

Self-test 3.1

Service	Examples
Transport	"Deliver the specified goods — without suffering damage or loss to our organisation — to the specified destination within a period not exceeding 3 days."
Advertising	"Create and deliver a promotion campaign that achieves a 15% increase in consumer awareness of our products over the next 12 months."
Payroll administration	<p>"Based on information provided by the organisation on the 20th day of each month for a maximum of 250 of its employees, undertake the following by the 30th day of each month, over a period of two years:</p> <ul style="list-style-type: none">• Produce and dispatch by post a fully accurate salary statement to each staff member (with copy to our HR Division) in accordance with the attached model.• Drawing upon an authorised bank account, arrange transfer of salary funds to each staff member's bank account in accordance with these statements."
Training	"Achieve a passing score on the xxxx certification exam for at least 80% of our staff following the training programme."

Self-test 3.2

While the decision on what type of procurement description to use may appear to be simple, there are many factors that complicate the issue. There are no absolute rules in this respect, but it is possible to consider some general guidelines on your choice of approach to developing procurement descriptions. The point to keep in mind is that over-specifying and including restrictive features in procurement descriptions cause delays and increase costs.

In selecting an approach to developing a particular procurement description, consideration should be given to both the nature of the product or service to be procured, as well as the overall supply objectives and supply targets that the organisation is trying to achieve. To do this will offer a better insight into the options and help the buyer think through the relevant issues.

Supply objectives and targets generally focus on four areas:

1. Ensuring the right **quality** of the procurement product or service, and bringing in innovation and differentiation as needed.
2. Ensuring **availability** of the required procurement product or service at the right time.
3. Securing any needed supplier **support**, e.g., technical assistance, maintenance, training, etc.
4. Ensuring the lowest possible total **cost**.

The choice of the description methods will depend on which is the priority supply objective. In general, if the item to be procured is important to an organisation's competitive advantage, that is, it helps differentiate the organisation's products or services from those of the competition; it will wish to go for very particular specifications. These may include detailed technical specifications, quality brand names or high performance specifications. If the item is not important to differentiating the organisation's products, it may prefer to go for a standard in order to reduce costs.

The more an organisation is spending on the item, the more it may wish to go for value analysis/value engineering and the use of standards, to focus on ways of bringing the cost down. If the item involves low expenditure, the organisation may simply wish to find the easiest and least costly way to specify. This is often achieved by using brand names.