

**CORPORATE PROCUREMENT PLANS:
ARE THEY REALLY STRATEGIC?
A CASE STUDY FROM THE IRISH PUBLIC SECTOR**

Dermot Callaghan*

ABSTRACT. There is a significant impetus to identify how strategic government objectives can be accommodated in public procurement. Corporate Procurement Plans (CPP) at central and local government level are key metrics in delivering these objectives. This paper benchmarks accepted strategy definitions against current CPP's to determine if Public Procurement is functioning at a more strategic level, or if operational goals standardising existing processes under the guise of strategy have been created. The methodology applied is based on "Adapting the Generic Framework for a Supply Strategy" Nollet et al, (2005). An examination of CPP's is undertaken to categorise the goals under operational, tactical, and strategic headings. The main conclusion is that the CPP's developed are lacking a number of key strategic characteristics.

PLANNING AND STRATEGY

Every organisation big or small operates to a plan or strategy of some sort and these maybe at different levels to reflect the organisation's needs at that moment. Each business is different and as Campbell (1999a) stated "a mature electrical products business ... has different planning needs than a fast-growing entertainment business or a highly cyclical chemicals business".

The need to have strategy in business hasn't just arisen in recent years. For over three decades authors such as Taylor (1974), Kiser

** Dermot Callaghan is a procurement professional working in the Irish public health sector and is currently undertaking a Masters in the area of Strategic Procurement through Dublin City University. His thesis research area is focused on corporate social responsibility in the Irish public sector.*

(1976), Farmer (1978), Adamson (1980) and Speckman (1981) have been debating the concept. However, according to Rajagopal et al. (1993) the interest among practitioners has been sporadic with a concentration on the scope for pro-activity and little thought around the overall contribution that Procurement can make to the overall competitive efforts of the organisation. These authors in moving away from the traditional view of procurement as what does it do for a company, posed the significant question that they believed would be asked of Procurement in the future ie what would effective procurement do? In doing so they espoused a belief that organisations would have to differentiate between strategy and operations.

However confusion widely exists as to what is planning, around types of planning or strategies and on what is strategic and what is not. It is widely accepted that plans or strategies can be broadly broken up into three categories – Operational, Tactical & Strategic (Van Weele (2005a)) or Functional, Business & Corporate (Johnson et al (2005a)). Frequently we see plans referred to as strategies and linked in is the concept or indeed buzzword of “strategic”. Just like adding the “e” to commerce, business, technology, procurement, it is believed that that addition of “strategic” to plans gives extra credence to what may be every day operations. There are those who may well claim all their actions are strategic, but that ultimately for strategic plans to happen these must be operationalised and tactical decisions made as to how these will be delivered upon. This course of planning thought generally arises from the notion that strategic is long term, with tactical medium term and operation short term. Others may as, Wilson (2003a) commented believe that post 9/11, having a plan or strategy of any sort is almost impossible given how the certainties of the 1990’s have changed. However it is worth considering how Wilson (2003b) responded to such cynics: “...in a relatively stable world planning is relatively easy, but less necessary, for continuing to do more or less what we are doing today might be all the strategy we need. It is precisely when we cannot predict what we will encounter – and when sheer survival not merely success is at issue – that we most need a clear sense of vision of where we want to go and how we get there. And that in simplest terms is the essence of strategy.”

In looking firstly at Operational / Functional Strategies and in combining both authors’ propositions, a common concept of concern with daily tasks and with how the component parts of an organisation can deliver effectively the corporate and business-level strategies in terms of

resources, process and people is to the forefront. Tactical / Business Strategies are according to the same authors focus on competition and the provision of best value services monitored through product, process and supplier performance. Standardisation, certification and rationalisation are key metrics, but only at what Johnson et al (2005b) refer to as independent “Strategic Business Units”. It is interesting to note that Van Weele (2005b) makes reference to inter departmental co-ordination in the successful delivery of these strategies. Both Van Weele (2005c) and Johnson et al (2005c) articulate the general proposition that Strategic / Corporate Strategy is the concern of top management and is focused on overall purpose, scope and position of an organisation in the longer term.

Adapting the Generic Framework for a Supply Strategy proposed by Nollet et al, (2005) I have as shown in Table 1 set in broad terms the various characteristics of each type of strategy. These will be used later to analyse the various Corporate Procurement Plans developed by the various agencies.

So planning can be both the organisational structure of creating, implementing and maintaining a strategy or indeed it can be the thought process about the activities required to create a desired future on some scale. In effect we have strategies which by their nature will interlink and provide a focus for a period of time. Johnson et al (2005d) firmly define strategy as “the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.” This definition is supportive of the position adopted by Porter (1996) when he expressed strategy as “the creation of a unique and valuable position, involving a different set of activities.”

