving force for change that is altering the way enterprises conduct business. African corporations having bureaucratic management structures can become dysfunctional if they fail to change with the times. Furthermore, the modern enterprise's main focus is on customers. As such African corporations should concentrate on processes, not tasks; value creation, not bureaucracy; and integration, not separation of functions. Indeed, African corporations now face a transition between the new and the old, between the past and the future, between the less efficient and the more efficient, between products and services that just get by and those that are world competitive, and for some enterprises, between prosperity and stagnation. This is the essence of industrial change and globalization. To most observers the purchasing profession is one of the fastest changing professions within business enterprises (Leenders and Johnson 2000). Within the context of the paradigm shift, African corporations need to reconsider the future role of purchasing (SCM) as a strategic contributor to an enterprise's success. In addition, these corporations will need to concentrate on those major changes in the purchasing paradigm that will unfold in the years ahead, such as integrated supplier relations, team purchasing, supply management alliances, supplier

managed inventories, internet purchasing, co-operative purchasing and supply chain management.

Perspectives in Supply Chain Management Within the African Continent

In considering new manufacturing directions, Monczka (2000) contends that American manufacturing managers have made tremendous strides over the last ten years. They have led the way for their corporations in total quality management, increased the productivity of American manufacturing firms at a faster rate than their counterparts in Japan and Germany, and cut time out of processes. When one considers these phenomenal accomplishments in the U.S. in the light of business practices in the African countries, they offer enormous opportunities to those looking at what they must now achieve. Strategic planning, customer orientation, early supplier involvement, partnership, cross-functional relationships, total cost of ownership, just-in-time systems and many more strategic issues dominate the recent literature in SCM. These ideas draw purchasers towards a view of their work that is far different from the traditional heavy paperwork, reactive buying actions and price-oriented competition for which the buying community is known. (Telgen and Sitar 2001). These new ideas are derived from technology and information systems that enable purchasers to visualize and measure the effect of their decisions in a manner not feasible even one decade ago. Adopting the same trend of thought, Johnson and Leenders (2003) contend that the cumulative effect of these approaches to purchasing is overall improvement in product quality, reduced cost of operations and increased competitiveness throughout the economy. Several authors, among whom one could include Monczka and Trent (1993), Carter and Narasimhan (1995), Hendrick and Ellram (1995), Scheuing (1997), Johnson et.al (1999) have explored the future of purchasing. "While there is no agreement on the exact definition and scope of supply, professionals at all levels do agree that supply is a series of linked relationships that add value at various levels." Kauffman (2002:47). Unfortunately, an awareness of this has not yet been created within the African countries.

Literature sources in the U.S. suggest that SCM is not sourcing, nor is it purchasing. In Africa purchasing departments still manifest an image of tedious issuing of purchase orders and doing the paperwork to execute decisions made by others. As the new role of purchasing professionals is rapidly getting out of the business of clerical transaction, the term SCM correctly suggests expertise in identifying, monitoring, and improving the performance of responsible and responsive sources to achieve the desired outcomes of an enterprise. The logical extension of this idea is that SCM within Africa should become a management function of external operations. Management of external operations will imply greater reliance on information technology, compatibility of planning and information systems, greater need for strategic sourcing and supply management. In this regard purchasing and supply management professionals (supply chain managers) will require greater general management (interdisciplinary) training than they have had in the past. Bureaucratic structures that still exist in African countries may not auger well for the growth and development of the profession.

SCM should be driven by customer requirements and not requisitions. SCM professionals ought to be passionate about knowing their customers and meeting their requirements.

Internal and external customers judge the value received from purchasing and will defect if their expectations are not satisfied. In this regard purchasing would be expected to emphasize value creation and delivery, not procedures. Value-based purchasing will focus on the decisions of SCM with regard to the creation of value, rather than on traditional objectives of cost savings and efficiency. (Telgen and Sitar 2001). Value creation demands that SCM be linked to the market and the customer. In this sense SCM will be energized by a vision, not just governed by a mission. Purchasing's mission is a statement about its nature and purpose within an enterprise, describing its role, competencies, and approach to doing business. While it correctly defines what purchasing currently is and does, a purchasing vision is a statement about the function's future nature and role. Scheuing (1997:347) maintains that "... a vision is an inspiring concept of a team of world class professionals, strategically partnering with suppliers and customers to enhance the competitiveness and performance of all players".

