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Description	MG PROCUREMENT STOCK-OUT PROCEDURE
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Author	TSHEGOFATSO NAKEDI
Approver	ASHOK SOOKLALL



MACROCOMM GROUP (PTY) LTD PROCUREMENT

STOCK-OUT PROCEDURE

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Document Sign-Off / Approval

This is the formal sign-off for the Stock-Out Procedure.

Name	Designation	Date	Signature
Ashok Sooklall	General Manager – MG		
Elton Chettiar	Chief Operating Officer		

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1 Procedure Description and Purpose

The purpose of this Generic Stock-Out Procedure is to enable the dispatching of stock and the recording of such through the updating of the stock control sheet in the Procurement Department.

Macrocomm Group Procurement does not have a centralised warehouse for storage, it keeps safety/buffer stock on hand to keep lead time at a minimum to satisfy customer demand in a timeous manner.

Macrocomm Group uses the Salespersons and/or couriers to ensure fulfilment for the customer; some customers use their own couriers to collect ordered stock from the head office.

1.1 Description

This is the procedure of how to record all dispatched stock and the different channels used to dispatch.

1.2 Benefits

This procedure provides the Procurement team with the guidelines of how to record all stock dispatched to Customers to allow for fulfilment of customer orders.

1.3 Areas of Responsibility

The General Manager is responsible for signing off the invoicing checklist once the required quantity has been dispatched to the respective Group Subsidiary.

The Procurement Officer is responsible for the stock-out process.

1.4 Relationship between this Procedure and other Procedures/Processes

This procedure informs the process for arranging for the delivery of stock to customers and recording of this in the stock control sheet. This follows on from the Generic Stock-In Process.

This procedure documents the key steps of the Generic Stock-Out Process which affects the fulfilment of the customer's order.

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2 Stock-Out Procedure Management

2.1 Procedure Objectives and Metrics

2.1.1 Procedure Objectives:

- Confirmation of what is dispatched against the customer purchase order
- Accurate recording of all dispatched stock to customers
- Promote accurate reconciliation by the Finance Team against invoices and purchase orders
- Effectively dispatch stock to customer

2.1.2 Procedure Metrics:

Each objective of this procedure is measured according to the:

- Purchase Order received from the Group Subsidiary
- Confirmation of delivery method to be used
- Invoice issued to Customer to effect payment
- Leadtime to deliver the goods to the Customer
- Dispatch note
- Waybill

2.2 Procedure Owner(s) and Key Stakeholder(s)

2.2.1 Procedure Owner

The General Manager is responsible for managing this process and ensuring that all stakeholders follow the steps outlined for effective procurement.

The person performing this task is the Procurement Officer and is the delegated responsible person.

2.2.2 Key Stakeholders

The key stakeholders are Procurement, Sales Team, Customers, appointed or selected Courier Company and Finance.

3 Typical Procedure Inputs

The typical procedure inputs are noted below:

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3.1 Information or Documents Needed

The following information or documents are necessary for effective measuring and enabling of the Generic Stock-Out Procedure:

- Purchase order from Subsidiary
- Email from Salesperson confirming the customer delivery address
- Delivery method to be used
- Customer Invoice
- Procurement delivery note(s) to customer

3.2 Resources Needed

The following resources are needed to support this procedure:

- Stock control sheet
- Finance and/or Procurement Checklist
- Inventory Dispatch Note

3.3 Personnel Needed

The Procurement Officer is the person who arranges for the dispatching of the goods to the customer and records this on the stock control sheet.

The Salesperson to confirm the customer delivery address.

The Courier that is responsible for effectively delivering the stock to the customer.

3.4 Preceding Processes/Procedures

The preceding processes are Generic Ordering (available stock), Generic Stock-In (no stock/not enough stock to fulfil customer demand) processes performed by the Procurement Officer.

4 Typical Procedure Outputs

The following outputs:

4.1 Typical outputs are:

- Stock is dispatched
- Stock is packaged
- The stock control sheet is updated
- The courier company is booked

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- Waybill issued for customer to sign, should a courier be used
- Inventory dispatch note is signed by Group subsidiary if they are going to deliver stock
- The customer invoice is issued
- Customer order is fulfilled.

4.2 Technical or System

- Excel
- Courier Website

4.3 Documents

- Stock Control Sheet
- Delivery Note
- Finance / Procurement Checklist
- Courier waybill (if applicable)
- Confirmation of Receipt email from customer (courier waybill)

4.4 Enablement or Operationalisation of Another Process

This Generic Stock-Out Procedure enables the Procurement department's delivery upliftment process, and Finance's Customer Invoicing and Bank Statement Reconciliation processes.

5 The Generic Stock-Out Process

The Generic Stock-Out Procedure is important as it provides a record of all stock dispatched to customers.

5.1 Sub-process: Stock Available

This sub-procedure starts with there being stock on-hand for dispatching. The key steps are noted below:

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- 5.1.1.1 Finance Administrator reviews all Documentation received from MFA/MSS Sales and informs Procurement Officer to proceed with Procurement processes.
- 5.1.1.2 The Procurement Officer to confirm the delivery method of the stock for the customer with the Salesperson.
- 5.1.1.3 The Salesperson to email confirmation of the delivery information to the Procurement Officer, see 5.2.1 below.