While it is almost an inbuilt human trait to plan and we can generally agree with the definition for strategy as a focus over a period of time, it is also apparent that what differs is what organisations call strategic. What truly makes a plan / strategy actually strategic? It is generally considered to be planned, tactical, considered, intentional and to span a reasonable period of time. However such a definition can also be said to apply to a plan or strategy. In looking at literature it would appear that there is no clear consensus on this.

TABLE 1
Characteristics of Procurement Strategies

Descriptor & scope	Objectives / characteristics – key focuses generally within a procurement environment
Operational / functional plans are the specific plans of each initiative to be implemented within the tactical plan. The plan may include detail of roles and responsibilities for individuals, may provides the template for implementing each project, and should define benchmarks and processes for measuring progress	<ul style="list-style-type: none"> - Quality - Volume - Cost/Price - Service/delivery - Flexibility
Tactical / Business plans set out specific initiatives related to an organisation's strategies. It might focus on the range of special projects that will be involved in the achievement of certain desired outcomes, and should include the indicators to be measured for determining success.	<ul style="list-style-type: none"> - Benchmarking and research - Processes and procedures definition - Sourcing (Make-or-buy) analysis - Value-added analysis - Price determination - Supplier base management - Supplier certification programs - Supplier Quality Assurance programs - Project Management - Budgeting and reporting - Insurances, legal aspects, - Contract management - Risk management
The Strategic / Corporate planning process incorporates an understanding of internal strengths and weaknesses balanced against the relationship to external stakeholders and overall trends within the operational environment. Critically for the strategic planning process to be broad-based and holistic, it requires input and information from all key stakeholder groups.	<ul style="list-style-type: none"> - Sourcing (global) decisions/strategies - Supplier selection strategies - Outsourcing decisions - Insourcing decisions - Partnerships & Supply chain management - Technology adoption and investments - Competitive intelligence - Innovation and product life cycle management - Effective contribution to corporate value and goals and conception of performance measurement system (indicators)

Source: Adapted from Nollet et al. (2005).

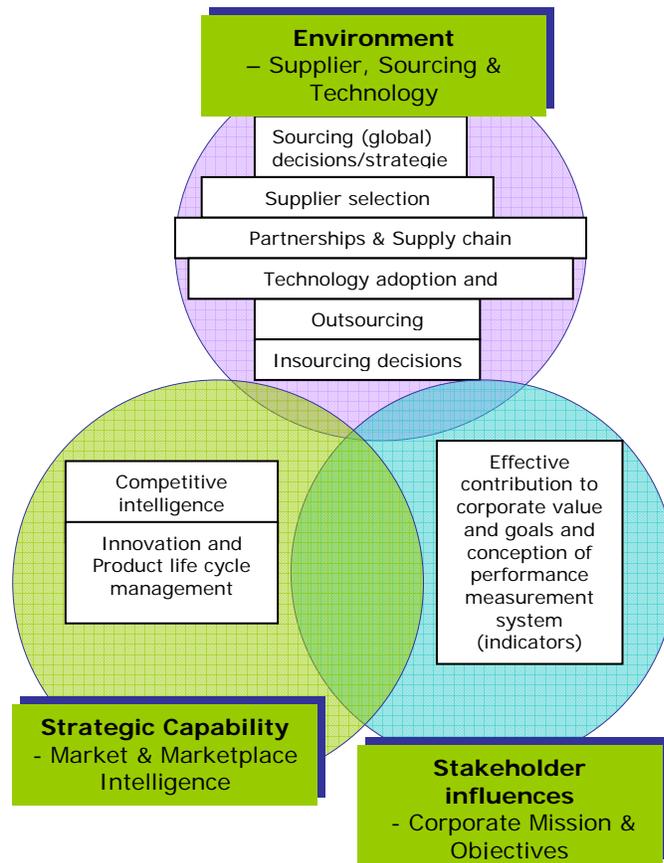
Farmer (1975a) defined planning as for the majority “...intuitive, sporadic and unsystematic ... and a basic part of management”. In looking at the specifics of Corporate Planning and strategy Farmer (1975b) refers to Drucker’s definition of corporate planning. “Corporate long range planning is a continuous process of making entrepreneurial decisions systematically and with the best possible knowledge of futurity, organising systematically the effort needed to carry out these decisions and measuring the results against expectations through organised systematic feedback”. Nollet et al (2005) in their generic framework above have listed nine characteristics. These characteristics are supported by Aaker (1995a) in his discussion on strategic intent where he set out the interlinked concepts as recognising “the essence of winning .. dynamic and forward looking ... real innovation .. a willingness to do things differently.” Johnson et al (2005e) believed that strategic decisions were about: “The long term direction of an organisation; The scope of an organisations activities; Gaining advantage over competitors; Addressing changes in the business environment; Building on resources and competencies (capability); Values and expectations of shareholders.” However caution must be exercised and the taking of anyone of these characteristics identified by the various authors in isolation quickly reduces strategic initiatives to operational or tactical in nature.

