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**Chapter 1 Assignment**

**Procurement and supply chain Assignment.**

1. **What is the difference between purchasing and procurement?**

The difference between purchasing and procurement is that, purchasing is used by business men and women while procurement is the term generally used by the government only.

1. **Why are more organizations recognizing the importance of purchasing and supply management?**

More organization are recognizing the importance of purchasing and supply management because **It reduce cost and improve saving**.

Through initiating process improvement, product improvement and supplies relationship, purchasing professional are responsible for garnering cost saving for their organizations without trading off quality. As a result, companies see great value in purchasing and supply management professional who are able to increase their saving and improve their cost.

**Negotiating successful contracts**

Purchasing and supply management professionals are tasks with negotiating terms with suppliers that benefit both parties.

**It developed long lasting suppliers’ relationship**

Companies typically requires supplies on an ongoing basis, and as a result, its important to develop enduring relationship with suppliers. Long term relationship benefits both the purchaser and supplier and build a level of truth, enabling both parties to success.

1. **Highlight the importance of purchasing to the success of the organization**

The importance of purchasing to the success of the organization is that purchasing deal with cost reduction in which it work with internal customer to help improved process and drive down cost. Purchasing also works with suppliers to improve process, look at alternative materials and look at different locations or transportation modes. NB, focusing on cost improvement is a core competency of purchasing professionals.

1. **Do you think organizational purchasers should behave like entrepreneurs? Why or why not? (Discuss for either of your answer)**

Yes, Because as a entrepreneur, you should be passionate and motivating person.

Meaning, that you should built on something and continuing to improved up on it.

As purchaser, **you should not be afraid to take risks**

Willing to risk the time, money on unknowns, but keep resources, plans and bandwidth in reserve for dealing with unknown, because entrepreneurs will always ask him/her self, is this risk worth the cost of my career, time and money? And what will I do if this venture doesn’t pay off?.

On the other hand too, a purchaser should be **self-belief, hard work and displined dedication.**

Meaning you must believe in yourself, be confident and dedicated to the project.

Purchaser should behave like entrepreneurs because, entrepreneurs always know the **products and market knowledge**. So the purchaser here should know the products inside and out not forgetting the market. A purchaser should also have effective planning skills in which he/she should plan for everything and having a ready solution in place for possible issues may prevent you from ever taking the first step.

1. **Discuss the knowledge and skills required for every purchasing professional**

**The knowledge and skills required for purchasing professional are,**

**Negotiation**

As purchasing professional, should get prepared and thinks, talks your way into an agreement with no preparation, learn as much as possible about the commodity or services before going to the table.

**Communication**

Having a line of communication with suppliers is obvious, but creating strong line of communication with your internal customers and stake holders can bring significant results.

**Quality concern.**

Yes knowledge of product is very important here, you need to work very closely with the suppliers to ensure suppliers are doing what they said they would do.

**Interpersonal skills.**

You have to be able to speak to people in a way that makes them please that you are engage if you are in purchasing.

**References**

1. Chartered Institute of procurement and supply.
2. Business Case studies. The importance of sustainable purchasing and supply.

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