

Operating the Purchasing & Supply Function within the Organisation

 How purchasing & supply fits within the rest of the organisation

 Purchasing & supply processes

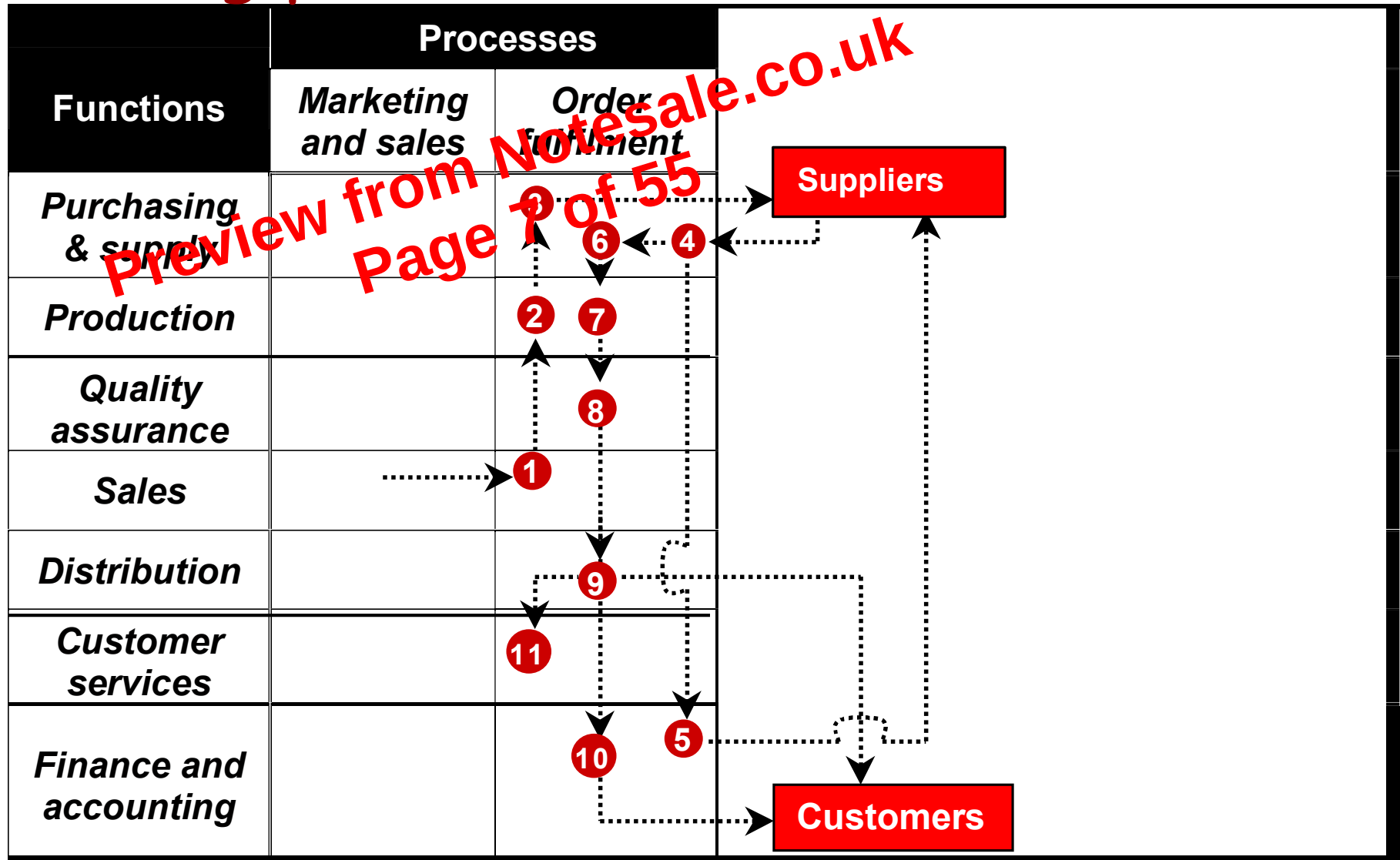
 Structure and positioning

 Organisation

 Resourcing



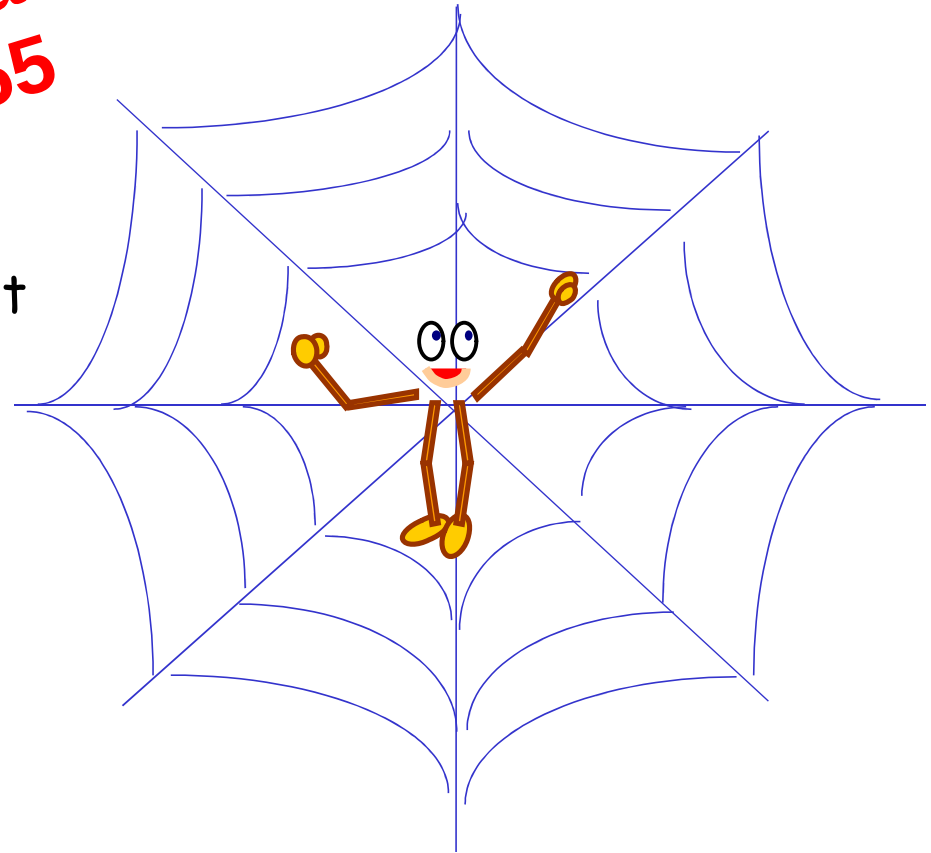
Linking processes & functions...



The different types of organisational structure

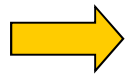
Web structure

- ➔ Central "all powerful" figure makes key decisions
- ➔ The larger, the more difficult to control gets
- ➔ Few formal processes
- ➔ Department boundaries and job roles not clearly defined
