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**Purchasing:** This refers to the process of acquiring goods and services from outside sources for organizational use or consumption.

Purchase requirements: These are the needs of the organization that are to be procured from the outside sources such as suppliers.  
Purchasing must identify or anticipate needs for material or services that are needed: This is the first step of the purchasing cycle. Normally purchasing requirements are expressed by other departments, and purchasing is then contacted and informed about this need in various ways:

Purchasing requisition: this is an internal document, which a user sends to purchasing, expressing a specific need for material or services. It can be done on paper or electronically via a particular requisition system or even simply by email.

Annual procurement plan: The annual procurement plan gives details information about the total volume and types of goods and services and the time of each requirement annually. This gives purchasing a purchase requirements.

Forecasts or Anticipation: when purchasing anticipated increase in demand, they order more while decrease calls for less. On the other hand when purchasing anticipated increase in supply they buy less while decrease will call for more to keep in store. This trend of increase or decrease in demand and supply gives purchasing a purchase requirements.

Reorder point system: This is a widely used way of determining needs. It is usually an automated computerized system that keeps track of the inventory and informs when stocks are running below a certain threshold. Thus giving purchasing a purchase requirements.

Stock checks: These involve the physical checking of the inventory, and can result in requests for additional material, if stocks are running low.

Electronic data interchange system: In a company that internally is running on electronic inventory systems, orders can be placed into this computer system directly by the user, so the information either goes to purchasing to take the necessary steps to buy the material needed, or if a purchasing system is linked directly to the sellers system, a user’s request may go there directly, if such agreements are made before hand and the user has the authority to do so.

Customer orders: This can cause the need for new material. When a requestor orders for any requirements which are urgent and sent to the purchasing department through emails or test messages.

All in all, there are many ways of how purchasing becomes aware of purchase requirements, but the major and commonly use are purchase request, stock check, reorder point system and the Electronic data interchange system as seen above.

**An integrated supply chain** is an association of customers and suppliers who, using management techniques, work together to optimize their collective performance in the creation, distribution, and support of an end product. The challenges face during supply integrations are as below,

Collaboration across supply and partner networks: Manufacturing companies in today’s supply stream, consists of production facilities and hubs spanned out across the globe, creating an increasingly difficult network of production platforms to manage. Thus the visibility is critical in overseeing these networks and ensuring the right products are being produced at the right time at the right facility given various rules or restrictions.

Transaction Cost: the decision to outsource business processes and create a supply chain outside the organization requires assessment of where the boundary of the organization should reside. As such, an economic assessment is required of the various merits of integration versus market provision, thus, the decision is based on a transaction costs approach where there is an ‘’examination of the comparative costs of planning, adapting and monitoring task completion under alternative governance structures.

Customer order management: customers are becoming more demanding as their expectations are evolving toward greater levels of services and response with higher degrees of product and service customization. Value chain partners (suppliers, services, providers) intergraded to provide differentiated customer segment products or service bundling and superior customer order levels. Increased profitability is the top driver of customer order management performance. This centered attention on profitability is probably resulting from the economic market conditions of the past few years, but may be a short-term view. Customer responsiveness leads to customer retention and revenue growth. In the longer term view, concentration on customer facing initiative and improvements will be significant to profitability achievement.

Logistic management: The supply chain logistics problem facing multi-site companies can be complex, involving multiple stakeholders and constraints across the entire enterprise. The more complex the supply chain, the more difficult it becomes for companies to answer basic questions, such as which crude should they purchase and how should they transport it.

Manage operation flexibility: A firm gains flexibility to quickly realign the supply and demand mix to satisfy changing global demand. Switching costs and Coordination costs are a barrier to operating flexibility.

Procurement management: A typical manufacturing company needs to procure thousands of products from hundreds of suppliers; the challenge here is how to manage the complexity of the procurement process and establishing a strong procurement infrastructure to execute on strategic supply initiatives using an empowered organization structure fully integrated to the stakeholder and finance organization. Moreover, people training and development was the key challenge for procurement organizations includes skill development, the right recruiting and retention practices and career paths in other functions outside of procurement. That is how to set up and how to manage global sourcing offices.

