B. SKILLS THAT EFFECTIVE PURCHASING AND SUPPLY MANAGEMENT PERSONNEL NEED

As explained in Section 2, the new approach to PSM calls for a new set of skills. These skills are both higher-level and broader than those typically associated with a traditional purchasing organization. Skills identified by three firms with best PSM programs illustrate the change.

HARLEY DAVIDSON’S BUYER PLANNER POSITIONS
(Greenfield, 1998, p. 45)

- Development and application of bills of materials
- Capacity determination
- Capacity utilization
- Contract administration
- Inventory planning
- ABC development, analysis, and utilization
- Economic planning
- Knowledge of environmental regulations
- Forecasting methodologies
- Input/output analysis
- Just-in-time planning techniques
- Master scheduling techniques
- Material handling concepts
- Material resource planning techniques and planning
- Negotiating
- Order quantity determination
- Procurement analysis
- Production activity control methods
- Proposal evaluation
• Quality concepts
• Safety stock determination
• Supplier analysis
• Supply management analysis
• Systems integration/ project management
• Distribution Resource Planning (DRP) utilization

BRISTOL-MYERS SQUIBB COMPANY PSM SKILLS
(Adapted from Leclere, 1998)

Bristol-Myers Squibb associates the skills it requires with particular PSM activities:

Profile of the Bristol-Myers Squibb Buy
• Quantitative analysis
• Organizational sensitivity
• Data collection/ analysis
• Communication
• Teaming
• Project management

Supplier/ Market Analysis
• Quantitative analysis
• Market research
• Industry/ category expertise
• Interviewing
• Organizational sensitivity
• Teaming
Development of the Sourcing Strategy
- Analytic frameworks
- Process frameworks
- Strategic mind-set
- Industry knowledge
- Organizational sensitivity
- Communication
- Teaming
- Project management

Request for Proposal and Negotiation
- Negotiations experience
- Data analysis
- Interviewing
- Industry knowledge
- Organizational sensitivity
- Teaming
- Project management

Implementation
- Implementation planning
- Process frameworks
- Resource planning
- Organizational sensitivity
- Quantitative analysis
- Benchmarking
- Communication
- Teaming
To shift its purchasing and transportation organization from traditional tactical buying to strategic sourcing, Bethlehem Steel identified the mix of people and skills it had and the mix of people and skills it needed. It then changed job titles, descriptions, and compensation to match the desired organizational structure. Some purchasing personnel received further training in required skills, some moved to other parts of the company, and others volunteered to leave or retire. A few who resisted change were let go. The new organization was then augmented by new hires from outside the organization as well as transfers of technical personnel from within Bethlehem Steel.