In terms of providing further understanding the characteristics of Strategic / Corporate planning process as proposed by Nollet et al it may be useful to expand on them briefly. A number of these exhibit common characteristic elements. Thus it maybe useful to discuss them in groupings (Figure 1) largely based on Johnson et al (2005f) concept of strategic position. While these will have natural overlaps, they are also distinct elements.

Strategic position according to Johnson et al. (2005g) is “concerned with the impact of strategy of the external environment, an organisations strategic capability (resources and competencies) and the expectations and influence of stakeholders”.

The Environment position espoused by Johnson et al (2005h) refers to the complexity of the environment within which an organisation functions. In order to provide the mechanisms to sustain the organisation in the longer term, investment and early adaptation of technological

FIGURE 1
Strategic Position and Strategic Objectives / Characteristics



advances are time critical. Through the choice of supply partners the organisations sourcing requirements is supported. Zeng (2003) presented three major factors of improved technologies, worldwide market expansion and intensified competition as compelling drivers in forcing organisations to review sourcing, supply base, suppliers, and make or buy decisions. These combined factors the author referred to as Global Sourcing as defined by Monczka & Trent (1991). These factors were also concentrated on by Van Weele (2005d) and identified particularly in

relation to purchasing as strategic and “decisions that influence the market position of the company in the long run”.

To maintain the advantage in a changing and complex environments, Strategic Capability & Strategic Choice are fundamental to how the organisation approaches Competitive intelligence & Innovation and product life cycle management. These are closely inter-related to the environment and also to the resources and core proficiencies available within the organisation. Nolle et al hypothesised that “in a dynamic and changing business environment, supply management has no choice but to be responsive, proactive and innovative in helping organisations to create value...” Hax & Mujluf (1988) offer a view that a central role of strategy is not viewed as just passively responding to the opportunities and threats presented by the external environment, but as continuously and actively adapting the organisation to meet the demands of a changing environment. Linking both environment and strategic capability is the concept that an organisation’s long term existence is best secured in terms of it’s ability to identify in it’s own environment a segment in which it has some unique ability or advantage. This view was specifically supported by Post (1997) when he concluded that “competitive advantage rests in the ...possession of unique, difficult to imitate skills, knowledge, resources or competencies”. Aaker (1995b) was also of the same opinion when he reasoned that “effective strategies must consider – and be responsive to – both international competitors and markets”.

In striving to achieve the previous strategic objectives a natural progression toward achieving an effective contribution to corporate values and goals and successful conception of performance measurement systems (indicators) can be anticipated. In any organisation the overall objective has to be one of stakeholder satisfaction; whether that is profit achievement and return on investment or the provision of best value services. Aaker (1995c) believed an organisation was “evaluated with respect to the value it creates”. Thus it is necessary to balance the short term focus on returns for investors against the long term sustainment of the self same returns. As earlier mentioned Nolle et al were clear on this point in their comment that in a fast moving environment management must be responsive, proactive and innovative in the creation of value within organisations.

In conclusion, these decisions by their very nature will have significant impacts on any organisation. Given the breath, the complexity and the likely challenges to be faced in successful attaining these objectives across any organisation, it is apparent why both Van Weele (2005) and Johnson et al (2005) as earlier stated voiced the view that the appropriate level at which decisions on these are taken would appear to be at senior corporate management level.

CORPORATE PROCUREMENT PLANS – BACKGROUND AND IRISH CONTEXT

One of the key requirements for success in any organisation is the use of effective strategies in relation to the procurement. In a public procurement context due to the size of contracts involved and the scope for achieving significant savings and benefits for the state this is particularly important. What adds to this challenge is that one of the main driving characteristics in public procurement is the need for governments to maintain and develop the type of society demanded by their citizens. As such service to the people overrides the profit motive.

Davis (2007a) has commented that Procurement of equipment, goods and services for the government and the public sector generally is considered complex. On the one hand there is a need to ensure best value for money on behalf of the tax payer, and the need to ensure that the processes to achieve this are fair, transparent and open to scrutiny. On the other hand there is considerable pressure to make savings, especially in the light of constantly reducing budgets and to utilise some or all of the best practice philosophies mentioned earlier. There is widespread acknowledgement that the potential for real savings from more effective procurement practices can assist the release of financial resources that can be redirected to the provision of services elsewhere within organisations. A third factor is the increasing volume and complexity of purchasing decisions by public sector organisations as government seeks to moved away from direct service provision to one where the private sector delivers key services. Examples include infrastructural developments, greater privatisation of healthcare services and increased reliance on 3rd party managed web based interfaces for routine state transactions. All these factors are leading to a need for a more strategic focus and improved management of the procurement

process. This has led to many challenges for those undertaking the procurement action.