Enterprise integration: enterprise integration doesn’t happen naturally it needs to be planned yet the planning cannot be precise as business processes and facilitating technologies will change, creating different needs and different potential solution. The problem of integration is exacerbated by the limits of human cognition by behavioral issues by difficulty of aligning the goal of individuals with organizational units and by the relentless need for faster changes.

Business process integration: processes must be coordinate between all the firm in the value chain to achieve improved performance and services. This form of external process integration which is called value chain coordination is the focus of modern supply chain management. The E-commerce helps organizations to be able to connect its internal processes with its stakeholders. The challenge in business process improvement is that the processes must be coordinated between the firms in the value chain to achieve improvement in performance and services.

Supplier’s competence requirements: if customers are moving to fewer suppliers and investing in strategically important supply chain relations, then suppliers that cannot make themselves attractive purely through economies of scale and scope must increase their asset specificity and decrease uncertainty. This requires the supplier to invest in activities that are alien to traditional bid-buy supplier’s interactions. Thus, it will require suppliers to respond to the changing context and develop stronger relational and organizational competences.

Globalization: The forces of globalization and commoditization in today’s business world are unstoppable, they created a challenge for companies, which it’s how to cut costs and grow simultaneously. During the industrial revolution, companies looked for new markets, new sources of raw materials and new source of labor. The revolution was fuelled by globalization and companies thrived by taking advantage of economies of scale. Senior executive now understand that they can’t just focus on supply chain operations to create efficiencies. The challenge is to integrate supply chain execution with the overall corporate business strategy and to use the supply chain as a catalyst for business transformation or business reinvention.

Data and information integration: information integration refers to the sharing of information among members of the supply chain. The ability to seamlessly connect with customers, partners and co-workers is vital for success; yet most enterprises store and exchange data in dissimilar formats such as databases, electronic data interchange. The ability to map between these different formats is mission-critical.

**Purchasing** is the activity of acquiring goods or services to accomplish the goals of an organization while Supply chain management is the broad range of activities required to plan, control and execute a product's flow, from acquiring raw materials and production through distribution to the final customer, in the most streamlined and cost-effective way possible. The key factor for excellence in purchasing and supply chain management are as below:   
Top management support: In every firm, upper management engages in a key role for the successful implementation of Supply chain because of its powers and responsibilities. Uppermost management decides and plans each and every activity which are to be performed in all departments thus they have remarkable capacity to encourage workers to implement sound purchasing and supply chain activities leading to excellence in the supply chain management.

Government policies and supportive systems: Government support is a major reason for any organization to get into new processes and changing policy for the environment and society. The provision of new policies for pollution control. The support of government plays a key role in providing subsidies for process and encouraging employees to implement meaningful supply chain in the organizations by setting regulatory laws for protection of the environment.

Provision of Information technology: In any organization Information technology plays a crucial role to support the operations involved in supply chain process and upgrade its performances. It provides a support system for various activities of the supply chain such as product design and development for the surrounding, retrieval and recycling process. Information technology enables electronic transfer of information due to which wastage is reduced thus excellence in the supply chain.

Standards in human resources: Human resources are considered as an important asset in every reputed organization. Highly qualified and trained personnel help in hiring of quality workers who have knowledge of Supply chain is assumed as an important aspect for success of Supply chain.

Employee’s commitment towards supply chain management: The interaction and communication among employees to gather information about sustainable activities takes a vital position in the success of Sustainable Supply Chain Management. Qualified and skilled worker accept challenges easily and commit to innovative practices, although the charges incurred to employ the personnel may increase.

Motivation to suppliers & vendors towards sustainable practices: The relationship between manufacturers and suppliers should be good enough to maintain a close network of information sharing about sustainable practices and social awareness. Suppliers of minor and major scaled enterprises should be aware of surrounding, legislative and eco-design issues leading to efficiency in the supply chain.

