Self-test 2.5

What are some of the advantages of using e-catalogues and auction?

Self-test 2.6

Auctions represent one of the many methods of price determination. What are some of the factors that procurement professionals should consider when using any type of online auction?

Suggested answers to activities

Feedback

Activity 2.5

With separate catalogues, a buyer procures from several suppliers whose systems are different using a number of different catalogues. With aggregated catalogues, the buyer’s catalogues represent all the suppliers, enabling a user to more easily compare all suppliers’ offerings at one time.

E-catalogues are normally used where items are standards and sold at fixed prices with little price volatility.

Activity 2.6

The reliability of the supplier — the risk of placing an order with an unknown supplier.