- ➔ Decisions are made quickly

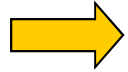


The different types of organisational structure

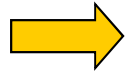
Galaxy of stars structure



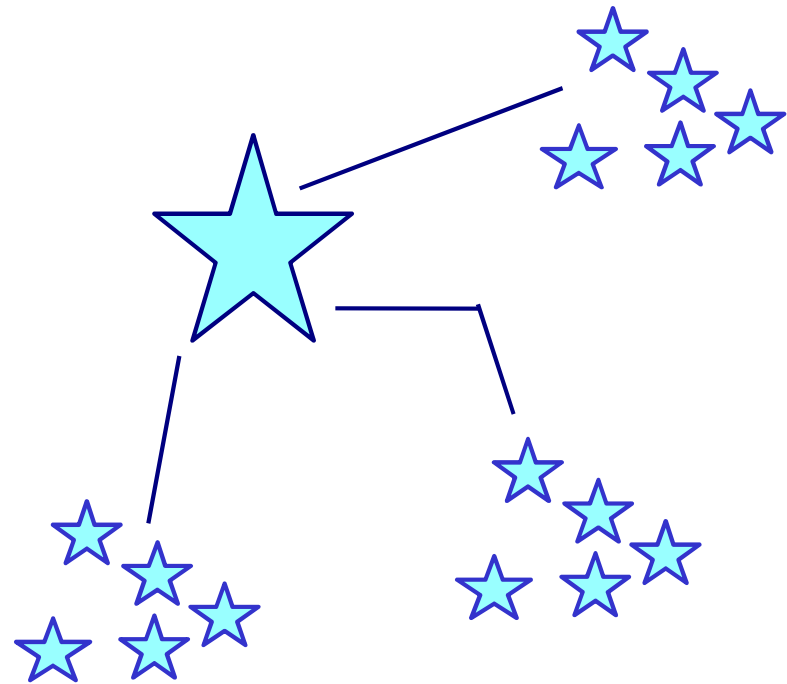
E.g. management consultancy firms and software development houses



Formal processes are kept to a minimum



Based on mutual professional respect and recognition of the value of the organisation

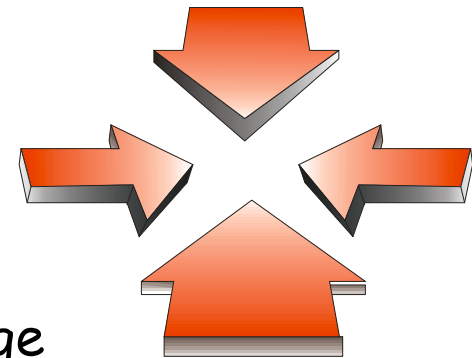


Centralised vs. decentralised structures

Question: Maintain decision-making at a central point... or delegate authority and responsibility to individual operating units???