Adoption of new technologies: Many companies face problems in finding solutions for environmental issues because of obsolescent techniques and methods. Adoption of new technologies is essential to innovate business culture, develop new ideas for product development and also to enhance the world economy. Betterment in technology is desirable for saving energy and having a more favorable impact on the environment that makes it easy for supply chain activities.

Economic advantages: The knowledge of economics, environment and social issues help managers and researchers to connect sustainability with the supply chain. There is a great demand of incorporating three sustainability issues. Uncertain Supply Chain Management, surrounding public civilization and financial difficulties in the supply chain. Environmental pitfall must be understood by practitioners and managers so that they can have the opportunities for building reputation with customers, vendors and shareholders so as to make the supply chain activities runs easily.

Competitiveness of companies toward supply chain management: Motivating employees toward supply chain management is beneficial in the improvement of firm’s competitiveness, market image and new market development. It can make a huge difference between the competitors and also influenced the plan success. The adoption of sustainable supply chain management activities is favorable for competitive growth and more voluntary actions that leads to excellence in the supply chain activities.

**Supply Chain** is a connection of all the parties, resources, businesses and activities involved in the marketing or distribution through which a product reaches the end user. It creates a link between the channel partners like suppliers, manufacturers, wholesalers, distributors, retailers, and the customer.

Value Chain: Value Chain refers to the range of activities that adds value at every single step in designing, producing, and delivering a quality product to the customer. Value Chain Analysis is used to evaluate the activities within and around the organization and relating to its ability to provide value for money, goods, and services.

The following are the major differences between supply chain and value chain:

The integration of all the activities, persons, and business through which a product is transferred from one place to another is known as supply chain. Value Chain refers to a chain of activities that is indulged in adding value to the product in every single step till it reaches the final consumer.

The concept of Supply Chain is originated from operational management, whereas value chain is derived from business management.

Supply Chain activities include the transfer of material from one place to another. On the other hand, Value Chain is primarily concerned with providing value for price product or service.

The order of supply chain begins with product request and ends when it reaches the customer. Unlike value chain, which begins with the customer’s request and ends with the product.

The major objective of the supply chain is to gain complete customer satisfaction which is not with the case of the Value Chain which is concerned with adding of value.

Supply chain is the process of all parties involved in fulfilling a customer request, while a value chain is a set of interrelated activities a company uses to create a competitive advantage.

Value chain involves inbound logistics which include receiving, warehousing and inventory control. Operations include value-creating activities that transform inputs into products. Outbound logistics include activities required to get a finished product to a customer. Marketing and sales are activities associated with getting a buyer to purchase a product.

All in all, Supply Chain is described as a tool of business transformation, which minimizes costs and maximizes customer satisfaction by providing the right product at the right time at the right place and the right price. Conversely, Value Chain is a way of getting a competitive advantage, through which a company can beat its competitors along with fulfilling customer requirements.

**A Public Warehouse** is a commercial building where by the general public or anyone can store his or her goods by paying very reasonable rent. The functions to be performed in a warehouse are as below;

Storage of Goods: One of the traditional requirements of a warehouse has been for storing goods. The warehouse provides the space required for such storage and it is one of the important functions of a public warehouse.

Movement of Goods: Movement of goods consist of inbound activity (unloading of goods brought to warehouse), transfer to storage (transferring the goods from the inbound area to the storage area), order selecting (selecting the good in the storage as per order to be shipped and transferring it to shipment area) and outbound activity (checking and loading the gods for shipment).

Information Management: Keeping a track of information regarding goods that have come into the warehouse, stored and that are shipped out of the warehouse. Also any other information pertaining to the warehouse is stored. The data captured by the information system in the warehouse is then passed on to the higher management in order to take better decisions.

Protection of goods: A warehouse provides protection to goods from loss or damage due to heat, dust, wind and moisture, etc. It makes special arrangements for different products according to their nature. It cuts down losses due to spoilage and wastage during storage.