According to the EU Commission's estimates (McCreevy, 2006), public procurement in the EU amounts to 16% of the Union's GDP or about €1,700 billion in 2004. McNally (2007) stated that data available on procurement expenditure in the Irish public sector estimates annual expenditure of about €15 billion. This expenditure is concentrated in a number of key departments, with health amongst one of the largest at approx €5 billion. As this represents a very significant amount of economic and financial activity across the public sector, there is currently a very strong focus on improving the broad value for money concepts.

There is also a significant drive to identify how broader government objectives can be accommodated in the public procurement system. Included in these objectives are initiatives aimed at promoting eCommerce, sustainability, effective and efficient eProcurement, SME participation and strategic procurement thinking in an environment which is open, fair and transparent.

It is important to give due cognisance that counteracting these highly principled objectives of non-discrimination and open competition is the over riding characteristic that public sector procurement is a highly regulated process with inputs at local, regional, national and international level. This high degree of regulation may in reality reduce the opportunity for suppliers to develop long-term contractual relationships with public authorities. Additionally while the core motivation behind public procurement is one of higher service to the citizen and society, the operation of procurement systems focuses on more practical, pragmatic and 'value for money' issues. In Ireland the annual budgetary process under which the public sector is managed at central level also inhibits long-term relationships. It is therefore common to see many organisations focus heavily on operational / tactical processes with little management resources available for corporate strategic positioning. Davis (2007b) referred to this when he stated "...many observers will comment that procurement action in the public sector is about following procedures, yet if the procedures are followed, innovation and improvement and cost performance can be stifled."

In Ireland one of the key mechanisms employed to achieve greater strategic objectives has been the development in 2002 of the National

Public Procurement Policy Unit (NPPPU) in the Department of Finance. The publication of the National Public Procurement Policy Framework (2005) started in train a more focused approach to the substantial annual spend in the public sector and clearly identified that more strategic approaches to procurement were essential. The Framework set out a number of key initiatives under which the NPPPU would work to deliver on wider public sector procurement management reform. Included in this was the development of Corporate Procurement Plans which would connect in a joint approach all initiatives undertaken by public sector organisations. The core aim of Corporate Procurement Plans was to set targets to achieve value for money outcomes including savings, in tandem with identification of appropriate organisational changes and analysis-based buying strategies.

Even though the Corporate Procurement planning concept is relatively new in an Irish Public sector context, Corporate Planning has been in the private sector for almost three decades. Campbell (1999b) refers a South African conglomerate from the 1980s as “one of the earliest experimenters with corporate planning techniques such as portfolio planning, core competence analysis, corporate mission statements, value – based management and parenting concepts”.

The techniques outlined by Campbell (1999) and Johnson et al (2005) can easily be identified in the methodology of Corporate Procurement Planning suggested by the NPPPU. In summary these are:

- Executive/Management briefing summarising the background to the preparation of the Plan, the analysis undertaken and the recommended purchasing reform measures required.
- Introductory section providing an overview of the procurement function, the context within which it operates, systems and skills mix / competencies, current activity, annual expenditure and an outline of where purchasing decisions are made.
- Expenditure and Risk Analysis section including the production an expenditure and risk analysis. The model suggested in the Irish setting is the SUPREM¹ tool, broadly based on the 1983 Peter Kraljic Matrix which positions each expenditure type in one of four

¹ Queensland Government procurement tool “Supply Positioning and Risk Evaluation Matrix - SUPREM

quadrants, with basic generic recommendations for purchasing strategies for each quadrant, based on international experience.

- Transactions and Suppliers Analysis utilising the organisations Financial Management System produce an analysis of the number, type and size of transactions and number of suppliers for each expenditure category.
- Organisational Analysis section examining the scope for reducing the processing effort involved in purchasing goods and services thus freeing up existing staffing resources for redeployment to front line services.
- Detailed Goals section indicating potential areas for procurement improvements arising from the analyses exercises conducted.

The NPPPU set out a rationale for Corporate Procurement Plans as an effective tool in identifying and reviewing current procurement profile and practices, determining future needs and linking procurement to corporate strategic objectives. A key objectives of was to link the strategic and operational elements of the procurement function by providing for the proper implementation and ongoing management of purchasing practice.

In 2005 government intentions in relation to strategic approaches to procurement were again re-enforced by the Minister for Finance, Mr. Brian Cowen T.D “I recently approved a policy framework that aims to facilitate a smarter and more professional approach to public procurement by Departments by requiring them to develop Corporate Procurement Plans to set targets to achieve savings, value for money objectives and the appropriate structural changes in their organisation. Such plans will set out the strategies to implement such change and I expect them to advance that work immediately.”

