Subject: Chapter1  
  
Nature σƒ purchasing function:  
Purchasinng refers to тнє systematic process σƒ deciding when and how much to purchase, the act σƒ purchasing it and the process ensuring what °̩s required °̩s received oи time and in the correct quantity and quality required.  
  
Importance σƒ industrial purchasing:  
  
Importance σƒ P&S management ƒσя business:  
Globalisation  
|  
Organisational structures need to become more internationally oriented.  
|  
Rapid development in information technology.  
|  
Supply risks have increased ώĩ†̥ђ тнє number σƒ international terrorism.  
|  
Тнє technological revolution has shortened тнє lifespan σƒ products.  
|  
Increasingly stringent quality specifications.  
|  
Constant rises in inventory costs.  
  
Steps in the purchasing cycle:  
-Identification αиð description σƒ the need- this requires purchasing requisitions, material lists αиð kanbans  
-Source identification αиð supplier selection  
-Bidding αиð negotiating  
-Placing the order  
-Following up order  
-Receipt αиð inspection σƒ incoming goods  
-Analyse тнє invoice αиð closing order  
  
Supply management:  
°̩s the identification, acquisition, access, positioning αиð management σƒ resources αиð related capabilities an organisation needs in attaining its strategic objectives  
  
Supply chain management:  
Integrates supply αиð demand management within αиð across the companies. It encompasses planning αиð management in sourcing αиð development αиð all logistic management activities.  
  
Logistics management:  
°̩s the part σƒ SCM that plans, implements αиð controls тнє flow σƒ storage σƒ goods services αиð related info between the point σƒ origin αиð the point σƒ consumption.  
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