Risk bearing: Warehouses take over the risks incidental to storage of goods. Once goods are handed over to the warehouse-keeper for storage, the responsibility of, these goods passes on to the warehouse-keeper. Thus, the risk of loss or damage to goods in storage is borne by the warehouse keeper. Since it is bound to return the goods in good condition, the warehouse becomes responsible for any loss, theft or damage etc., thus, it takes all precautions to prevent any mishap.

Financing: When goods are deposited in any Warehouse, the depositor gets a receipt, which acts as a proof about the deposit of goods. The Warehouses can also issue a document in favor of the owner of the goods, which is called warehouse-keeper’s warrant. This warrant is a document of title and can be transferred by simple endorsement and delivery. So while the goods are in custody of the warehouse-keeper, the businessmen can obtain loans from banks and other financial institutions keeping this warrant as security. In some cases, warehouses also give advances of money to the depositors for a short period keeping their goods as security.

Processing: Certain Commodities are not consumed in the form they are produced. Processing is required to make them consumable. For example, paddy is polished, timber is seasoned, and fruits are ripened, etc. Sometimes warehouses also undertake these activities on behalf of the owners.

Grading and branding: On request warehouses also perform the functions of grading and branding of goods on behalf of the manufacturer, wholesaler or the importer of goods. It also provides facilities for mixing, blending and packaging of goods for the convenience of handling and sale.

**Cross docking** is a logistics procedure where products from a supplier or manufacturing plant are distributed directly to a customer or retail chain with marginal to no handling or storage time.  Cross docking takes place in a distribution docking terminal; usually consisting of trucks and dock doors on two (inbound and outbound) sides with minimal storage space.  The name ‘cross docking’ explains the process of receiving products through an inbound dock and then transferring them across the dock to the outbound transportation dock. Once the inbound transportation has been docked its products can be moved either directly or indirectly to the outbound destinations where they can be unloaded, sorted and screened to identify their end destinations.  After being sorted, products are moved to the other end of the ‘cross dock’ terminal via a forklift, conveyor belt, pallet truck or another means of transportation to their destined outbound dock.  When the outbound transportation has been loaded, the products can then make their way to the customers.  Its importance are as below,

Cross-docking reduces the square footage needed in the facility. Because little to no storage occurs, only a small amount of space is needed for this activity, significantly reducing the footprint of the facility and the associated costs.

Because little to no storage occurs in cross-docking facilities, the costs related to storing inventory is also reduced.

In conjunction with this reduction in storage costs, material handling also sees significant reductions. Material handling is limited to loading, staging and unloading with minimal picking and put away activity.

Cross-docking helps in managing and improving customer product quality. During the unloading and staging process staff can easily inspect inventory for damage incurred during transit. This can help to reduce the amount of damaged inventory that reaches customers and help improve customer satisfaction rates.

The reduction of material handling needs leads directly to the labor cost savings associated to these activities. This allows your business to pass on savings to customers, providing additional competitive advantage related to cost.

Less handling reduces damages: As physical handling inventory items is limited due to lack of storage, the probability of damage to inventory and the costs associated with this are also significantly reduced.

Cross-docking also assists in the reduction of delivery times. Typically facilities offering these services are located in geographical areas that are near the final delivery destination. This helps to reduce delivery times by eliminating excess travel.

Cost savings, increased product quality and reduced delivery times due to cross-docking also help in increasing customer service satisfaction. This will help to retain current customers and capture additional market share.

The utilization of cross-docking can help to reduce transportation costs as it optimizes routing, less miles are wasted thus reducing fuel and associated vehicle service costs.

Cross-docking provides fixed asset cost savings. Cross-docking requires less facility square footage. These smaller facilities require less cash outlay to operate.

All of these benefits help demonstrate one key issue: implementing cross-docking can provide your business with many new opportunities to save money, increase efficiency and better serve customers.