It is envisaged that the resultant plan produced would be the starting point for the subsequent plan. However it was also envisaged that these plans would be of reasonably short duration and would be revisited regularly for updating. This would seem to run counter to the concept of strategic planning as defined by Johnson et al (2005i) as “the direction and scope of an organisation over the long term”

Underpinning the Corporate Procurement Plan is the principle that the CPP is linked into the organisation’s overall strategic plans and that

Procurement is a stakeholder in the overall corporate wide strategic planning process. The NPPPU (2006) recognised this when they were compiling a template plan for organisations to utilise in their commentary that “the strategic importance of procurement has historically been undervalued, with the function for the most part viewed as a low level back office support function.” This is not a new thought process as thirty years ago Farmer (1978) was critically commenting that there was “....a general lack of the recognition of the importance of purchasing” and that post the 73/74 oil crisis “top management and purchasing professionals did not react to improve the role of purchasing in corporate strategy Throughout the 1970’s the purchasing function continued to be seen as more administrative than strategic.”

The importance of Procurement to become a strong corporate entity has been highlighted by a number of authors. Ellram & Carr (1994) concluded “When purchasing is viewed as a strategic function it is included as a key decision maker and participant in the firm’s strategic planning process.” Cousins et al (2008a) also supported this principle when they commented “Only when the activities and strategies of the purchasing function are aligned with the overall strategies of the firm can purchasing be a strategic function.”

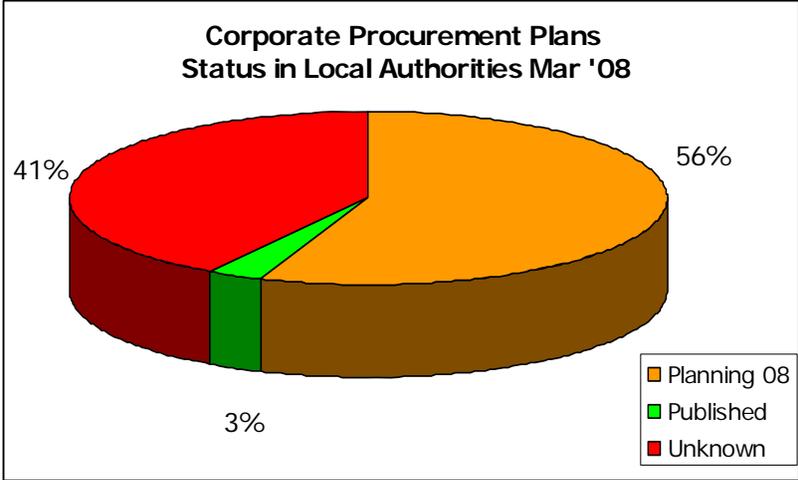
ANALYTICAL APPROACH AND EXAMINATION OF IRISH PUBLIC SECTOR CORPORATE PROCUREMENT PLANS

McGauran et al (2005) estimated that there are over 601 commercial and non commercial agencies in Ireland. While it appears there is no legislative basis to require them to publish Corporate Procurement Plans, there is strong political encouragement. However, notwithstanding the high degree of emphasis placed on the development of Corporate Procurement Plans across the public sector and indeed the allocation of reasonable financial resources in one specific sector, there is still a dearth of Plans which have been developed and subsequently officially published. It has not been possible to ascertain just how many plans have been actually published or are still “under development” some two years after the requirement to produce them became mandatory. This is also despite the fact that these plans are liable to be sought and audited by Comptroller and Auditor General. This lack of compliance has been highlighted in a recent survey conducted by O’Neill (2008) in which 34 local government agencies were surveyed on amongst other things

Corporate Procurement Planning. As can be seen while 59% responded, the status of the process in 41% of the surveyed organisations is unclear. Of the 59% who responded, only 3% have published a Plan. The other 56% advised they were planning to produce draft plans over the forthcoming 9 - 12 months.

Further to the results of O’Neill’s survey the author of this paper in addition to communicating with the NPPPU, has contacted approximately 30 other organisations seeking Plans or draft plans for analysis. It was only possible to obtain eight (8) plans in total for the study. These were made available in seven (7) instances on the express condition that no organisation would be directly named or goals published in such a manner as to identify organisations. In common with the results obtained by O’Neill (2008), a number of the organisations stated they are planning to “draft” plans, but were unable to quantify when exactly these might be published. The main reason cited was that the drafting and publishing of Corporate Procurement Plans is perceived as politically sensitive in many organisations and as such there is

FIGURE 2
Corporate Procurement Plans: Status in Local Authorities
(March 2008)



Source: O’Neill (2008).

reluctance at senior management level to sign off on plans and thus allow full publication.

In broad terms the background to the organisations who have made available plans are across the public sector spectrum including three central government departments, a local authority, a key body in the provision of state infrastructure, a body concerned with state security and two bodies providing services in the social & health context.

Earlier in the paper reference has been made to the techniques and methodologies suggested by the NPPPU in formulating a Corporate Procurement Plan. In addition to the methodology, the NPPPU have suggested a set of draft high level goals which organisations might wish to adopt/adapt in the formulation of their own Plans. Table 2 details these and positions these against the framework proposed by Nollet et al.