Another perspective concerning the purchasing department will be the treatment of suppliers as external resources, not vendors. Indeed suppliers are sources of ideas, technologies, and savings in time and money. Vendors merely execute orders and meet specifications. Poor supplier performance costs an enormous amount of money. (Rozemeijer, Van Weele and Weggeman 2003). Managing and moreover leading these external resources is critical for business success and it becomes more appropriate to define the buyer's role as managing and leading a large part of the corporation which the corporation does not own, cannot see and which is staffed by people whom the corporation does not employ. Supply chain leadership entails this vision of the traditional purchasing function.

These perspectives will not only create an awareness in the purchasing profession in African countries, but will also develop an *esprit de corps* among the various corporations that employ large numbers of expatriate employees who meaningfully contribute to the economic and to a certain extent the political reforms of the continent.

TRENDS IN SUPPLY CHAIN MANAGEMENT AND ITS IMPLICATION TO AFRICAN COUNTRIES

To meet the growing challenges of competitiveness, six trends have been identified. Since the illiterate of the future will be those who do not want to learn, relearn and unlearn, it therefore comes as no surprise that the **first trend** in SCM within African countries will be continuing education. Having identified that SCM is going to have a profound impact on business conduct, African countries need to invest in continuing education especially in the areas of SCM. There should be no room for trial-and-error purchasing. No profession can sustain and advance itself without ongoing efforts to update and upgrade skills and knowledge. In this regard Scheuing (1997:348) contends that "...purchasing without appropriate education is dangerous because it can run afoul of the law and fail to protect an organization's legitimate interests properly." Education is the prerequisite for the change. Professional Association membership is often cited as most valuable way to acquire knowledge in a changing environment. The development of professional associations becomes paramount.

The **second trend** deals with globalization. As barriers to international trade are decreasing, African countries should manifest an international character and its business activities should not be confined just to local purchasing. There are dominant reasons that should lead SCM to search the global marketplace for competent and competitive sources. Traditionally enterprises purchase internationally for one fundamental reason and that is to be able to use the best suppliers in the world, thereby gaining competitive advantage in product design and manufacture. A more strategic reason encompasses the matching of a sales-driven strategy that mandates purchases in a given country. These could be formal countertrade and offset requirements, or a less tangible belief that sales will increase if an enterprise's presence in a country increases.

The **third trend** centers on building strategic alliances, not having adversarial relationships (Leenders and Johnson 2000). The management literature recognizes the potential for organizations to realize benefits through cooperation. It is often argued that value creation and synergy can occur through business unit combinations leading to contractual strategic alliances based on mutual understanding. Purchasing products from multiple vendors in an adversarial mode, one transaction at a time, is the traditional pattern of several purchasing departments within African countries. Among the most significant factors in the development of new supply strategies will be the new forms of financial pressure that will be put on enterprises within the African countries. Global competition will drive the movement towards fewer and larger companies, something which many African countries are not comfortable with. Small and medium enterprises seem to be the hallmark of traditional African countries. However, as business progresses, leadership should come to realize that short-term contracts signify very limited commitment while multi-year contracts help establish relationships and set annual cost reduction targets. Purchasing will practice joint cost management, not what several authors call pressure tactics. The traditional approach of "squeezing" suppliers for lower prices ignores their legitimate need to earn fair and reasonable profits in relation to risk and capital employed. Joint cost management involves shared responsibility for understanding and reducing cost in the supply chain for mutual benefit. The traditional approach to purchasing has been used in industry for many years; it is imbedded in the corporate structure as the way to procure materials. The approach, however, is at the root of many of the problems African businesses face today. High inventory levels, soaring costs, adverse relationships with suppliers, and quality issues that either stop production or result in poor products are just a few of the problems with the current way of purchasing practiced in African countries. Strategic partnership will help manufacturing businesses achieve a new level of success and customer service. Tapping into and integrating the full capability of key suppliers is fundamental to achieving and sustaining a competitive advantage throughout the supply chain.