**Activity profiling in a warehouse** is the analysis of historical sales transaction date for the purposes of projecting warehouse activity and determining storage mode, physical layout, workflow processes, and labor and equipment requirements.

Data Analysis, this come under activity profiling in the warehouse.

It outlines or snapshot any aspect of logistics activity such as customer order profile that is the behavior of customer orders and ordering patterns.

It also includes systematic analysis of item or order activity to identify root cause, opportunities for improvement and basis for decision making.

It also includes determination of storage mood, physical layout, workflow process, and labor and equipment requirements.

The basic work patterns of Activity profiling in a warehouse are,

Distribution of lines per order, this looks at the percentage of order per a single line, two lines and many more others. The implication of this is that it reveals possibilities for batching and or zoning.

Distribution of picks by order size, this looks at what fraction of picks comes from single line orders, two line orders and many more. The implication of this is that it reveals whether most work is generated by small or large orders and or shipping activity.

Distribution of families or zones per order, this looks at what fraction of orders involves a single family or zone, two families or zones and many more others. The implication of this is that, it identifies coupling which can be exploited by the picking process.

Family Pairs analysis or order crossings for zones, this looks at identification of pairs of families or zones with correlated demand. This correlation should be exploited by putting items in each pair close to each other.

Activity profile is essential to really understand what matters in a warehouse. The activity profile enables warehouse managers to understand, manage and improve use of labor, space and equipment. It is there a special case of data mining which is simply the rummaging through database to look for patterns that might exploited to improve operations.

**A** **warehouse storage system** is also called a warehouse management system, it refers to storage equipment that are used to help organizations to easily manage their warehouse and keep the workers as well as the products and items inside the warehouse safe.

Static Shelving: These are storage mechanisms that are designed to stay in one place and are meant to hold inventory that is fairly lightweight. It’s commonly used for storing inventory that needs continuous replenishment. As they are not compatible with forklifts, static shelving is generally used with inventory that must be manually picked, placed, and or organized.

Mobile Shelving: This is similar to static shelving, mobile shelving is a completely adjustable solution that is meant to hold the manually-picked items, but the difference here is that many of these systems are designed to hold more items in less space. With mobile shelving, shelves or cabinets are mounted on carriage and rail systems, eliminating fixed aisles and increasing productivity by making inventory more accessible.

Pallet Racking: In a busy and large warehouses, pallet racking systems are usually treated as the centerpiece of the operation. Typically, pallet racking systems are made out of wood, metal, or plastic and hold inventory that is received in large boxes. Depending on the height, the boxes are placed on the pallet racking system with the help of a forklift.

Multi-Tier Racking: This is basically use for large stocks of items that have small unit sizes, multi-tier racking is a system that is designed to capitalize on vertical space. Because no warehouse is one-size-fits-all, many multi-tier racking options are flexible, with the ability to add or remove tiers depending on the current needs. Mostly, multi-tier racking concerns relatively lightweight items that are picked and organized manually.

Mezzanine Flooring: This is a second, third or fourth floor that is constructed above the main warehouse floor. Because of the intrusive nature of the build, this is likely to be one of the most expensive options that a warehouse can choose, but it also has the most potential for customized features, such as lighting, lift-systems, and conveyors. If one have the budget and the strategic warehouse layout allows for it, mezzanine flooring is an effective and space-saving storage option.

Wire Partitions: These are effective and strategically-placed wire cages that are meant to be installed and torn down quickly and easily. Often, the inventory that is housed within wire partitions are the items that may need special security. Some warehouses are even known to use wire partitions to construct makeshift, temporary offices for managers who work on the floor.

There are wide range of warehouse storage systems available and, as we move into the future, warehouse storage systems are only getting more lightweight, affordable, and technologically-advanced. As mentioned above only select system that fits your needs; instead otherwise it will be a nightmare to the warehouse operations.

