

Series Preface

The trend towards globalization and the increasing division of labor as well as the rapid development of information and communication technology have led to worldwide value networks associated by material flows, information flows, and cash flows. These global supply chains pose major challenges for the stakeholders involved because of their complexity and cross-national major structure.

Therefore, supply chain management deals with the task of planning and directing efficient value creation networks taking economic, environmental and social aspects into account.

A professional advanced purchasing comprises the integrated management of all processes to supply a company with the required goods from sources outside the company. Thereby, the foremost target is to contribute to the achievement of competitive advantages of one's own company. By linking the procurement with the supply chain management, company-wide improvements may be achieved and strengthened in a sustainable matter.

Nowadays, procurement and supply chain management are part of the key management disciplines and in many companies they are already anchored at the top management level. Procurement and supply chain managers are not longer focused solely on reducing costs, because of this relevance, but contribute to the differentiation of companies and value networks. The confrontation with issues such as risk management, financing, sustainability in the supply chain, and product innovation will increase in the following years due to changing political conditions, oligopolies in supplier markets and further shrinking resources.

Despite the great practical relevance of procurement issues, the future challenges mentioned appear not to be adequately addressed from a scientific point of view so far. Furthermore, the connection between procurement and supply chain management has not been explored extensively. The series "Advanced Purchasing & Supply Chain Management" aims to contribute to closing these gaps. The intention is to generate benefits both in respect of sciences and practical matters.

The realization of this objective is supported by the "Kerkhoff Competence Center of Supply Chain Management" (KCC) – a jointly initiated platform of excellence by Kerkhoff Consulting and the University of St. Gallen. The goal of the KCC is to create an interface between science and practice. Therefore, trends and challenges in purchasing, procurement and supply chain management are to be analyzed

and recommendations to be derived for practical issues. Meanwhile, a practice-relevant cognitive process is strived for in terms of procurement and supply chain management.

The contributions of the series deal with current issues as well as innovation and excellence approaches in the management of value networks and link theoretical concepts with practical applications. Relevant themes are inter alia the purchase of capital goods, performance measurement in supply chain management and procurement, performance contracting or procurement in the public sector. The authors are researchers from the University of St. Gallen, researchers of other leading international research institutions with a focus on procurement and supply chain management, consultants from Kerkhoff Consulting as well as practical experts. By forming mixed writing teams from academia and industry, a close integration of these areas is ensured. This combination takes the application-oriented aspect of business management into account.

The present volume “Ways out of the working capital-trap” opens the series “Advanced Purchasing & Supply Chain Management”. Based on the situation of an increased demand for capital during a period of restrained granting of credit by banks, approaches to identify and strengthen internal financial power are presented from a company’s and a supply chain’s point of view. With the first volume, the authors show the close integration between procurement and supply chain management and their impact on the financing capabilities of companies. Furthermore, specific recommendations for purchasing managers and supply chain managers are given to enhance the financial competitiveness of their company and of partners along the value chain.

The authors of the series hope that all readers may enjoy this first volume and receive a number of specific impulses to pursue possible “paths out of the working capital-trap”. We are convinced that the approaches and tools presented make a valuable contribution to this effort.

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