**Process Improvement – Classroom exercise scenario**

In an office, stationary procurement process includes procurement and supply of all stationary items – from stapler pins to printer ink, also including items such as electronic display screens, white boards, markers, flip charts, … almost everything that the employees need to perform their daily duties. The only limitation appears to be a value of 300 dollar for any one item.

The procurement process is as follows:

1. Whenever an employee needs a stationary item, they log a request with their department’s secretary.
2. Every department secretary compiles all the requests at the weekend, and forwards aggregated requests to the accounts department.
3. At the accounts department, the accounts clerk checks if the stationary request is within the budget of the department, and within the budget of the company. These limitations are both at a monthly level and at annual level. This varies from department to department. For example, the DevOps team has an annual limit of $20,000, with a monthly cap of $2,500.
4. The accounts clerk, after checking (and revising, if needed), sends the aggregated list along with estimated price to the accounts manager for approval.
5. The account manager verifies the purchase request, and the price estimate. If he is OK with the list and the estimated price, he sends the list to the purchases department. The purchase department has three stationary purchase arrangements:
   1. Order from the approved official supplier ***O-Sup***, with whom there have a standing rate contract, which are renegotiate every year, and remain valid for the year.
   2. For items not on the approved list of ***O-Sup***, the purchase department calls some of the established retail stores and checks the availability and the price. They place order with them, online.
   3. Sometimes the quantity needed is very small, and low in value. In such cases, the errand boy of the purchase department sprints down to the ground floor stationary store and purchases the item.
   4. Once all the items are procured, these are sent back to the respective requisitioning department.

**Problems with the process:**

1. This process takes a lot of time. a small item needed today, may take up to 2-3 weeks to get.
2. This impacts productivity. Recently, a digital status display screen, costing 86.99 dollars, took 3 weeks to come. The efficiency at the DevOps team suffered, and the employee mood took a battering.
3. It causes wastage also, because employees have started hoarding stationary supplies for the fear of running out of these items. This causes many items to get expired or spoilt because of prolonged storage.