**Qualitative Factor Rating Method**: Is a method use for selection of location of a warehouse which involves qualitative and quantitative inputs, and evaluates alternatives locations based on comparison after establishing a composite value for each alternative location. The process of selecting a new facility location involves a series of steps as, Identifying the important location factors, Rating each factor according to its relative importance, Assigning each location according to the merits of the location for each factor, Calculating the rating for each location by multiplying factors assigned to each location with basic factors considered finally Find the sum of product calculated for each factor and select best location that has the highest total score.

For example, Let us assume that a new medical facility, Health-care, is to be located in Juba. The location factors, factor rating and scores for two potential sites are shown in the following table.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S No | Location Factors | Factor Rating | Rating | |
|  |  |  | Location 1 | Location 2 |
| 1 | Facility Utilization | 8 | 3 | 5 |
| 2 | Total Patient per Month | 5 | 4 | 3 |
| 3 | Average time per emergency trip | 6 | 4 | 5 |
| 4 | Land and construction cost | 3 | 1 | 2 |
| 5 | Employee preferences | 5 | 5 | 3 |

The best location based on factor rating method for the above information can be determine as below

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| S No | Location Factors | Factor Rating | Location 1 | | Location 2 | |
|  |  | Rating (1) | Rating (2) | Total=(1) .(2) | Rating (3) | Total = (1). (3) |
| 1 | Facility Utilization | 8 | 3 | 24 | 5 | 40 |
| 2 | Total Patient per Month | 5 | 4 | 20 | 3 | 15 |
| 3 | Average time per emergency trip | 6 | 4 | 24 | 5 | 30 |
| 4 | Land and construction cost | 3 | 1 | 3 | 2 | 6 |
| 5 | Employee preferences | 5 | 5 | 25 | 3 | 15 |
|  |  |  | Total | 96 | Total | 106 |
|  | | | | | | |

The total score for location 2 is higher than that of location 1. Hence location 2, is the best choice according to this method.

**Backdoor (Maverick)** buying and selling refers to an arrangement between a supplier and a customer that circumvents the customer's normal purchasing rules. In other words, the supplier is dealing with the company through the "back door" rather than at the front of the shop, where legitimate business gets done. Backdoor deals are problematic from an ethical standpoint, and in some cases may even be illegal.

Open tendering is the preferred competitive public procurement method used for acquiring goods, services and infrastructural works. It is executed in accordance with established procedures set out in the procurement guidelines and detailed in the standard bidding documents

Maverick buying results in consequences of two main categories: increased purchasing costs and reduced purchasing leverage. In other words, maverick buying causes the organization a negative cost effect and a worse position in future negotiation situations. And are as discussed below:

Fragmentation of spend: That is when a demand for a product is spread across many suppliers. Some fragmentation of spend is normal for every organization to have but is problematic when the level of fragmentation exceeds the normal level especially when is caused by maverick buying. This is explained by the numerous individuals across the organization, both in purchasing and non-purchasing, buying products and services from their own preferred suppliers rather than the contracted approved suppliers, resulting in unnecessary amount of separate transactions.

Higher purchasing prices: Maverick buying do not maximize value for money. When purchases are made decentralized across the organization, especially by the non-purchasing employees, it is probable that the necessary expertise does not always exist. This expertise can include the skills for finding the right supplier, for the tendering process and for negotiating a contract, leading to higher prices charged by suppliers.

Increased purchasing costs: this is due to the additional costs in the purchasing process. Fragmentation of spend results in the number of overall transactions growing unnecessarily large. This eventually leads to increased transaction costs, which in this context are regarded as purchasing process costs. Another aspect of purchasing process costs increased by maverick buying is that the large number of new non-contracted suppliers and transactions through them also result in additional paper work and other managerial work.

Loss of purchasing leverage: The loss of leverage is highly linked to the increased in spend fragmentation, both in current contracted supplier relationship and future purchasing situations. When the spend volumes are fragmented, leverage opportunities are not possible and the buyer is significantly less attractive in the eyes of the supplier. In other words, maverick buying causes the organization to have less negotiation power as a buyer. The procurement team has thus less ability to secure better prices and contract terms for the organization.