Advantages of centralisation:

- ➡ Consistency, standardisation, and advantages of larger scale
- ➡ No duplication of effort
- ➡ Opportunities for increased leverage



Centralisation will be appropriate where there is a high degree of similarity amongst operating units & products or services are standardised

Organising your purchasing & supply department

A key factor which will influence the organisation of the purchasing function is:



How important is the purchasing & supply function to your company in terms of...

Product design and innovation

Ensuring quality

Avoiding disruptions in production

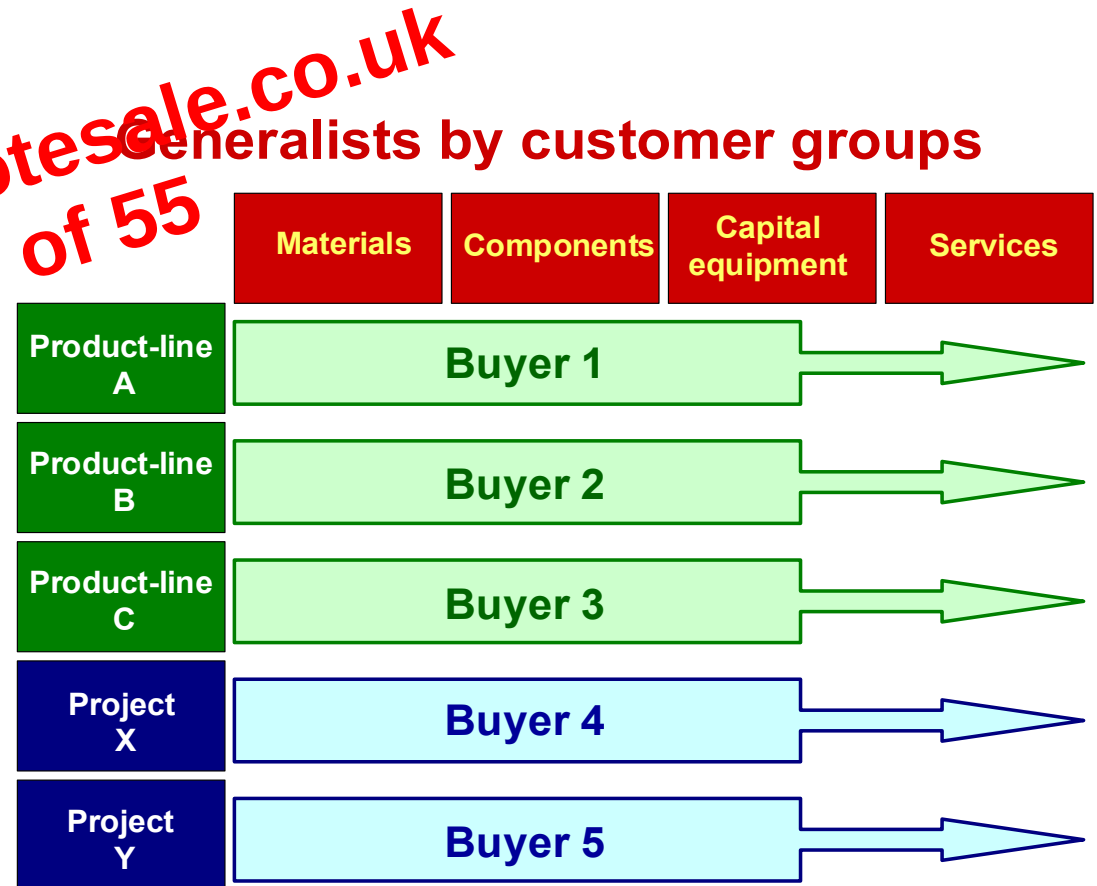
Bringing down costs

Reducing lead-times for flexible production & quick response to market changes

Acquisition of equipment, services and supplies for projects

Generalists by customer groups

- Buyers focus on serving a particular customer group, a product-line or a project
- Each buyer buys all items
- Internal customers often prefer this single point of contact
- Buyers will not develop as much in-depth expertise on supply markets
- Leverage opportunities may be missed





Focus of the purchasing department in your organisation

- Which is the focus of your purchasing & supply department?

Preview from Notesale.co.uk
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- Is the existing focus the best option for your organisation?



What kinds of people a purchasing & supply department needs

- Title and/or main responsibilities:

- Qualifications/attitudes: