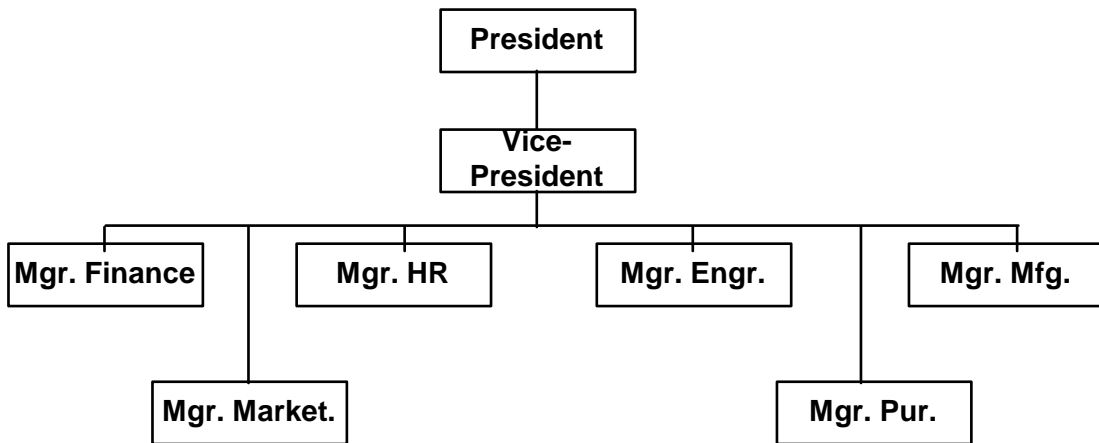
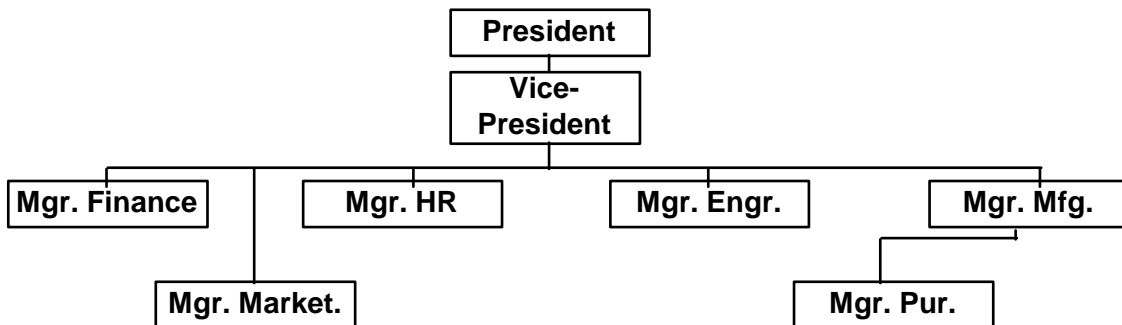


