

Book review

Procurement Systems: A Cross-industry Project Management Perspective

Derek H. T. Walker and Steve Rowlinson (eds), Taylor & Francis, Abingdon, UK, 2008, ISBN 978-0-415-41606-1, **£49.00, 480 pp.**

The rationale for bringing together the essays of 16 distinguished project management experts in this volume is encapsulated in the title itself. The volume covers cutting edge fundamental principles of procurement systems. I found this book both significant, timely and a remarkable intellectual achievement of qualitative analytical skill, scholarship and insight. The book contains two parts. Part I is divided into ten chapters and covers the fundamental principles of project procurement. At the end of each chapter, there is a vignette together with questions and links to useful sources of information to help answer those questions. This should assist readers, particularly postgraduate or research students, to reflect on their learning. Part II is divided into four chapters and each chapter provides results of research and case studies of organisations taken from construction, information technology and logistics industries to demonstrate development and application of key principles in the real world involving business transformation, alliancing and process improvement to project management procurement practice.

The introductory chapter provides an outline to the textbook and discusses the concept of value. Factors that influence make-or-buy decisions are evaluated including the nature of outsourcing and its derivatives. Transfer pricing issues and their impact on outsourcing decisions are articulated. Project types and their procurement needs are discussed next. Principles of commonly used methods of procurement are discussed including: the traditional approach, design and build, construction management, project management, turnkey procurement and build-operate and transfer methods. The authors contend that the context of project type and its influence upon procurement choice is a knowledge gap that needs to be addressed. Relevant contract administration issues are discussed particularly as to how these can be approached to maximise value.

Stakeholders and other participants in the supply chain have a range of motivations which may differ and influence the project management process and project delivery. Principles of stakeholder theory to aid effective management of stakeholder expectations are analysed. Business ethics and corporate governance have an influence on the procurement process. Theoretical propositions relating to ethical considerations are discussed. The concept of the triple bottom line is assessed including its impact upon the procurement process. The influence of corporate governance on

procurement options is given.

Project realisation ultimately contributes to the achievement of the strategic goals of an organisation. The link between organisational strategy and procurement options are explored in the book. Various schools of strategic thought are discussed including the links between business strategy and project choice. Use of the balanced scorecard approach to assessing project success is evaluated.

The uses of various forms of e-business to generate value in project procurement are discussed and e-procurement drivers and limitations are explored. The various e-procurement models and their influence on projects are explained. The attractions and links of organisational learning, knowledge management and innovation to procurement are explored. Innovation, knowledge management and organisational learning are all important concepts in delivering organisational stakeholder value. Culture is central to project procurement. The dimensions of culture are explored in the book. Organisational and national perspectives of culture are analysed. In the context of culture, perceived effectiveness and benefits of relational contracting are discussed. Concepts of trust and commitment are synthesised including the processes for attracting, selecting and retaining the best team to deliver the project. Work-life balance aspects are covered in the text.

A case study on developing a centre of excellence and its implications for project management procurement practice is given. Findings from a research study into project alliancing in the Australian construction industry are discussed. A case study that investigates how innovation was enacted within a specific project alliance in Queensland, Australia is analysed. Finally, a case study on business transformation through an alliance is given. The business transformation processes include strategic decision-making, supply chain management and to some extent stakeholder management.

Overall, the book makes interesting reading of how the concepts of procurement have been developing in the cross-disciplinary project management environment and provides deep insight into how procurement delivers value for money. The text is intellectually stimulating and worthwhile reading for postgraduates and research students, university academics and project management practitioners seeking an advanced treatment of the subject and a conceptual understanding of the procurement process.

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