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Respondents were first asked to identify whether they worked primarily in purchasing or in logistics. Purchasing was defined as including the following:

- Sourcing direct materials
- Procurement of maintenance, repair, and operating supplies
- Contracting services with outside suppliers
- Procurement of capital equipment/facilities
- Procurement of finished goods (completed items for resale)
- Supplier evaluation and selection
- Management of continuous supplier relations
- Supplier performance measurement
- Establishment of goods/services specifications
- Contract negotiations over materials supplies/services
- Global sourcing/sourcing strategy

Logistics was defined as including the following activities:

- Inbound/outbound transportation
- Owned fleet management
- Warehouse operations management
- Materials handling
- Packaging
- Order fulfillment
- Logistics information systems management
- Inventory management
- Management of third-party logistics services providers
- Customer service
- Reverse logistics flows
- Supply/demand planning

Next, the respondents were asked a series of questions related to their perspective on the nature and level of integration between their department and overall business strategy as well as between the purchasing and logistics functions. For example, if respondents indicated they were purchasing managers, they were asked about the purchasing group's alignment with business strategy and the group's relationship with the logistics group.

Major findings from the survey include the following:

- Purchasing and logistics frequently are found in a broader supply chain or operations organization but really exist as two separate and disconnected functions.
- Both purchasing and logistics are well aligned independently with their business unit's strategy and activities but not nearly as well aligned with each other.
- Despite formal organizational links between purchasing and logistics, interaction between the functions is typically informal and unstructured.
- Maintaining open lines of communication is the most widely supported method of interaction between the functions.

More detail on these findings is provided in the tabular breakdowns that follow.

Major Finding 1: Purchasing and logistics frequently are found in a broader supply chain or operations organization but really exist as two separate and disconnected functions. (Table 5-1)

While nearly 58 percent of respondents reported that purchasing and logistics were part of a common supply chain organization, more than 45 percent felt that they exist as separate functions. Fourteen percent still viewed purchasing and logistics as separate functions that are not part of the same supply chain organization, and 28 percent reported some other organizational structure.



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