## Overview

Ta	ble o	f ContentsX			
In	dex o	f AppendixesXV			
Li	st of I	FiguresXVI			
Li	st of 7	TablesXX			
Li	st of A	AbbreviationsXXIII			
1		blem Set and Course of Investigation1			
•	1.1	Supply Management's Bottom Line Impact – A Never Ending Issue?			
	1.2	Objectives and Research Questions of This Thesis			
	1.3	Course of Investigation			
2					
-	2.1	Supply Management's Role and Corporate Value Contribution			
	2.2	Supply Management's Financial Effectiveness – Return on Spend			
	2.3	Design Implications for Measuring Supply Management's Budget Effects44			
	2.4	Interim Result: Return on Spend as Newly Defined Indicator of Supply			
	2	Management's Financial Effectiveness			
3	Measurement of Supply Management's Bottom Line Impact: Status Quo and				
3		ure Requirements			
	3.1	Quantitative Methodology			
	3.2	Status Quo of Savings Measurement Practices 68			
	3.3	Requirements for Supply Management's Budget Effects Measurement			
	3.4	Interim Result: Existent Need and Preparedness for Advanced Savings			
	3.4	-			
		Measurement in Practice90			
4	Mea	surement Process Design: Measuring Supply Management's Budget Effects –			
	A Q	ualitative Approach93			
	4.1	Contextual Case Analysis94			
	4.2	Integrated Planning and Budgeting as a First Step Towards Solid Budget Effects			
		Measurement			
	4.3	From Planning to Measurement - A Structured and Integrated Budget Effects			
		Measurement Approach			
	4.4	Interim Result: Five Design Rules as a Guideline for the Configuration and			
		Functional Set-Up of the Budget Effects Measurement Process			



5	Process Implementation Design: Implementing Supply Management's Return			
	on Spend			
	5.1	Definition of Measurement Process Requirements	177	
	5.2	Identification and Discussion of Measurement Process Inhibitors	183	
	5.3	Analysis of Measurement Process Enablers - Management Implications	193	
	5.4	Interim Result: One Design Rule as a Guideline for the Implementation and		
		Organisational Set-Up of the Budget Effects Measurement Process	202	
6	All-Encompassing Final Statements			
	6.1	Limitations of Research	205	
	6.2	Future Research	206	
	6.3	From Planning to Measurement – Six Design Rules as Guidance for a Solid		
		Measurement Approach of Supply Management's Budget Effects	207	
Re	feren	ce List	215	
Αj	pend	ix	237	

## **Table of Contents**

la	ible of	Conten	tsXI
In	dex of	Appen	dixesXV
Li	st of F	igures.	XVII
Li	st of T	ables	XXI
Li	st of A	bbrevia	ationsXXIII
1	Prol	olem Se	t and Course of Investigation1
	1.1	Supply	Management's Bottom Line Impact – A Never Ending Issue?1
	1.2	Object	ives and Research Questions of this Thesis5
	1.3	Course	e of Investigation6
2	Sup	oly Mai	nagement's Financial Effectiveness – 'The Story Behind it'9
	2.1	Supply	Management's Role and Corporate Value Contribution9
		2.1.1	Effective Supply Management – Key for Becoming an Equal Business
			Partner
		2.1.2	Purchasing Performance Versus Performance of Purchasing – A
			$Modified\ Understanding\ of\ Supply\ Management's\ Value\ Contribution\13$
		2.1.3	Different Issue, Participants, and Interests - A Principal Agent
			Perspective17
	2.2	Supply	Management's Financial Effectiveness – Return on Spend20
		2.2.1	Discussion of Different Performance Management Systems as Potential
			Role Models for Supply Management's Effectiveness Indicator20
		2.2.2	Discussion of Different Financial Performance Indicators as Potential
			Role Models for Supply Management's Financial Effectiveness Indicator25
		2.2.3	Supply Management's Budget Effects as Refined Savings and Basis for
			Financial Effectiveness Measurement – An Integrated Budgeting
			Approach35
	2.3	_	Implications for Measuring Supply Management's Budget Effects44
		2.3.1	Process-Related Implications – A First Draft of an Integrated Budget
			Effects Measurement Process
		2.3.2	Organisational Implications – The Consideration of Soft Factors Within
			the Context of Change
		2.3.3	Research Design and Process from the Design Sciences Perspective51
	2.4		n Result: Return on Spend as Newly Defined Indicator of Supply
		Manag	rement's Financial Effectiveness

