

CONTENTS

List of figures xi

Forewords to second edition xv

Foreword to first edition by Björn Axelsson xvii

About the author xix

Acknowledgments xxi

Introduction 1

01 Lessons learned at Ikea 3

Where does Ikea come from? 3

Where is Ikea's purchasing going next? 13

What results has Ikea produced? 19

How is the organization led? 20

Some of Ikea's challenges 24

What can other companies learn from Ikea? 26

02 What is category management? 29

Strategic levers in category sourcing 34

Summary and reflections 47

03 Leading category sourcing 51

Is the best process no process? 51

A category sourcing process 56

Reflections 59

04 The hunt is on 63

Project directive 64

Bundling products 64

Goals and demands 66

Reflections 70

- 05 Where is the money? 73**
 - Spend analysis 74
 - Supplier evaluation 76
 - Market survey 85
 - Project plan 90
 - Summary and reflections 92

- 06 Creating value 97**
 - Creating value in the supply chain 98
 - Creating value with the supplier base 112
 - Creating value with the products 126
 - Making risks manageable 133
 - Developing the strategy 135
 - Reflections 140

- 07 The moment of truth 143**
 - The tendering process 143
 - Contract 151
 - Implementation 151
 - Reflections 152

- 08 Control performance and create more value 155**
 - Performance management 155
 - Creating value in product development 157
 - Create value with suppliers 166
 - Questions and reflections 174

- 09 Different categories and other perspectives 177**
 - Sourcing semi-manufactured materials 179
 - Sourcing components 180
 - Sourcing branded products 181
 - Indirect sourcing – standard products 183
 - Indirect sourcing – transport (in Europe) 185
 - Indirect sourcing – professional services 187
 - Questions and reflections 188

- 10 From theory to practice 191**
- 1 Establish a sense of urgency 191
 - 2 Create a guiding coalition 192
 - 3–4 Develop and communicate a vision and a strategy 196
 - 5 Empower employees for broad-based action 197
 - 6 Generate short-term wins 198
 - 7 Consolidate gains and produce more change 200
 - 8 Anchor new approaches in the culture 208
 - Yet another change 213
 - Summary 216

11 Success or failure? 219

Appendix Tools and models 223

Notes 249

References and further reading 257

Index 261