



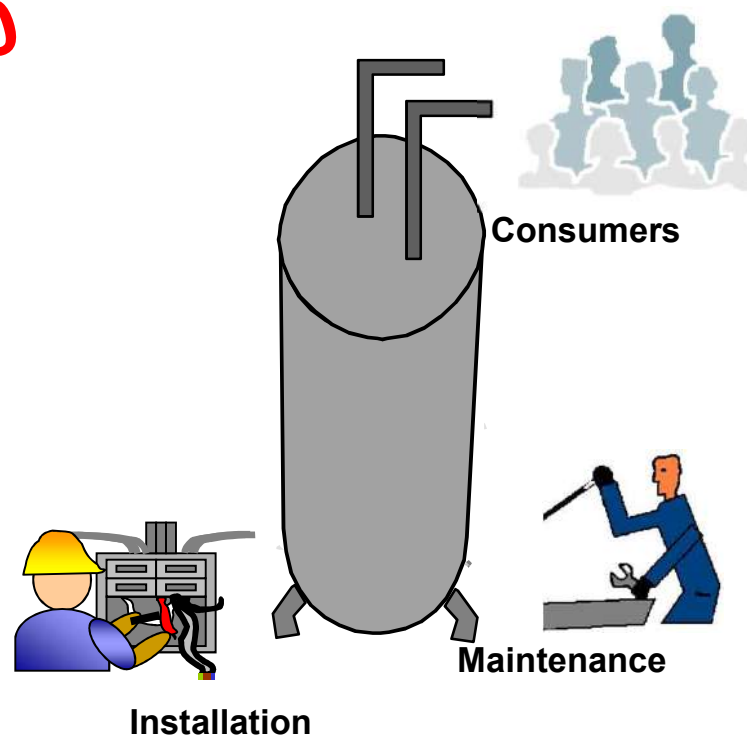
Considering all of the requirements:

- Consumers

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- Installation personnel

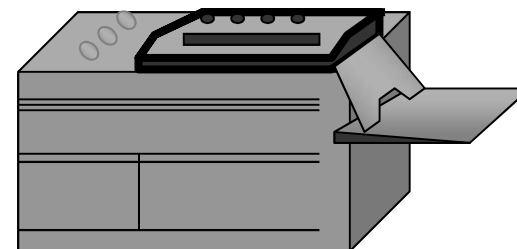
- Maintenance staff





Life-cycle cost

- What cost factors to budget for purchasing a photocopier?