The **fourth trend** pertains to quality and is contained in Inman's and Hubler's study (1992:11) - "Certify the process and not the product". Purchasing will pursue continuous improvement, not incoming inspection. The rationale behind this is that one cannot inspect quality into a product; the damage is already done by the time inspection occurs. Problem prevention and continuous improvement enhance production, reliability, use characteristics, and sales. There are several streams of research that have examined the influence of the elements of quality, cost and time on profitability. In considering these elements, Carter and

Narsimhan (1995:63) allude that "... although competition in the future will be based on time, innovation, customization, and technological capabilities, cost and quality leadership will continue to influence the ability of a firm to compete successfully". Consequently, quality assurance is an important criterion for supplier selection. African countries have to consider what assurance suppliers can offer with regard to design and technical specifications. Furthermore, according to what quality standards are the suppliers proposing to produce the required products. Enterprises that emphasize quality improvement would require suppliers to initiate statistical process control or other quality assurance techniques that focus on the elimination of production process variability. This may include conformance with certain international standards. A supplier's ability to identify and resolve problems along with a philosophy that defects are not acceptable at any stage of design and manufacturing process, are also the cornerstones of buyer-supplier quality improvement efforts. The emergence of a global marketplace will impact significantly on African countries. Competitive pressures will force many enterprises in Africa to realize that in order to succeed in the new global market, product quality must be superior. Meeting and exceeding the minimum requirements laid down by the International Standards Organisation (ISO) will become a virtual prerequisite to corporations both internationally and in Africa.

The **fifth trend** concerns the early involvement of the purchasing function or what O'Neal (1993:3-7) refers to as concurrent engineering and not emergency requisitions. At typical purchasing departments within the African countries, a substantially large percentage of the requisitions received require immediate action and expedited shipping. Therefore purchasing professionals in the African countries would have to participate in new product processes from the outset and involve selected suppliers as well. The traditional method of taking ideas from the research laboratory into product design, through production and on to the customer is extremely time consuming because purchasing usually comes in when everything has been set. In addition the individual functions, such as production, marketing, purchasing and research and design, work independently with the product, or idea after the preceding unit has completed its phase of the process. The outcome of this process typifies excessive waste and possibly loss of customers to competitors. O'Neal (1993:8) proposes that "... concurrent engineering holds tremendous promise for organizations that can rise above the sequential, compartmentalized approach to manufacturing". O'Neal (1993:8) concludes "... the significant features of concurrent engineering are its customer focus and its cycle time reduction process resulting in customer satisfaction and long term loyalty of valued customers."

The **sixth trend** will be a manifestation of an all encompassing ethical code of conduct. The implementation of these complex changes in management philosophy requires an understanding of the change and its impact on the social, economic, political and legal framework of the enterprise. Ethical issues in industry are at the forefront of media attention in African countries and this has resulted in negative publicity, and could result in substantial fines and penalties, and ultimately decreased sales and profits. The corporation must come to realize that SCM is exposed to a firm's external environment. Consequently, SCM in African countries will be under greater pressure than other internal functions to deviate from the accepted norms of behavior. This may be compounded when business transactions occur

across national boundaries and cultures. Due to SCM's boundary-spanning role, ethics will become a major area of concern within African countries.

Supply Chain Management Praxis

Monczka and Trent (1993) maintain that the functional separation introduced long ago by Alfred P Sloan at General Motors has outlived its usefulness and, in fact, have become counterproductive. It is no surprise that the first practice is that of outsourcing which has already been alluded to by various authors in the past (Carter and Narasimhan (1995), Hendrick and Ellram (1995), Monczka and Trent (1993) and Scheuing (1997). As enterprises identify and focus on their core competencies, they often find it beneficial to transfer responsibility for non-core services to external suppliers. Ellram and Maltz (1997:295) cite that "... outsourcing has become one of the most widely talked about and implemented tools for organizational change in the 1990s". Many factors have been cited for this phenomenon - globalization, the desire to reduce the workforce, desire to decrease the fixed asset base, downsizing, and the growing availability of outsource service providers. What is really of concern now is the role of SCM in this changed paradigm. Corporations in Africa would need to start developing internal competencies which competition cannot match. Enhancing capabilities such as advanced product design or flexible manufacturing, require not only financial resources which African corporations seem to have less of but also managerial resources. Successful outsourcing is designed to free up resources to be applied to the enterprise. The outside enterprise is focused only on a specific task and as such this usually leads to better production processes and more efficient execution. The trend toward increased outsourcing will reinforce the role of SCM in strategic cost management. As a greater share of a product's cost will be incurred "outside" the firm, this necessitates careful consideration of cost of acquisitions. It becomes evident that the changes highlighted will result in SCM playing an increasingly important strategic cost management role in the future of corporations in Africa.