PURCHASING ORGANIZATIONS

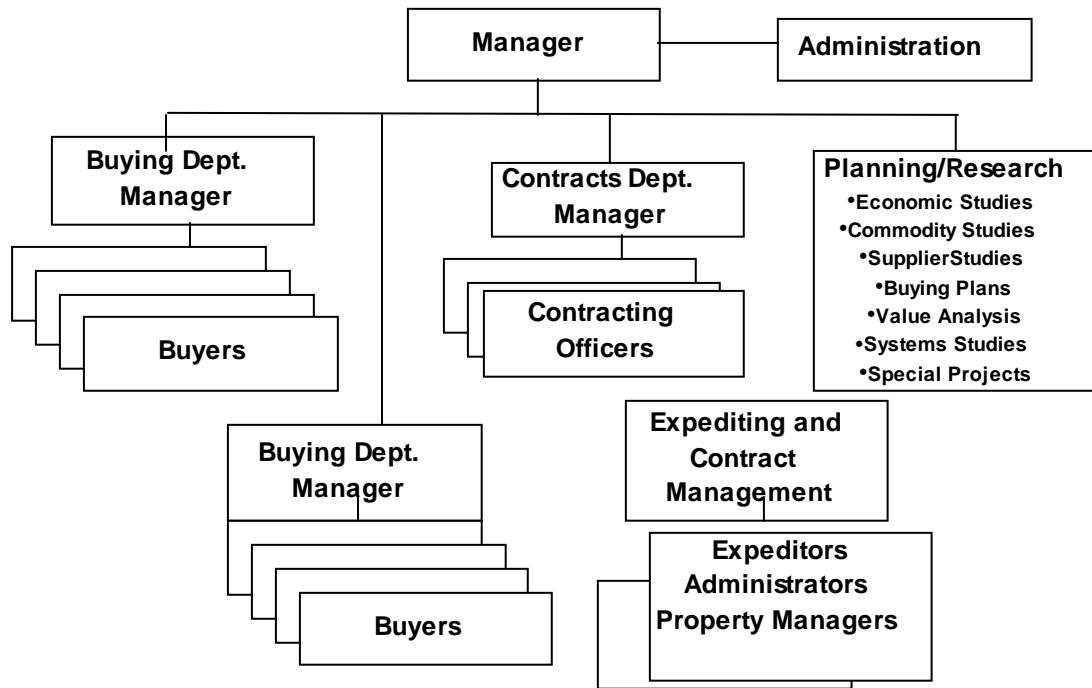
Purchasing as a Top Level Function



Purchasing as a Second- Level Function



Typical Purchasing Department Organization



PERSONNEL:

- Director of Contract/Purchasing Manager
- Contracting Officers/Specialists
- Buyer Supervisors/Buyers/Assistant Buyers
- Expeditors
- Contract Administrators
- Cost/Price Analysts
- Property Managers

Qualifications:

Personal characteristics of-

- Integrity
- Dependability
- Initiative
- Human skills
- Attention to detail
- Mechanical/technical aptitude

Background experience- (discuss "Picking a Buyer")

- Business
- Technical

Formal education- ??

Some characteristics of the job-

Can be boring if not packaged for maximum job enrichment

Advancement can be slow, thereby increasing turnover

Sources of Personnel-

Entry level is normally buyer, clerk, expediter

Obtained from within organization or from schools

Promotion normally from within (can create instability through "chain promotions")

Some positions are internships, upward mobility formally structured training, OJT

Continuous Professional Training -

- NCMA Certification
- Institute of Supply Management

Consider:

Job Rotation

Local/Contracted Courses

Manager should remember that -

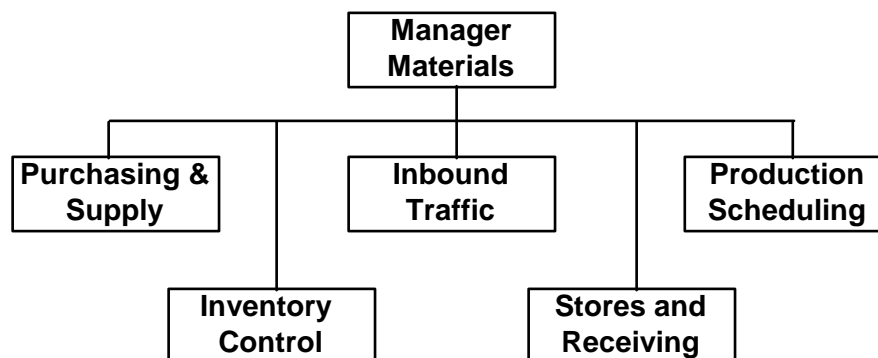
- Purchasing is a People intensive activity!
- Expertise gained should be enhanced and retained

Previous Class discussions talked about purchasing as being an "integrative function of business". Trends in industry/government include the following:

- Cross-Functional Teams (Integrated Process Teams):
 - Review and development materials requirements and specifications
 - Participate in source selection/negotiations
 - Oversee performance
 - Certify suppliers
 - Plan future purchasing approaches

The "Materials Management" concept:

Materials Management Concept



Focus is on "total" materials requirements - (life-cycle approach) to facilitate:
Coordination – Control - Oversight

Provides a single point of management of all activities affecting materials, such as:

- Inventory
- Traffic
- Receiving
- Warehousing
- Disposal
- Production control- when little or no transformation of purchased materials is required during the production process (or, optionally, the "buyer-planner")

Emphasizes optimizing the materials "system" within the organization

Integrated approach to all aspects of production materials, their acquisition, movement and disposition from the raw material to the finished state)