TABLE 2
NPPPU Generic Template Goals

NPPPU - Generic Template Goals	Level	Characteristic / Objective
Develop a planning framework that seeks to deliver a coherent and consistent approach to procurement across the Organisation and support the introduction of best procurement practice initiatives.	Strategic	Effective contribution to corporate value and goals and conception of performance measurement system (indicators)
In support of the planning framework, develop the specialist purchasing structures and capabilities necessary to provide the strategic direction, analysis and advice to deliver effective purchasing performance. This includes consideration of how best to group and coordinate internal resources to manage total purchasing expenditure on goods, services and capital works.	Tactical	- Benchmarking and research - Processes and procedures definition - Budgeting and reporting
Develop information management procedures to inform procurement planning and practice at all management levels of the procurement function.	Tactical	- Processes and procedures definition - Benchmarking and research

TABLE 2 (Continued)

NPPPU - Generic Template Goals	Level	Characteristic / Objective
Ensure that organisational ICT systems, in particular the financial management system and purchase-to-pay system can support information-based procurement management and streamlined procurement processing.	Strategic	Technology adoption and investments
Introduce initiatives designed to introduce or enhance demand management, purchasing strategy development, supplier performance management and performance review.	Tactical/ Strategic	- Sourcing (Make-or-buy) analysis - Supplier base management - Supplier certification programs - Supplier Quality Assurance programs - Sourcing (global) decisions/strategies
To participate in public sector procurement initiatives as they arise and are deemed appropriate to the Organisation, including e-procurement initiatives and aggregation projects.	Strategic	Partnerships & Supply chain management

Notes: Mapped against the Strategic characteristics / objectives from “Adapting the Generic Framework for a Supply Strategy” Nollet et al. (2005).

As these goals have come from the Department of Finance it is important to consider the underlying significance & weight these have had in the development of the various organisations Corporate Procurement Plans. In many smaller organisations these goals will be simply transposed into the Corporate Procurement Plan and become the organisational goals given the perceived or real influence wielded by the Department of Finance. Table 3 has mapped the goals / recommendations set against the NPPPU template.

Five of the plans have generally followed the NPPPU template in that they have identified high level goals and detailed a methodology within which these will be achieved. The other three (Organisations F, G & H) have set out a number of “recommendations” but failed to detail any implementation processes. It was also interesting to note that these recommendations were largely focused on the elements identified by various authors as Operational & Tactical.

TABLE 3
NPPPU Generic Template Goals Mapped against the Goals /
Recommendations set by Organisations under Review

NPPPU - Generic Template Goals	Organisations							
	A	B	C	D	E	F	G	H
Develop a planning framework that seeks to deliver a coherent and consistent approach to procurement across the Organisation and support the introduction of best procurement practice initiatives.	✓ ✓	✓	✓	✓	✓		✓	✓
In support of the planning framework, develop the specialist purchasing structures and capabilities necessary to provide the strategic direction, analysis and advice to deliver effective purchasing performance. This includes consideration of how best to group and coordinate internal resources to manage total purchasing expenditure on goods, services and capital works.		✓ ✓ ✓	✓	✓	✓		✓	✓
Develop information management procedures to inform procurement planning and practice at all management levels of the procurement function.		✓	✓	✓ ✓ ✓	✓			✓
Ensure that organisational ICT systems, in particular the financial management system and purchase-to-pay system can support information-based procurement management and streamlined procurement processing.		✓	✓	✓	✓			
Introduce initiatives designed to introduce or enhance demand management, purchasing strategy development, supplier performance management and performance review.		✓	✓	✓	✓			
To participate in public sector procurement initiatives as they arise and are deemed appropriate to the Organisation, including e-procurement initiatives and aggregation projects.	✓	✓	✓	✓	✓	✓	✓	✓
Operational Goals	✓							
Total Number of Detailed Goals set	4	8	6	9	6	1	3	6

The majority of organisations (7) have set out to position the Procurement Function to ensure it makes an effective contribution to overall corporate goals and that the overall plan is intrinsically linked to overall corporate strategies. In this initial step they have set the scene for Procurement to take its place strategically at top management level. 50% of the organisations have stated intentions to further adopt technology in terms of ICT systems to provide better procurement information across the total organisation. This action will lead to better data and thus assist organisations achieve better value for money. All organisations expressed willingness to work jointly across the public sector in procurement initiatives. These partnerships should if successful provide real opportunities to aggregate common demands, achieve significant value for money and focus more effort on supply chain management. This will also raise the issue of sourcing decisions given the likely scale and complexity of aggregated requirements. In total 50% of the organisations have goals aspiring to this strategic element.

Overall of the 43 goals set across the 8 organisations, 22 can be classified under the Nolle et al framework as Strategic in intention and are in line with the strategic concepts discussed earlier in this paper. The remaining 21 goals are firmly either tactical or operational in intent. In general many of the goals set encompass a number of the characteristics identified by Nolle et al. However it is also noteworthy that no organisation has set goals which can be specifically & comprehensively mapped against the characteristics of Supplier selection strategies, Outsourcing decisions, Insourcing decisions, Competitive intelligence & Innovation and product life cycle management.