5.2 Sub-process: Stock Dispatching

This sub procedure is relevant for stock on-hand and stock that has been ordered and delivered for dispatching. The key steps are noted below:

- 5.2.1 The Salesperson confirms the following by email with the Procurement Officer:
 - 5.2.1.1 The customer's name(s)
 - 5.2.1.2 Delivery method
 - 5.2.1.3 Delivery address
 - 5.2.1.4 Contact Person Name and Details

The Procurement Officer will complete the Finance/Procurement checklist – ISO15.1.0 MG-FIN-PRC-CKL 20231100.01 – to confirm that all the necessary information and documentation is on-hand.

- 5.2.2 The Finance/Procurement checklist is signed by both the Procurement Officer and General Manager.

5.3 Sub-process: Dispatch Note

- 5.3.1.1 Dispatch the stock either by:
 - 5.3.1.1.1 Customer to collect stock from Head Office
 - 5.3.1.1.2 Giving the stock to the Salesperson to deliver
 - 5.3.1.1.3 Arranging the courier to collect the stock to deliver to the customer.
- *The delivery method will be selected based upon the customer's choice, or what is best practically.*
- 5.3.2 Update the **stock control sheet** to reflect the quantity and product dispatched to ensure accurate inventory measures.

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5.3.3 The inventory dispatch note is signed by all parties (Procurement Officer and Sales/Fleet consultant) involved if the stock has been dispatched to the Salesperson to deliver.

5.3.4 The inventory dispatch note is signed by all parties (Procurement Officer and Customer) involved if the stock has been collected by the customer from the MG head office.

5.4 Sub-process: Delivery Confirmation

5.4.1 The Procurement Officer to obtain an email from the courier personnel confirming receipt of the stock, if the good were delivered by Courier.

5.4.2 Request the waybill confirmation from the Courier company.

5.4.3 File this confirmation received.

6 Risks and Opportunities

6.1 Risks

The following risks have been identified:

RISK	BUSINESS IMPACT	MITIGATION ACTIONS
Losing stock	Revenue loss, poor customer experience and fulfilment of order, reputational damage	Receiving confirmation email of received stock to ensure that the stock has been delivered to the customer, or the confirmation of delivery from the Courier company.
Stock sent to wrong customer	Poor turnaround, reputational risk, unnecessary costs to retrieve such goods.	Receiving confirmation of customer quotation and delivery address from the Salesperson prior to dispatching.

6.2 Opportunities

The following opportunities table will used to help improve the procedure and processes for greater efficiencies.

OPPORTUNITY	BUSINESS IMPACT	PROCESS/PROCEDURE AMENDMENT, TRAINING REQUIREMENT
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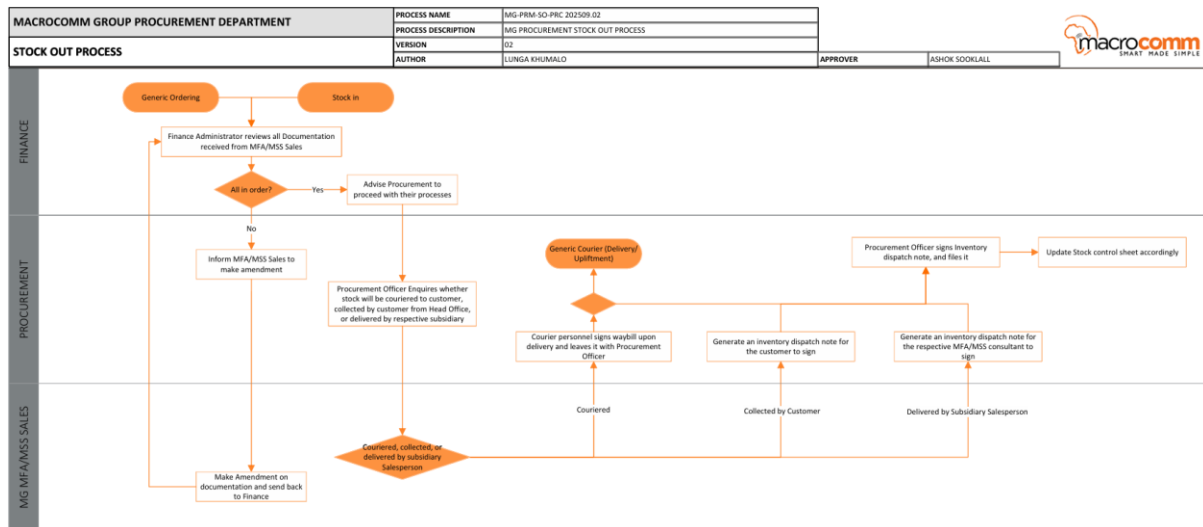
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7 Processes

The processes mapped below support this procedure.



8 Support

If there are any queries or problems regarding the Stock-Out Procedure contact either the General Manager or the Procurement Officer.