Buyer may become a Nuisance customer for suppliers: The suppliers are unlikely to put much effort or commitment into developing the relationship as they see the organization negatively, both in current contracted relationships as well as in future tendering projects which again will result in less affordable offers and deals.

Time consuming: the fact that organizations with higher level of Maverick purchases need more time to issue a purchasing order to a vendor than a company that has less maverick buying. The revelation is that more Maverick buying simple means longer supplier lead times on materials and services which has the tendency of creating dissatisfaction of customers and increasing operational cost.

Corruption: In maverick buying, the level of transparency is low as such procurement associated corruption tends to be a grave problem thus threatens legitimacy and as such, the policies and procedures should be created to curb any possible corrupt activities and enhance transparency, accountability and integrity.

Misappropriation of Public resources: The irregular procurement activities in public institutions offers the biggest opportunity through which public resources are misappropriated or misapplied. It is of this effect that the principles of sound public procurement policies and practices are judged among the indispensable elements of good governance alluding to the fact that the basic principles of good procurement practice including accountability, thus enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public.

To conclude, the consequences of maverick buying are of negative nature for organizations. They are more or less connected to each other and involve the fragmentation of spend for most part. Individuals or departments having power resources which can be drawn upon to either help, or hinder. Thus maverick buying is a preventer of successful organizational changes in addition to causing a negative cost effect.

**Electronic Transactions**: Is a system of payment that allows customers to make cashless payments for goods and services through cards, mobile phones or the internet. It presents a number of advantages as below,

Time savings: Money transfer between virtual accounts usually takes a few minutes, while a wire transfer or a postal one may take several days. Also, one will not waste his or her time waiting in lines at a bank or post office. The withdrawal is immediately

Expenses control: Even if someone is eager to bring his disbursements under control, it is necessary to be patient enough to write down all the petty expenses, which often takes a large part of the total amount of disbursements. The virtual account contains the history of all transactions indicating the store and the amount one spent. And one can check it anytime he or she wants.

Reduced risk of loss and theft: You cannot forget your virtual wallet somewhere and it cannot be taken away by robbers. Although in cyberspace there are many scammers but it will be difficult for them to get access to the informations as it requires other security measures such as password for it to open and operate.

Low commissions: If one pay for internet service provider or a mobile account replenishment through the unattended payment terminal, one will encounter high fees. As for the electronic payment system, a fee of this kind of operations is very low.

User-friendly: Usually every service is designed to reach the widest possible audience, so it has the understandable user interface. In addition, there is always the opportunity to submit a question to a support team, which often works throughout.

Increased Sales: As internet banking and shopping become widespread, this means that, electronic alternatives are increasingly becoming the preferred payment option. As such, electronic payment enables businesses to make sales to the customers who choose to pay electronically and gain a competitive advantage over those that only accept traditional methods.

Convenience: All the transfers can be performed at anytime, anywhere as long as one has an access to the Internet. Electronic payment is very convenient compared to traditional payment methods such as cash or check. Since one can pay for goods or services online at any time of day or night, from any part of the world, electronic payment also eliminates the security risks that come with handling cash money

Increases Accountability: It is easy to confirm whether you have received the proper amount of credit for each transaction or not and the record of the transactions made are generated automatically and can easily be track down.  
Although electronic payment gateways and third-party payment processors charge service fees too. Almost most of the electronic transaction services require users to pay transaction fees such as setup fees when creating account, Internet access and so on. In general, considering all of the advantages of electronic payment system and the disadvantages you may realize that using electronic payment would provide more convenient opportunities when compared to traditional transaction systems.

**Electronic-Procurement** sometimes known as supplier exchange, is a business to business or business to consumer or business to government or private purchase and sale of supplies, works and services through internet, information and networking systems such as electronic Data Interchange and Enterprise Resource Planning. However implementing this has the following challenges

Risk management: Risk is always a key concern for procurement, with the primary focus on suppliers’ financial status, followed by health and safety and industry practices. It’s no longer good enough to simply engage with tiers of suppliers. It is difficult to ensure that the necessary obligations of procurement are passed down to subcontractors under electronic procurements.