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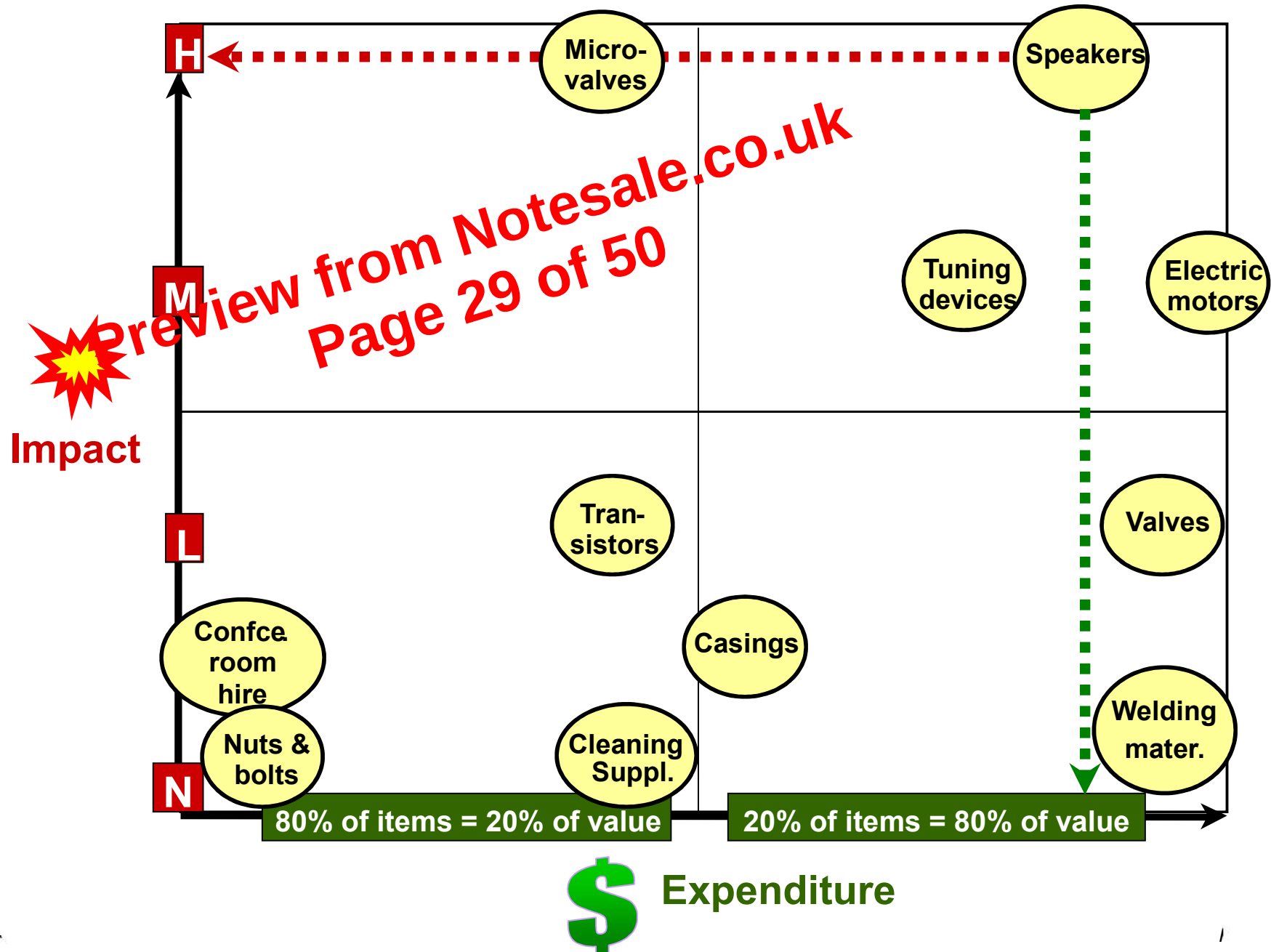
Supply planning

(Continued...)

