

Most important aspects of Supply Chain Management from a purchasing department perspective.

### 1. Supplier Selection & Evaluation

- Identifying and evaluating potential suppliers based on criteria such as Quality (ppm), Cost (€/unit), Capacity (units/year).
- Conducting supplier audit & assessments to ensure compliance with agreed upon standards.

### 2. Negotiation & Contract Management

- Negotiating terms, conditions, and prices with suppliers to ensure favorable agreements.
- Drafting & managing contracts to outline responsibilities, delivery schedules, and payment terms.

↑ OXFORD. COMMA ..

### 3. Demand Forecasting & Planning. (SAP APO)

- Collaborating with other departments to accurately forecast demand for goods & services. (AI)
- Aligning procurement plans with production schedules and sales forecasts to ensure timely availability of raw information/materials.

### 4. Inventory Management

- Determining optimal stock levels (EOQ Models) to prevent both stockout or excess inventory.
- Implement JUST-IN-SEQUENCE inventory strategies to reduce carrying costs while maintaining adequate levels of supply. (CASH-FLOW-MGMT).

## 5. Supplier Relationship Management (SRM)

- Cultivating and maintaining a TRUST-BASED relationship with (key) suppliers.
- Collaborating on joint initiatives, cost reduction efforts, and continuous improvement projects.  

$$[(CPD)_nA \cdot (DCP)_nA]$$

## 6. Risk Management & Mitigation

- Identifying & assessing potential risks in the supply chain such as geo-political, economic, or logistic factors.
- Implementing contingency plans and risk mitigation strategies to address potential disruptions.

## 7. Quality Assurance & Control.

- Establishing & enforcing quality standards for purchasing goods & services.

- . Conducting inspections, and quality checks to ensure adherence to specifications.

TRUST → EMPOWERMENT → ALIGNMENT

### 8. Ethical & Sustainable Sourcing.

- Ensure suppliers adhere to ethical & sustainable practices, such as fair labor conditions & environmentally friendly production methods.
- Monitoring compliance with CSR & sustainability policies.

### 9. Cost Management & Total Cost of Ownership (TCO)

- Analyzing TCO, which includes not only purchasing price but also costs associated with logistics (inventory), maintenance, and disposal (closed looped logistic concept in place).
- Implementing cost-saving strategies, such as bulk-purchasing, vendor consolidation, or value engineering.

### 10. Compliance & Regulatory Adherence.

- Ensure procurement activities comply with relevant laws, regulations, and industry standards.

- Managing documentation, certifications, and licences required for specific products, countries, or industries.

## 11. Technology & Systems Integration

- Utilize ERP Systems on a state-of-the-art basis, to streamline procurement processes & improve transparency.
- Integrating procurement systems with sustainability activities and other departments for seamless & transparent information flow.

## 12. Performance Management & KPIs. (HOSTIN KANRI)

- Establishing KPI monitoring / Continuous Improvement / Network based organizational design approach in the purchasing processes.
- Using data-driven insights to make informed decisions & drive continuous improvement. (CPDnA · DCPnA into networks)

# 1. Supplier Selection & Evaluation

## 1.1. Supplier Identification

- Researching & identifying potential suppliers through various sources like trade shows, referrals,

and online marketplaces.

#### 1.2. Supplier Qualification Criteria

- Establishing criteria for supplier selection.

#### 1.3. Request for Information (RFI)

##### Request for Proposal (RFP)

- Using RFIs to gather basic information about potential suppliers
- Sending RFP to qualified suppliers to request detailed proposals

#### 1.4. Continuous Monitoring & Evaluation

- Implement a SUPPLY CHAIN MANAGEMENT system for ongoing monitoring & evaluation.
-

