Reading


Activity 1.1

Distinguish between the terms purchasing and procurement management.

Relations with other functions

We have discussed in the earlier section that organisations have replaced the segmented structure of the procurement function with integrated structures, and procurement has moved on from being a discrete activity to being the hub of a large part of the organisation’s business activity. By its very nature, procurement has continuing relationships with many other functions in an organisation, in addition to the relationships established with the organisation’s suppliers and customers. The procurement operations cut across most departmental lines. Figure 1.5 provides a graphic illustration of procurement’s many interfaces within the organisation.

![Figure 1.5 The many internal interfaces of the Procurement function](image-url)