




REVIEW

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A review of the forms, rationale, and challenges of supplier development in public procurement: lessons for public buyers in Tanzania

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Abstract

This article synthesizes current insights into supplier management practices that professional buyers can apply in the public procurement context. Specifically, it discusses the practices, rationale, and challenges associated with implementing supplier development as an important activity within supplier management practices. Drawing from the literature, the main arguments are on the applicability of indirect supplier development practices in the public procurement context. Therefore, it is concluded that public buyers can consider applying these practices in public organizations. However, caution should be exercised regarding the legal and regulatory structure that governs the country's public procurement system. It further recommends empirical studies to be done on supplier development practices for local suppliers in specific public procurement projects.

Keywords: Supplier development practices, Public procurement, Public buyers, Procurement professionals, Public organizations

Introduction

Historically, supplier development elements were first introduced in the manufacturing sector. For example, in the late 1930s, the purchasing rules established by Toyota Motor Corporation entailed treating suppliers as part of the cooperation [70]. Literally, it dates back to the dawn of management and business [42]. It merely entails working closely with suppliers, sharing information, and some collaboration initiatives. But, over the last decades, supplier development has been an area of interest for several practitioners and researchers [20, 83]. This is because most organizations currently treat suppliers as part of their operations. Traditionally, decisions related to supplier development were solely the responsibility of the

purchasing function, as purchasing professionals were well equipped with the know-how for developing suppliers. [28]. However, at the moment, these professionals are involved in strategic functions more often [15, 27]. Therefore, decisions related to supplier development are made considering the organization's top management staff [26, 46].

Several studies based on empirical and theoretical approaches have examined the concept of supplier development, resulting in diversified literature relating to the management of suppliers [32, 38, 58]. However, studies on the applicability of supplier development practices in the public procurement context remain unclear and limited across research findings. Therefore, this article focuses on synthesizing insights into the supplier development practices that procurement professionals within the public sector may apply when executing their public procurement functions. Thus, this article contributes significantly to supplier development literature in the public

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