

WHAT IS PROCUREMENT?

Procurement can be defined as the process of acquiring goods and services from a third-party vendor through direct purchasing, competitive bidding or tendering process while ensuring the right quality and quantity. Procurement is most commonly associated with businesses because companies need to solicit services or purchase goods usually on a relatively large scale. It is a part of the input to a company that uses the procured goods or services in the making of their own final product.

Procurement involves activities such as-

- identification of needs
- sourcing
- selection
- negotiation
- ordering
- receiving
- payments

Procurement process

the procurement process refers to the identification and implementation of certain steps to ensure that they can acquire goods and services to meet their requirements and achieve their objectives. The process is not the same for all businesses because it can vary according to needs. Each business has its own set of needs and will thus have a different procurement process compared to another business.

Every organization has a unique procurement process flow. The first step is the *identification of requirements*. It establishes that there is a need for what is to be bought. It is important that all the stakeholders be consulted at this stage to prevent issues later on in the procurement process.

Step two is the *determination of the specifics of the requirement*. When it has been identified that there is a need, the exact specifics of the product or service that is required is to be decided upon. This would include technical specifications or part numbers.

This process is followed by *sourcing*. Once it is determined that a specific item or service is to be bought, the procurement team has to then do the research to determine the various