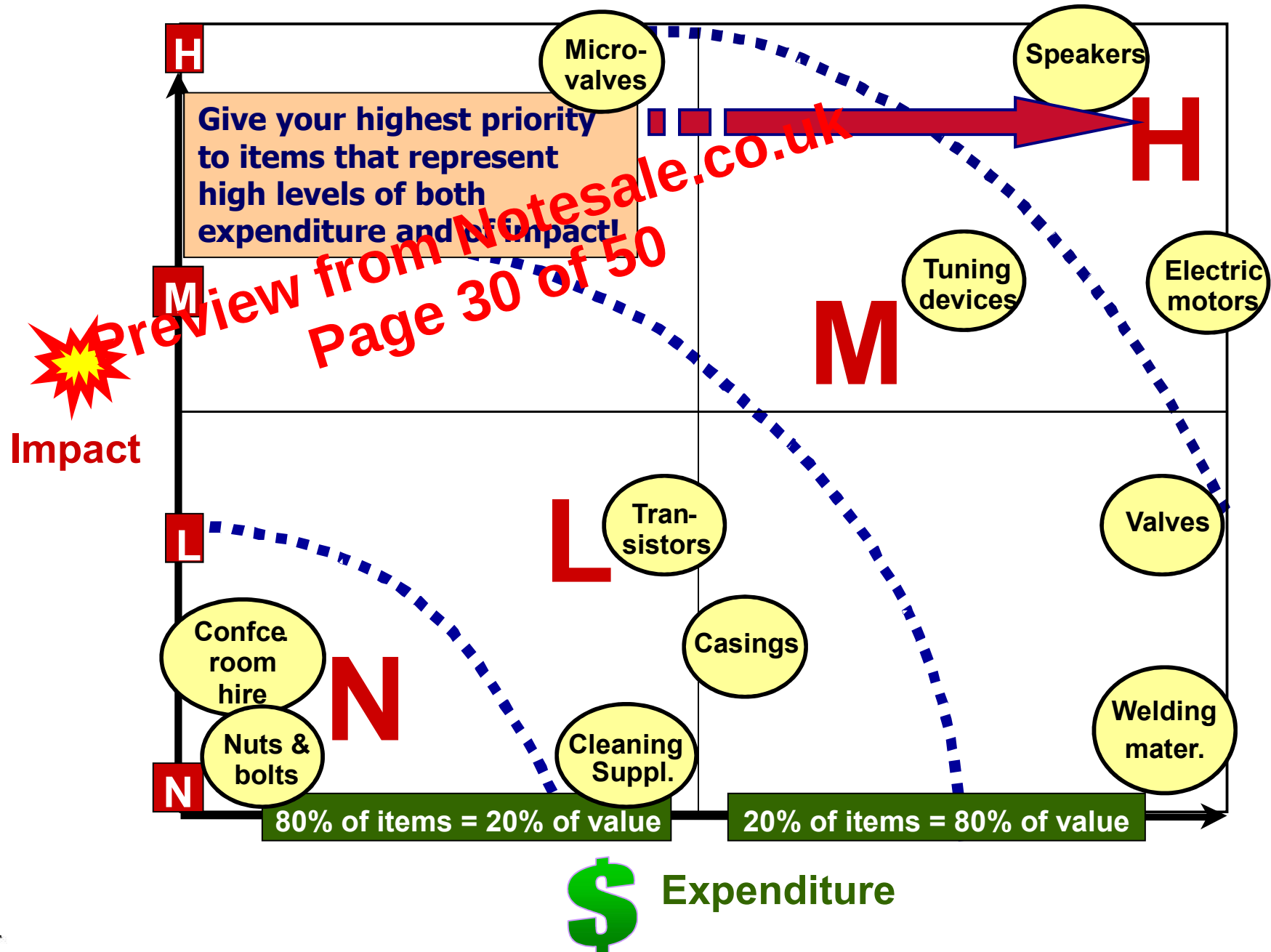
Develop it as an electronic spreadsheet or database so that you can:

- Show total budgeted external expenditure
- Show purchases by function in the organisation
- Show capital vs. operational purchases
- Show purchases for a particular product-line
- List purchases by categories of purchase items
- List purchases ranked by level of expenditure

The supply positioning model: placing the items

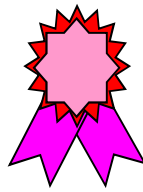


The supply positioning model as a basis for prioritising

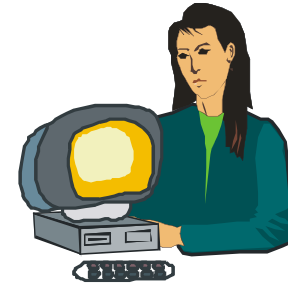


The implications of supply objectives / targets on the specification method and type

(Cont'd)

Main focus of the supply objective / target	Impact on the specification Method and type
<i>Ensuring availability</i> ◆ Ensure continuity of supply availability, minimise lead-time and secure on-time delivery.	◆ Use standards as this usually means that the product will be more widely available  STANDARD
<i>Ensuring supplier support</i> ◆ Ensure supplier provides the needed technical support.	◆ Use quality brand names when this is likely to give you better service. ◆ Build the required technical support into the specification.

Computer-based systems



- ✦ Materials Requirements Planning: integrates bills of materials & production schedules, and serves to automatically schedule orders (e.g., under an overall contract set up by purchasing & supply)
- ✦ Electronic commerce:
 - Buyer's & supplier's computers communicate directly (generally through the Internet)
 - Buyer company can keep track of the status of its orders on the supplier's computer
 - Both achieve substantial savings in administrative costs and reduced lead-times

Electronic systems...

Advantages:

- Information entered only once, avoiding duplication of effort & transcription errors
- Transmission of information is instantaneous
- Administrative tasks undertaken by computers, freeing up staff for strategic matters
- Computers can store vast amounts of information & easily produce a range of reports

Disadvantages:

- Sometimes inflexible & cannot accommodate special requirements
- Require a significant investment in hardware, software & training of personnel