CONCLUSION AND DISCUSSION

In the outline of this paper, it was stated that through the application of a rigorous model that the objective was to decide if in drawing up Corporate Procurement Plans organisations had truly considered what was a “strategy” and what was “strategic.” The core question being one of deciding whether Public procurement was being set at a level where according to Cousins et al (2008b) “Strategic purchasers are closely aligned with the internal business needs, highly regarded by top management and possess high skill levels and knowledge”. Or had the fears of Hambrick & Fredrickson (2001) been realised whereby

“Strategy has become a catchall term used to mean whatever one wants it to mean.

Ireland has prospered in the last two decades, but in prospering it has increased public sector agencies by some 60% across the same period. A recent OECD report (2008) has commented favourably that “while the reasons underpinning Ireland’s success are varied, the Irish Public Service has played a central role in ensuring that the right economic, regulatory, educational and social conditions are in place to facilitate growth and development.” However this is in sharp contrast with further commentary within the report which alludes to development that has evolved in an uncoordinated manner without a strategic vision and reflecting poor competence at senior level, limited performance review and accountability.

So how can this be? It is the conclusion of the author that while a number of organisations, albeit limited, have attempted in developing Corporate Procurement Plans to set Procurement function as a broad strategic function. What has occurred it appears, primarily due to the mapping of the NPPPU draft goals into actual corporate procurement plans, is that strategies have been developed. These strategies are as suggested by Van Weele & Johnson et al across the categories of operational, tactical & strategic. Missing is the future looking concept along with a willingness to align resources and abilities in an innovative way to ensure that long term organisations fulfil stakeholder expectations.

The limited number of plans available for study has reduced the ability to generalise beyond this initial finding. It would also be useful to further study the implementation actions being pursued by organisations to see if the plans are in common with many strategies occupying shelf space across the public sector.

REFERENCES

- Aaker, D.A. (2005a). *Strategic Market Management* (4th Ed), pg 190
John Wiley & Sons Inc.
- Aaker, D.A. (2005b). *Strategic Market Management* (4th Ed), pg vii,
John Wiley & Sons Inc.

- Aaker, D.A. (2005c). *Strategic Market Management* (4th Ed), pg 131, John Wiley & Sons Inc.
- Campbell, A. (1999a). "Tailored, Not Benchmarked", Mar/Apr 1999, *Harvard Business Review*, Harvard Business School Publishing
- Campbell, A. (1999b). "Tailored, Not Benchmarked", Mar/Apr 1999, *Harvard Business Review*, Harvard Business School Publishing
- Cousins, P., Lamming, R., Lawson, B., & Squire, B. (2008a). *Strategic Supply Management: Principles, theories & practice*, FT Prentice Hall, Harlow, England
- Cousins, P., Lamming, R., Lawson, B., & Squire, B. (2008b). *Strategic Supply Management: Principles, theories & practice*, FT Prentice Hall, Harlow, England
- Cowen B (2005). "Achieving Value for Money in Public Expenditure" Dublin Chambers of Commerce Annual Dinner 2005
- Davis, P. (2007a). Class lecture notes Supply Networks 2, MBS Strategic Procurement, Dublin City University
- Davis, P. (2007b). Class lecture notes Supply Networks 2, MBS Strategic Procurement, Dublin City University
- Ellram, L.M. & Carr, A. (1994). "Strategic Purchasing: A History & Review of the Literature", *International Journal of Purchasing and Materials Management*, Spring: 10-18.
- Farmer, D. (1978). "Developing Purchasing Strategies", *Journal of Purchasing and Materials Management*, 14: 6 -11.
- Farmer, D.H. & Taylor, B. (1975a). *Corporate Planning and Procurement*, pp 3, Heinemann Ltd, London
- Farmer DH & Taylor B (1975b). *Corporate Planning and Procurement*, pg 10, Heinemann Ltd, London
- Hambrick DC & Fredrickson JW (2001). "Are you sure you have a strategy?" *Academy of Management Executive*, 15(4):48-59
- Hax, A.C. & Majluf, N.S. (1988). "The Concept of Strategy and the Strategy Formation Process", *Interfaces*, May/Jun 88, 18(3): 99-109. The Institute for Operations Research and the Management Sciences Maryland USA

