Standard Operating Procedure (SOP) – SMB Division

Related to Sales, Credit Control, Logistics, Purchasing, Inventory, and Collection Dept(s) :

1. Sales Department :

1. **Receiving RFQs:**
   o Sales person receives RFQs via email, telephone, or customer visits.
   o Sales person checks item availability with the store. If no stock, RFQ is forwarded to the Supplier and Purchasing Department for quick response.
2. **Creating Quotation:**
   o Once the supplier provides the quote, the sales person prepares a quotation for the customer with pre-approved profit margin and delivery date buffer.
3. **Follow-up on Quote:**
   o If the customer requests further discount, the sales person seeks approval from the Sales Manager.
   o Once approved, the revised quote is sent to the customer.
4. **Handling Purchase Orders (P.O.):**
   o Upon receiving the P.O., the sales person checks it and forwards it to the Credit Control Department for credit approval.
5. **P.O. Rejection:**
   o If the P.O. is not approved, the sales person informs the customer and requests payment clearance to process the new order.
6. **P.O. Approval:**
   o If the P.O. is approved, the Credit Controller sends the stamped approved P.O. to the sales person and logistics for further processing.
7. **Critical Orders:**
   o For critical orders, the sales person coordinates with logistics for timely delivery and provides any necessary details to ensure smooth delivery.

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2. Credit Control Department:

1. **P.O. Review:**
   o The Credit Controller reviews the P.O. sent by the sales person based on the customer's payment history and credit status.
2. **P.O. Approval:**
   o If payments are timely and within the approved credit limit, the P.O. is approved. If the limit exceeds, the sales person is informed to submit documents to increase the credit limit.
3. **P.O. Rejection:**
   o If payments are overdue or there are outstanding balances, the P.O. is rejected. The sales person is notified to follow up with the customer and clear outstanding payments before processing the new order.

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3. Logistics Department:

1. **P.O. Processing:**
   - o Upon receiving the approved P.O., logistics checks the stock availability. If stock is unavailable, they request the Purchasing Department to procure the item.
2. **Delivery Process:**
   - o If items are available, a Delivery Note is issued, and the order is delivered to the customer.
   - o If some items are not available, partial deliveries are made, and the remaining items are delivered once received.
3. **Invoicing:**
   - o Once the full delivery is completed, the Delivery Notes and P.O. copies are sent for invoicing.
   - o After receiving the invoices, logistics verifies them against the delivery notes and delivers them to the customer, either physically via drivers or through scanned copies via email.

4. Purchasing Department:

1. **Procurement:**
   - o Upon receiving a request from logistics for items, the Purchasing Department initiates procurement by evaluating the items specifications, urgency and sourcing options. Best practices are followed by reaching out to authorized distributors or reliable local suppliers to obtain competitive quotes then the department negotiates favorable terms and issue P.O and ensure timely delivery.
2. **Stock Procurement:**
   - o The Purchasing Department procures stock based on the sales department's requirements and recommendations for fast-moving items and consumable, ensuring smooth inventory flow and minimizing stockouts.

5. Inventory Management:

1. **Stock Monitoring:**
   - o Inventory of fast-moving and regular items is maintained and monitored regularly to avoid stock accumulation.
   - o Slow-moving items are targeted for clearance as quickly as possible to avoid or minimize slow moving or non-moving stock.

6. Collection Department:

1. **Follow-up on Payments:**
   o The Collection Department sends updated Statements of Accounts (SoA) to all credit customers on a monthly basis via email.
   o Payments are followed up through telephone calls and, if necessary, customer visits.
2. **Coordination with Sales:**
   o If the Collection Department faces difficulties in collecting payments, the sales person is informed to intervene and resolve issues, as they have a better rapport with the customer.
3. **Dispute Resolution or Legal Action:**
   o If there is a dispute over payments or if a customer goes bankrupt, the case is forwarded to the legal department to pursue legal action for payment recovery.

Note : All above departments are interlinked.

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