Monczka and Trent (1993:7), having identified the increasing importance of cross-functional purchasing teams, reveal that 80 percent of U.S. enterprises surveyed planned to emphasize the use of cross-functional teams to support procurement and sourcing decisions. The use of cross-functional sourcing teams entails the involvement of all internal stakeholders in the process of selecting, monitoring, and developing suppliers. First, cross-functional teams will be seen as the quickest and most profitable way to take key programs from concept through implementation. Examples of relevant business initiatives include new product and service development, new strategy formulation, new business model design, qualifying outsourced manufacturing arrangements, negotiating advertising and communications contracts, and evaluating and selecting providers of services and solutions such as consulting and e-business solutions.

The second practice cited by Monczka (2000) is that SCM will employ state-of-the-art information technology. Computers will be essential tools for purchasing professionals. These will be further used to communicate information, access databases, identify, link up with, and pay suppliers, and also to "surf the internet". In evaluating the megatrends for the purchasing profession in African countries, electronic commerce is not extensively being

utilized and will be the mode of choice in the next century. In comparing African corporations and the modern U.S. corporations with specific reference to electronic commerce, one would notice African corporations still adorn their desks with traditional "IN" and "OUT" baskets. Bosses make sure that the paper keeps moving. Auditors still investigate the paper to make sure that it was completed correctly and that a mosaic of stamps, proper signatures and authorizations were all on paper. Paper in African corporations is evidence that something was happening. When one speaks of moving toward a paperless society, this does not imply that paper will no longer be used, but rather that traditional functions performed by paper will probably be performed by some kind of an electronic means.

Hence, Carter and Narasimhan (1995), Hendrick and Ellram (1995), Monczka and Trent (1993) and Scheuing (1997) contend that most purchases in the future will be "cashless" and electronic data interchange will come into its full potential. Many forces have come to bear to propel these changes, such as, falling prices of computers, team decision making, the reduction of staff functions, and the never ending drive for greater productivity. In addition to the expansion of traditional MRP and record keeping tasks, buyers of the future will use the computer for real-time information on suppliers, critical commodities, and news events. The same computer will be used for video conferencing as well as receiving sales presentations. The expanded use of electronic data interchange will result in the rapid movement of information, orders, and money. African purchasing practitioners who fail to adjust to these trends will likely find that they will marginalize or eliminate their own role in their own corporations or the corporations of the future.

The third practice identified by Carter and Narasimhan (1995), Hendrick and Ellram (1995), Monczka and Trent (1993) and Scheuing (1997) concerns professionalism applied to all purchases. Scheuing (1997:349) argues that "... aggressive promotion of professional approaches to purchasing throughout an enterprise will capture even non-traditional buying." This trend of thought is also shared by Hendrick (1995:93) who strongly maintains that "commodities traditionally not managed by purchasing (health care, financial services, consulting, training, transportation) will be managed by sourcing teams". Consistent with this Carter and Narasimhan (1995:60) proposes that the strategic reach of purchasing and supply management will increase in the future. Graw (1997:380) also contends that "Organizations have traditionally assigned the service contracting responsibility to functional organizations other than purchasing. This traditional approach has not always been effective with the business, negotiation and analytical skills resident in the organization's purchasing and contracting staff." SCM will serve the entire organization.

The fourth strategic practice that Carter and Narasimhan (1995), Hendrick and Ellram (1995), Monczka and Trent (1993) and Scheuing (1997) consider is that purchasing will strive for dramatic cycle time reduction or engage in time-based strategies. Generally, time-based strategies embody the value-added dimensions of time. Reducing the time consumed by a process reduces cost and increases the enterprise's competitiveness. In reviewing some of the practices of corporations in Africa, there is ample evidence of the existence of economic wastage. These corporations need to recognize the major forces initiating the need for time compression of product development will be created by the increasingly aggressive global and domestic competition, improved mass communications, and increasing consumer

sophistication. Scheuing (1997:349) contends that the development of time-based strategies may provide firms with the ability to deal effectively with time-compressed product development, thereby providing a firm with the major challenges of the next century.

