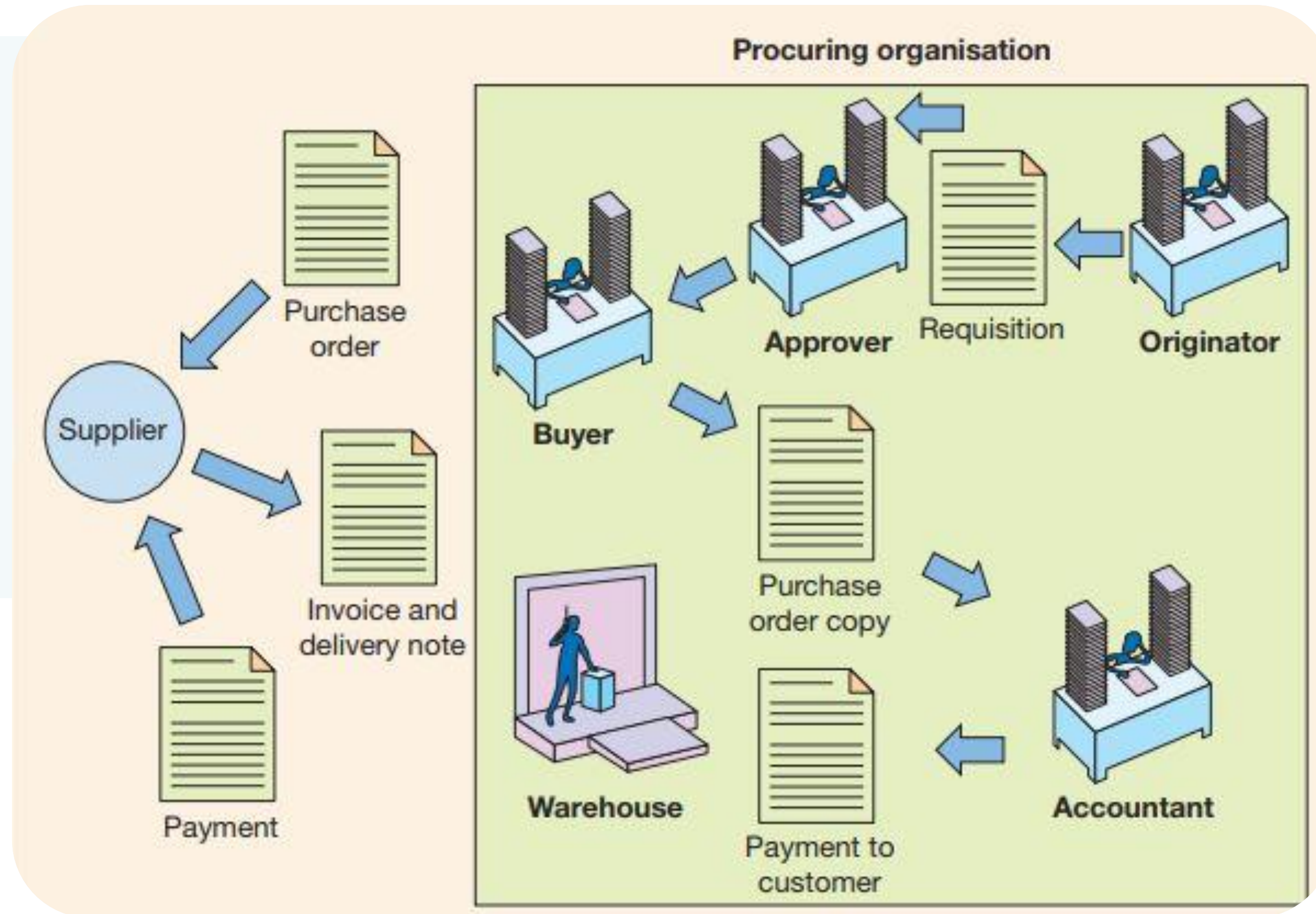# E-Procurement

Aryan Eka Prastya Nugraha

2018

What is e-procurement?

Procurement' refers to all activities involved with obtaining items from a supplier; this includes purchasing, but also inbound logistics such as transportation, goods-in and warehousing before the item is used.

E-procurement should be directed at improving performance for each of the 'five rights of purchasing' (Baily *et al.*, 1994), which are sourcing items:

1 at the right price
2 delivered at the right time
3 of the right quality
4 of the right quantity
5 from the right source.

	Chart symbols	Time
1 Search for goods	●⇨□D▽	20 min
2 Order on web	●⇨□D▽	10 min
3 Delivery from supplier	○⇨□D▼	1 day
4 Generate invoice	●⇨□D▽	10 min
5 Cheque payment	●⇨□D▽	10 min

