Suggested answers to activities

Feedback

Activity 2.1

The Procurement organisation structure should:

1. Allow the responsibilities for different procurement activities and processes to be clearly allocated to different units and employees.

2. Aim to implement the various functional processes as efficiently and effectively as possible, and facilitate the working relationships amongst units.

3. Balance the need for order and control with creativity.

4. Allocate to each unit within the Procurement function as much as possible of the processes with which it is primarily concerned.

5. Balance the number of links needed amongst units and the size of these units.

Activity 2.2

A suggested approach may be the ‘combined approach’ where Procurement function negotiates supply contracts, but delegates the implementation of these contracts to users.

The result is a rather small Procurement department, but with high-level procurement expertise combined with the flexibility needed by users.

Another growing trend is to delegate responsibility for low value purchases to users.