- Johnson, G., Scholes, K., & Whittington, R. (2005a). *Exploring Corporate Strategy* (7th Ed), pp 11 - 12, Prentice Hall, Harlow, England.
- Johnson, G., Scholes, K., & Whittington, R. (2005b). *Exploring Corporate Strategy* (7th Ed), pp 11, Prentice Hall, Harlow, England.
- Johnson, G., Scholes, K., & Whittington, R. (2005c). *Exploring Corporate Strategy* (7th Ed), pp 11, Prentice Hall, Harlow, England
- Johnson, G., Scholes, K., & Whittington, R. (2005d). *Exploring Corporate Strategy* (7th Ed), pp 9, Prentice Hall, Harlow, England
- Johnson G, Scholes K, & Whittington R (2005e). *Exploring Corporate Strategy* (7th Ed), pp 10, Prentice Hall, Harlow, England
- Johnson G, Scholes K, & Whittington R (2005f). *Exploring Corporate Strategy* (7th Ed), pp 17, Prentice Hall, Harlow, England
- Johnson G, Scholes K, & Whittington R (2005g). *Exploring Corporate Strategy* (7th Ed), pp 17, Prentice Hall, Harlow, England
- Johnson G, Scholes K, & Whittington R (2005h). *Exploring Corporate Strategy* (7th Ed), pp 17, Prentice Hall, Harlow, England
- Johnson, G., Scholes K., & Whittington R. (2005i). *Exploring Corporate Strategy* (7th Ed), pp 9, Prentice Hall, Harlow, England
- Kraljic, P. (1983). "Purchasing must become Supply Management" Harvard Business Review, Sep/Oct 1983, Harvard Business School Publishing
- McCreevy, C. (2006). *Annual Policy Strategy* European Parliament Internal Market Committee (IMCO) Brussels, 20 June 2006
- McGauran, A. Verhoest, K. & Humphreys, P.C. (2005). *The Corporate Governance of Agencies in Ireland: Non-commercial National Agencies, CPMR Research Report 6*, Committee for Public Management Research (CPMR) in Ireland, IPA, Dublin
- Monczka, R.M., & Trent, R.J. (1991). "Global sourcing: a development approach", *International Journal of Purchasing and Materials Management*, Spring, pp.2-8.
- National Public Procurement Policy Unit Department of Finance (2005). *National Public Procurement Policy Framework* Government Publications, Dublin

- McNally, D. (2007). "Developments in Public Procurement procedures for goods and Services", Public Affairs Ireland Public Procurement Conference 2007
- Nollet, J., Ponce, S., & Campbell, M. (2005). "About "Strategy" and "Strategies" In Supply Management" Competitive Paper IPSERA 2005 Conference 20-23 March 2005, Archamps, France
- OECD (2008). *Ireland – Towards An Integrated Public Service*, Public Management Reviews
- O'Neill, A. (2008). Research in pursuit of fulfilment of MBS Strategic Procurement, Dublin City University.
- Porter, M. (1996). "What is Strategy?", *Harvard Business Review* Nov/Dec 1996 pp 61-78 Harvard Business School Publishing
- Post, H.A. (1997). "Building a Strategy on Competencies", *Long Range Planning*, 30(5): 733-740
- Rajagopal, S. & Bernard, K. (1993). "Strategic Procurement and Competitive Advantage", *International Journal of Purchasing and Materials Management*, Fall 1993, National Association of Purchasing Management, Inc.
- Van Weele, A.J. (2005a). *Purchasing & Supply Chain Management - Analysis, Strategy, Planning and Practice*, (4th Ed), pp 232, Thomson, London
- Van Weele, A.J. (2005b). *Purchasing & Supply Chain Management - Analysis, Strategy, Planning and Practice*, (4th Ed), pp 233, Thomson, London
- Van Weele, A.J. (2005c). *Purchasing & Supply Chain Management - Analysis, Strategy, Planning and Practice*, (4th Ed), pp 232, Thomson, London
- Van Weele, A.J. (2005d). *Purchasing & Supply Chain Management - Analysis, Strategy, Planning and Practice*, (4th Ed), pp 232, Thomson, London
- Wilson, I. (2003a). *The Subtle Art of Strategy - Organizational Planning in Uncertain Times*, Praeger Publishers, Connecticut, USA
- Wilson, I. (2003b). *The Subtle Art of Strategy - Organizational Planning in Uncertain Times*, Praeger Publishers, Connecticut, USA

Zeng, A.Z. (2003). "Global sourcing: process and design for efficient management", *Supply Chain Management: An International Journal*, 8(4): 367 - 379 MCB UP Ltd

BIBLIOGRAPHY

Adamson, J. (1980), "Corporate long-range planning must include Procurement," *Journal of Purchasing and Materials Management*, 16, (Spring 1980):25-32

Farmer, D.H. (1978). "Developing Purchasing Strategies," *Journal of Purchasing and Materials Management*, 14, (Autumn 1978): 6-11

Kiser, G.E. (1976), "Elements of Purchasing Strategy" *Journal of Purchasing and Materials Management*, 12, (Spring 1976):3-7;

Speckman, R.E. (1981), "A Strategic Approach to Procurement Planning," *Journal of Purchasing and Materials Management*, 17(Winter 1981): 12-26.

Taylor, B. (1974), "Strategic Planning for Resources," *Long Range Planning*: 12-26.