Key to flow process chart symbols
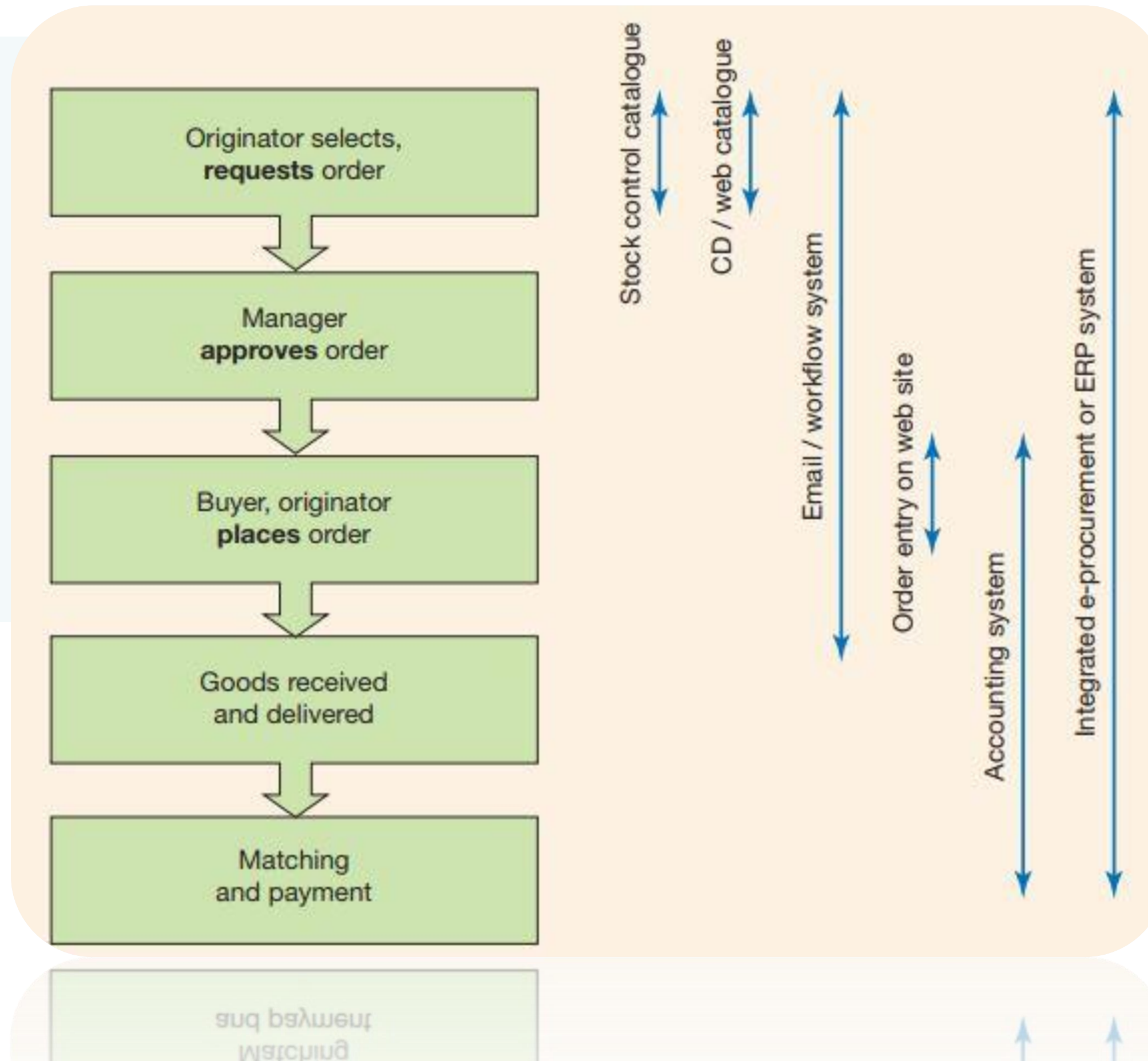
○ Process
⇨ Transport
□ Inspection
D Delay
▽ Inbound goods

Value Creation / Dimension	Efficiency	Effectiveness	Strategic
Planning	Implement rich media for company-wide interaction	Provide online executive Information systems	Facilitate knowledge management between partners
Development	Standardise platform for cross-functional design	Share detailed requirements between partners	Enable concurrent design across virtual organisation
Inbound	Support electronic transactions with supply partners	Generate supply flexibility through e-hub communities	Offload replenishment responsibility to supply partners
Production	Integrate internal systems	Exchange production data between partners	Optimise utilization of global capacity
Outbound	Support electronic transactions with customers	Furnish customised instantaneous order status	Institute direct fulfilment via logistics partners

- *Planning* – this shows the potential for an e-procurement system to increase the quality and dissemination of management information about e-procurement.
- *Development* – e-procurement systems can potentially be incorporated early in new product development to identify manufacturing costs; this can help accelerate development.
- *Inbound* – this is the main focus of e-procurement with efficiency gains from paper-less transactions and more cost-effective sourcing possible through hubs or market-places. A strategic benefit is **vendor-managed inventory (VMI)**, where supply chain partners will manage the replenishment of parts or items for sale
- *Production* – the integration of systems managing manufacture with the procurement systems used to ensure that manufacturing is not limited by poor availability of parts.
- *Outbound* – this is management of fulflment of products to customers. It is not usually managed by the e-procurement system, but demand must be evaluated by linking through these systems to achieve **effcient consumer response (ECR)**

TASK

BUATLAH MODEL *PROCUREMENT* BISNIS ANDA DILENGKAPI DENGAN PENJELASAN LENGKAP.

THANK YOU!

ANY QUESTIONS?