The next contention is the utilization of a performance measure (benchmarks) to assess and improve performance relative to other enterprises in the same industry. This will encompass measurement, comparison and improvement and will certainly encourage identification and application of best practices as identified in comparisons with other enterprises. The use of best practice information to improve competitiveness and overall purchasing is increasing among enterprises worldwide and enterprises are achieving significant strategic and financial impact of purchasing performance. Best practice indices need to be developed for African corporations.

From Supply Chain Management (SCM) to Supply Chain Leadership (SCL)

‘Most American institutions are over-managed and under-led’, has become a cliché in the business management community. This embodies the future dilemma in African countries. It is generally contended that managers are concerned with acceptable levels of performance. However, leaders ought to be occupied with exceptional levels of performance. Management provides the direction to a team. Leadership provides the vision of the end result. In this regard the traditional bureaucratic management models characterizing corporations in Africa complete with organization charts, job descriptions, and pyramid hierarchy, become dysfunctional.

Within this context, SCL will involve individuals from other areas in an organization being brought together to perform complex or specialized tasks of a multidisciplinary nature. Individuals will be drawn from different functional areas (sometimes from different organizations) to serve on SCL. Team members may have conflicting perspectives and loyalties, however, the total team works together to provide the path and direction. The total commitment and involvement of each team member in achieving the end results lies in the hands of a good leader.

SCM allocates scarce resources against an organization's objective, sets priorities, and considers alternative designs of work and the achievement of results. Most important, it's about controlling. SCL, on the other hand, focuses on the creation of a common vision. It means motivating people to contribute to the vision and encouraging them to align their self-interest with that of the organization. It means persuading, not commanding. As technology and communication dissolve international barriers, supply chain leaders who can effectively embrace the international marketplace and lead in a visionary, people-oriented manner can achieve phenomenal growth and thereby add value. There is no question that effective supply chain managers to become leaders in this century will need the ability to manage and lead in the presence of ambiguity and rapid changes driven by technology. Supply Chain Leadership (SCL) will introduce new visions and inject passion into the decision-making process. SCL will adopt a culture of dynamic change and dismantle a hierarchical management model. The simultaneous focus on the process, on the team, as well as on the individual's capabilities and performance, is the SCL model of tomorrow. SCL will enable

companies to compete in new markets, serve customers with excellence, launch innovative ideas and execute difficult growth strategies. SCL will help ensure the corporation is flexible and adequately strong to withstand, overcome and outwit the competition. As SCM becomes streamlined and reaches new levels of intensity, SCL will become more important as a source of earnings adding economic value throughout the supply chain.

Moving into SCL is not a simple and easy task. It involves changing philosophies throughout the corporation. Leading and managing resources that the corporation does not own become an important issue in SCL. SCL is much more than SCM which merely carries out strategic sourcing activities.

Conclusion

This initial phenomenological study was conducted in twelve African states where business is one of the major institutions. Site visits to forty eight manufacturing enterprises were made and focus group discussions with academics from fifteen universities were conducted. Business in Africa was seen as part of the social, political and economic structure that defines and helps to shape the nature and character of the country. One of the major pressures of business in recent years has been the expectation that managers exercise authority and full control over those aspects of their operations which have social consequences. With specific reference to the Africa, impediments to business progress are widely reported. In spite of various attempts to remove impediments, there is a widespread perception that outdated or inappropriate rules and regulations promote bureaucratic inefficiency, retard business dynamism and raise the costs of doing business in African countries. Purchasing departments within these business enterprises have a vital role to play in discarding the cost saving's image of the department. Implicitly, purchasing has to refocus efforts to a concern for more strategic considerations away from those more tactical issues centering on buying at the right price, right quantity, right supplier and right quality. The time has come to redefine and reposition the purchasing function within the African States. Diverse ideas about the requirements for effectiveness in industrial purchasing strategy have been developed. These ideas should be further considered in the light of the best practices within the African States. This phenomenological study yields unique insights into SCM's changing future role in the enterprise. Moving from transactional buying to SCL requires a complete reevaluation of the organizational structure and could be a major catalyst for political and social change within the Africa.

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