

Foreword

Low-cost country sourcing has for long been one of the hottest buzz words in the purchasing and supply management community, especially among practitioners. The lack of coverage in the academic field can potentially be explained by the complexity and the breadth of the topic. Although companies in most industries have sourced on a global level for decades or even centuries in order to reduce cost, the subject have received increasing attention over the last few years in a sense that the concept has become more and more institutionalized as part of the overall sourcing strategy.

The developments are welcome – especially since the field of purchasing and supply management traditionally has been lagging behind other, more “acknowledged” disciplines such as finance, accounting, and marketing, among others. This lag is glaring if one considers the absence of faculties involved in the discipline among many universities. Therefore, the initiative of Supply Management Institute to build a worldwide research and training network has proven to be highly attractive for both scholars and practitioners.

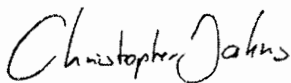
Furthermore, the discipline has also become increasingly complex due to globalization effects, where business networks become increasingly intertwined and the flow of goods, services, money and human capital grow exponentially over time. To handle the situation, companies are in desperate need for knowledge and information that can help them to crafting effective strategies that can secure supply, reduce risk and ultimately translate into competitive advantage.

This dissertation provides a significant contribution to the current body of research, by dealing with two very important subtopics of low-cost country sourcing – namely trends and implications. The trend analysis of this dissertation provides guidance where the field is heading; this is extremely helpful for companies in order to increase the planning horizon and reduce uncertainty. Also from an academic perspective this will contrast and add perspectives to earlier studies, and provide a solid basis for longitudinal research in terms of follow-up studies.

Moreover, the thesis part investigating implication puts the topic in perspective, by probing into an area which has yet been covered to a very low extent. This part contrasts the long tradition of heavily focusing on external factors as key strategic drivers, instead looking at the internal factors of the firm and how these contribute to the performance of low-cost country sourcing initiatives.

The results of the thesis show that there is currently a tremendous momentum in the field of low-cost country sourcing. Companies that do not leverage their organizations in low-cost regions will miss opportunities to reduce cost while maintaining quality levels, get access to new suppliers, get closer to new customer bases and so forth. Those that do not exploit opportunities in emerging supply markets and protect their strategic assets will most likely suffer from competitive disadvantages and deteriorating profits on a long term. Those who do will be the future market leaders.

Finally, I would hereby like to congratulate Dr. Martin Lockström for a great effort. As part of the first generation of doctoral students at the Chair for Purchasing, Logistics and Supply Chain Management at European Business School, he has understood that performance is not only measured through successful delivery of research projects, scientific publications and high-quality lectures, but more importantly, through a very strong and amiable personality and mindset. Not to mention the least is Dr. Lockström a couple of months after his doctoral degree ceremony appointed as Associate Professor at SMI China to build up the BMW-SMI Endowed Chair for Purchasing and Supply Management at Tongji University in Shanghai. I can simply congratulate to the successful career of Dr. Lockström and express my honor to let him reach his full potential.



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