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Steffen Muxoll Bastholm is a researcher in the fields of Business-to-Business purchasing and relationship management. He is affiliated with the Business-to-Business Marketing og Supply Chain Management research group at the Department of Entrepreneurship and Relationship Management and has made his PhD-project as an Industrial PhD in collaboration with the Danish firm Hydac A/S.

He obtained a MSc in International Business Development in 2013 from the University of Southern Denmark Kolding and worked as a research assistant at the Department of Entrepreneurship and Relationship Management before engaging in the PhD-project with Hydac A/S.



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PhD Dissertation
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Strategic challenges
for the purchasing function
in a networked business
landscape

PhD Dissertation

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Strategic challenges for the purchasing function in a networked business landscape

Purchasing capabilities, tasks and roles - an interaction perspective

The main focus for this PhD-thesis is the development of the purchasing function in Business-to-Business firms. In research as well as in practice, the purchasing function has received significant interest in the last two decades. There are several reasons for this. The purchasing function is playing an increasingly important role in developing solutions as the coordinator between the suppliers, the buying firm and its customers. Also, the suppliers play a new role as supplier involvement is a necessary ingredient to secure both purchasing efficiency and provides access to innovation. The purchasing function must therefore design and manage a broad range of supplier relationships while simultaneously manage supply risks, reduce costs and leverage innovation capabilities. Finally, from an economical perspective, the purchasing function holds, in many cases, the largest cost spending portfolio.

The increased level of interactions between customers and suppliers and the constant changes influence the development of the purchasing function and places increasing economic and strategic importance on the capabilities, tasks and roles of the purchasing function. This lead us to the following, overall research question:

“What are the capabilities, tasks and roles of the interactive purchasing function?”

This research question is answered through a qualitative case study focusing on the purchasing function at the firm Hydac A/S. The data is collected in connection with the purchas-

ing function in interaction with other internal departments as well as specific suppliers and customers. The study translates into three articles to address the issues highlighted above.

The first article addressed the issue of multi-dimensional interaction in which the purchasing function must engage with several interfaces between different functions within the buying and selling firms to be managed. The purpose is to address the issue of characterizing the purchasing capabilities through a systematic literature review. The findings showed that the purchasing function must be capable of *transferring knowledge, aligning capabilities and managing relationships* through intra- and inter-organizational interaction. These three findings add to our understanding of interactive capabilities by contributing with specific characteristics of the interactive capabilities of the purchasing function as being capable of interacting and combining resources with intra- and inter-organizational actors. An important aspect here that the characteristics are developed through the purchasing function's management of intra- and inter-organizational interaction.

The second article addressed the issue related to the dynamics of changing resource interfaces and the related dynamics and the consequences for the organization of purchasing tasks. Buying firms increasingly depend on their ability to manage these constant changing resource interfaces with their suppliers so the purpose was to redefine the purchasing function's tasks. The

findings from this study showed *new ways of defining the purchasing tasks*, challenges of *division and alignment of tasks in intra- and inter-organizational networks*, and *inter-connected task performance*. The findings highlight the importance for the purchasing function of understanding that the tasks are constantly in flux, and different capabilities and a different understanding of roles are therefore required to perform these tasks. The purchasing function's task can therefore be redefined as coordinating the inter-dependent availability of products and services in a cost-effective way within and across organizations.

The third article addressed the organizational issues related to fulfillment of the purchasing function's three strategic roles – rationalization, development, and structuring. The purpose is to address the issue of linking the organizing of the strategic roles within the buying firm with the organizing of their suppliers. The study identified three constraining factors for the fulfillment of the roles as the *internal perception, the changing role of the firm* as well as *the influence of external actors*. These three findings contribute with new insights into important organizing issues which can constrain linking the buying firms organizing of the three strategic roles with the organizing of its suppliers.

Together, these three articles contribute with different perspectives to address the research issues and answer the overall research question.

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The Department of Entrepreneurship and Relationship Management (DERM) is a business economics department under the Faculty of Business and Social Sciences. The department resides on campus in Kolding, Sønderborg and Slagelse and has approx. 85 employees.

DERM is characterized by a clear link and synergy between research, education programs, dissemination and societal relevance, as well as a close collaboration culture between subject areas and interaction with external partners from companies and public organizations, locally, regionally, nationally and internationally. DERM is organized into 2 strong and focused research groups: Entrepreneurship and Organization, and B2B Marketing and Supply Chain. DERM's research is characterized by collaboration and interdisciplinary research groups. DERM carries particular weight within the spearhead areas: Entrepreneurship, Relationship Management, Design and Innovation.

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