

Title:
Procurement

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Summary:

The range of activities associated with the buying of goods and services to support business operations is called procurement. When talking about procurement, planning is the first and most important step in the whole process. Planning involves selecting missions and objectives and the actions to achieve them; it requires managers to choose among alternative future courses of action. Plans thus provide a rational approach to preselected objectives.

Keywords:

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Article Body:

The range of activities associated with the buying of goods and services to support business operations is called procurement. When talking about procurement, planning is the first and most important step in the whole process. Planning involves selecting missions and objectives and the actions to achieve them; it requires managers to choose among alternative future courses of action. Plans thus provide a rational approach to preselected objectives.

Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen. Although we can never be sure what will happen in the future, and factors beyond our control may interfere with even the best-laid plans, if we don't plan we are leaving events to chance. And that is quite risky when talking about business operations. One wrong step and your business is history.

Today, most business enterprises engage in strategic planning, although the degree of sophistication and formality vary considerably. Conceptually, strategic planning is deceptively simple: analyze the current and expected future situation, determine the direction of the firm, and develop the means for achieving the mission. In reality, this is an extremely complex process which demands a systematic approach for identifying and analyzing factors outside of the organization and matching them with the firm's capabilities.

Planning is done in an environment of uncertainty. No one can be sure what the

business environment will be even next week, let alone several years from now. Therefore, people make assumptions or forecasts about the anticipated environment. Some of the forecasts become assumptions for other plans.

To be effective, strategies and policies must be put into practice by means of plans, increasing in detail until they get down to the nuts-and-bolts details of operations. Tactics, then, are the actions through which strategies are executed. Strategies must be supported by effective tactics.