



## Procurement: Next Level Expectations on Major Competencies

- Sourcing
- Supplier Qualification
- Risk & Opportunities
- Contract Management
- Supplier Relationship Management

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Time flies, procurement transformation kept on setting up demands. It's time to think about still alive competencies in procurement and its expectations to approach the future much stronger.

**Sourcing:** The approach consists of country of choice, Total Cost of Goods/Services + Total Value proposition which make economic for buyers. Business expectations and demands are increasing to supply goods/services faster meeting global standards. Buyers will have to find new and acceptable suppliers to respond quickly to sourcing needs. It's time consuming effort and essential investment to establish/develop supply source close to business. Thinking of long term perspective all those efforts sensible these days. Many reasons these days cost is not the only business deciding factor, overall end to end value proposition weighted before selecting right source, business effective point of view developing local supply source will work economic to stay competitive against the competition.

**Supplier Qualification:** Including qualification/selection criteria's, process of evaluating and approving potential goods/service provider by quantitative assessment remains unchanged. The purpose of supplier evaluation is to ensure our supplier data base is strong enough with best in class suppliers readily available for our business need. These days creating value proposition also a part of business strategy, it's buyer's role to make sure committed value delivered promptly and acknowledged by the buyers.

**Risk & Opportunities:** Time since automotive giants started implementing TQM system in their manufacturing process, the risk identification and mitigation plans helping to stay lean overall by addressing the process steps correctly. Also helping to identify and eliminate no-value added junks which brings negative impact to business. wish to quote well known proverb "little drops of water make the mighty ocean". YES, it's time to focus on Opportunities at the same time keeping Risks well under control

**Contract Management:** Pressure keep on increasing to reduce the costs and improve performance. Contract management is the one way of increasing the operational efficiency by reducing financial risks. Securing every dollar spend with right contract T&C is essential. Well managed contract eventually brings powerful long-term business relationship, also evidenced well supported goods/service providers and responsive to business need.

Avoid surprises during post contract award, well align on Terms & Conditions at upstream stage itself. Make your goods/service providers well understood your contract requirement and make them price for all special conditions need for case by case. Define the clear rules for claim and variation clause at upstream stage of the project to have smooth downstream deliverables.

**Supplier Relationship Management:** It's mutually beneficial. Once you are aligned with your suppliers and treat them as partners, greater value and success rate can be realized for both businesses, also innovative ideas reach to surface for both buyers and sellers' advantage. Risk mitigation and high-level collaborations bring in-direct benefit to both the companies too. Successful Supplier relationship management yields a quicker time to market, overall process efficiency, technical and commercial competitiveness.

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