3	Mea	surem	ent of Supply Management's Bottom Line Impact: Status Quo and		
	Futi	ire Red	uirements63		
	3.1	Quant	itative Methodology63		
		3.1.1	Questionnaire Design64		
		3.1.2	Data Collection		
		3.1.3	Sampling67		
	3.2	Status	Quo of Savings Measurement Practices		
		3.2.1	Sample Characteristics69		
		3.2.2	The Relevance of Measuring Supply Management's Bottom Line Impact70		
		3.2.3	Current Savings Measurement Practices		
	3.3	Requi	rements for Supply Management's Budget Effects Measurement79		
		3.3.1	Components' Relevance for an Adequate Measurement Approach80		
		3.3.2	Dependence of Measurement Certainty on Specific Measurement		
			Components83		
		3.3.3	Design Implications of the Survey Results for the Measurement Approach		
			- A Second Draft of an Integrated Budget Effects Measurement Process85		
	3.4	Interi	n Result: Existent Need and Preparedness for Advanced Savings		
		Meast	urement in Practice90		
4	Mea	surem	ent Process Design: Measuring Supply Management's Budget Effects –		
٠		A Qualitative Approach			
	4.1		xtual Case Analysis94		
		4.1.1	The Different, Applied Qualitative Methodologies94		
		4.1.2	Identification of Contextual Issues in Practice to be Aware of in the		
			Further Concept Establishment – A Contextual Exploration		
		4.1.3	Consolidation and Classification of the Different Relevant Contextual		
		1.1.5	Issues122		
	4.2	Integr	ated Planning and Budgeting as a First Step Towards Solid Budget Effects		
	,	_	urement		
		4.2.1	Definition of Measurement Prerequisites - Design Rule 1		
		4.2.2	Outline of a Comprehensive Supply Planning Process – Design Rule 2137		
		4.2.3	An Integrated Budgeting Approach – Design Rule 3		
	4.3		Planning to Measurement – A Structured and Integrated Budget Effects		
	7.5		rement Approach		
		4.3.1	Realisation and Monitoring – Design Rule 4		
		4.3.2	Measurement and Reporting – Design Rule 5		
		4.3.3	Process-Design Implications of the Case Study Research - The Final		
		4.3.3			
			Draft of an Integrated Budget Effects Measurement Process		

	4.4	Interim Result: Five Design Rules as a Guideline for the Configuration and				
		Functional Set-Up of the Budget Effects Measurement Process				
5	Pro	cess Implementation Design: Implementing Supply Management's Return				
	on Spend					
	5.1	Definition of Measurement Process Requirements	177			
		5.1.1 One-Dimensional Requirements: Data or Process or Behaviour	178			
		5.1.2 Two-Dimensional Requirements: Data & Process & Behaviour & Data	181			
		5.1.3 Three-Dimensional Requirement: Data, Process, & Behaviour	183			
	5.2	Identification and Discussion of Measurement Process Inhibitors	183			
		5.2.1 Identification of Requirement Gaps – A Methodological Excursus	184			
		5.2.2 Requirement-Gap-Analysis – Requirements Versus Status Quo	184			
		5.2.3 Discussion of Inhibitors – Data, Process, & Behaviour	186			
	5.3	Analysis of Measurement Process Enablers – Management Implications	193			
		5.3.1 Corporate Enablers	193			
		5.3.2 Supply Management-Specific Enablers	195			
		5.3.3 Implementation Process – Design Rule 6	197			
	5.4	Interim Result: One Design Rule as a Guideline for the Implementation and				
		Organisational Set-Up of the Budget Effects Measurement Process	202			
6	All-	Encompassing Final Statements	205			
	6.1	.1 Limitations of Research				
	6.2	Future Research	206			
	6.3	From Planning to Measurement - Six Design Rules as Guidance for a Solid				
		Measurement Approach of Supply Management's Budget Effects	207			
Re	feren	ce List	215			
۸.	mand	iv	237			
Λŀ	ppendix					