Co-corporate Social Responsibility: Organizations are making tremendous progress in the approach to direct materials. The level of auditing required to ensure that practice are sustainable, including those of first and second tier suppliers, is difficult to perform under Electronic procurement.

Over reliance on technology and the disabling of due diligence. This often leads to devastating shortages, delays, and supply chain disruptions.

Lack of buy in and resistance to change from employees. This often leads to circumvention of electronic procurement systems, loss of process control, back door buying, and theft.

Increased Complexity. Often electronic Procurement Solutions add complexity and cost, usually because due diligence is taken to understand user requirements.

Employee Competence: Electronic Procurement does not only require huge cost and infrastructural outlays. It requires that an organization has tech-survey employees who are receptive to technological changes and do not mind continual training as the platforms being used keeps advancing. Potential resistance to technological change or employee lack of requisite skills may impede Electronic Procurement adoption.

Managerial Commitment contributes to implementation of Electronic Procurement: The role of the executives in an organization is essential as it influences various aspects in an organization. The decision to adopt Electronic Procurement should in the first-place be born and supported by senior executives. Lack of support from managers including top company executives can slow adoption and implementation of appropriate Electronic Procurement.

High Cost: Very often, if the above factors are present in a procurement environment, the result will be a staggering loss of money and competitive advantage.

**Supplier Performance Monitoring** is the means and ways of capturing, measuring, analyzing and reporting supplier’s performance to ensure a long and sustainable supply base with a win-win relationship between the organization and the suppliers. It tracks metrics such as quality, price, delivery, lead time and responsiveness of suppliers over time. Having a Supplier performance management program in place is important to organizations in the following ways,

Avoid supply chain risk and disruptions: Supplier performance management provides in-depth visibility into the risk a supplier may pose to the organization. Thus monitoring may reduce the chances of its occurrence.

Protect and improve brand or reputation: A number of corporate brands have been tarnished by the actions of their suppliers. Supplier performance management can help one to track supplier performance in relation to brand maintenances.

Avoid costs and achieve savings: There are a variety of cost factors tracked using supplier performance management which affect both hard and soft dollar costs. Lack of timely and accurate vendor information can have huge impact on costs and can prevent organization from capturing savings.

Segment and rank vendors: supplier performance management is useful beyond the supplier management in the organization. For example, supplier performance management gives procurement visibility into specific groups of suppliers and their overall ability to meet the organizations expectations and requirements.

Collaborate with suppliers: When organizations collaborate closely with suppliers they create new value for their business. Supplier performance management drives the creation of meaningful and mutually beneficial relationships with suppliers.

Improve internal processes: Creating a Supplier performance management process is a great step towards optimizing your supplier management program. By utilizing a technology-based solution for Supplier performance management, organizations can achieve a standardized approach for creating scorecards, issuing and tracking scorecards for completion, and in-depth reporting and analysis.

Identification of new Sources of supply: In the process of Supplier performance management, low performers and high risk suppliers are disengage and give a way to new suppliers who pays high attention to performances.

Supplier performance Management assist in having realistic service level agreements into suppliers contracts that are based on past performance information. Such informations are made available or are gained through supplier performance management.

Leverage the supply base: By measuring supplier performance, an enterprise can set a threshold for its suppliers that can lead to higher quality results. Organizations can better plan new products and services based on good understanding of its supplier’s capabilities and performance level.

In conclusion, Supplier performance management is a meaningful and valuable exercise to any business. Implementing standard metrics and procedures for measuring supplier performance, improved supplier performance greatly. The areas of improvement can be from quality, on-time delivery, price, total cost, contract compliance, lead times, and overall responsiveness and can result into direct hard dollar savings or as improvements in responsiveness and services to organizations.

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