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## Foreword

In today's markets, companies face ever growing international competition, radical technological change, and increasingly demanding customers. These developments force managers to focus on core competencies and result in decreasing in-house value-add across industries. Adequate supplier selection and competent management of the supply base have thus become key firm success factors. As a consequence, purchasing and supply management (PSM) has developed into a powerful weapon for contributing to a firm's competitive advantage along dimensions such as cost, quality, and innovation. Such a contribution, however, critically depends upon the alignment of purchasing strategies and practices with the company's overall business strategy. Only if the purchasing function supports the firm's competitive position can it effectively improve profitability. Unfortunately, existing research still lacks both the theoretical concepts and empirical foundation to provide detailed guidance to practitioners regarding how such alignment can be achieved and what impact it should have on firm performance.

The doctoral thesis presented by Christian Baier develops and tests a comprehensive model of the alignment-performance link in PSM in order to close this knowledge gap. Drawing on insights from the market-based view, the resource-based view, principal-agent theory, and contingency theory, the author derives a solid theoretical understanding of the relationships between business strategy and strategies and practices at the functional level. By applying the theory of production competence to the PSM context, two critical levels of alignment are identified: strategic alignment, i.e., fit between business strategy and purchasing strategy, and purchasing efficacy, i.e., fit between purchasing strategy and purchasing practices. A configurational view, and profile deviation in particular, is employed to empirically test hypotheses regarding both concepts.

Findings from the study deliver significant insights for both management practice and research. Besides supporting the existence of the proposed alignment-performance link in PSM, the results specify exactly which purchasing strategies and practices best sup-

port different types of strategies at both the business and functional level. Therefore, PSM practitioners who look for guidance on how to design their purchasing functions in order to most effectively contribute to firm success will find this study particularly helpful. This doctoral thesis provides two important implications for research. First, it demonstrates the utility of an interview-based survey approach for collecting data on purchasing practices. Second, it introduces profile deviation analysis as a means for investigating complex, multidimensional alignment-performance relationships in PSM.

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