



PROCUREMENT AND QUALITY COLLABORATION IN SUPPLY CHAIN MANAGEMENT

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ABSTRACT

Logistics is that part of the supply chain process that plans, implements and controls the effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet the customers requirement. The topic of this research focus on the issues of finding aspects of meeting customer expectations of and contribution of improvements in the bottom line. Logistics of late has come to be realized as a new source of competitive advantage successful implementation of different logical practices has made it possible for the firms to compete in terms of delivery time, reduces obsolescence, better use of non-operating assets and more significantly being responsive to customer needs. Logistics is fast evolving sunrise industry with a great potential to grow. Today many companies are offering specialized consultancy services in the logistics and the academics' has also been realized the impact of supply chain management, on the progress of industry and trade. The paper explores the controls of the on going process of logistics. Through out this paper, there is an under lying focus on the impact of quality collaboration of supply chain management.

Introduction:

The concept of logistics is relatively a new term in the corporate field. Due to the increasing the industrialization which is increasingly complex and competitive global market place, the organizations are looking new ways to improve the business systems profitable. In this aspect the procurement of all aspects proves unsustainable competitive position in an industry. It is known as savings of one unit in the procurement function translates directly in to 10 units on the bottom line .procurement is essential for the strategical implications of overall performance of the company. Many feel that logistics is the moment of goods but it does not carry the true nature of logistics function. It is simply about managing the procurement and moment of goods and storage of inventory in all forms. Logistics is also includes decisions about plant location and layout, installation of the machinery and management of ware houses, choice and mode of transport packaging decisions and choice of the markets. Quality management is emerged in 1980's in response to an increasing demand of low cost and high quality and reliable products with greater design flexibility. Since it emergence, quality management placed crucial importance in the procurement of material with high quality.



Generally activities associated with receiving, storing and disseminating inputs to the product such as material handling, inventory control and scheduling return to suppliers are the parts of inbound logistics function. The out bound logistics function covers the activities associated with collecting, storing, and delivering the products as finished goods, order processing ware housing, material handling, delivery of vehicle operations, scheduling and shipping. The service quality will mean providing the value for the quality in services as per the promise made to the customer of services. The promise will be made to the customer as per his expectations and inclusion of all those accepted values will only lead to the files of the quality services to the customer. The promise of providing quality services to the customer can only be fulfilled by the service providers. If they are aware of the quality perception of the customers. This empirical study Illustrate reliability as the most crucial determinant of SERVQUAL measure for service quality.

Need of the Study

To ascertain how for the customers are satisfied with the quality of services that have been rendered by its providers the service providers have to determine what factors influences the customers to be satisfied. Hence it is become necessary to the researcher to examine they dimensions that effect the customer satisfaction.

Trends in Supply Management

Globally, logistics as a field has evolved over the past few decades ,through outsourcing .Harvard business review the famous management journal recently listed outsourcing as one of the most influential concepts developed in the last 50yeras for business growth .The recent survey conducted by north eastern university reveals that 70%of the fortune 700companies have outsourced at least one major logistics function. The major focus of the supply management is on the importance of value a keynote provided a growing emphasis on 3 aspects.

1. Supply chain process
2. Relationship integrated between purchasers and suppliers. A forced shift from supply chain management to demand side management and search for new ideas for marketing the supply chain managements more efficient has led to the emergence of practice where the different companies mostly in different share logistical infrastructure and business insights as well.

The cross functional relationships to improve posses challenges for organization recruitment professionals and opportunities for contributions by quality professions .Procurement professionals bring “to the table” knowledge of supplier



markets and products understanding of the process involved in procurement, supplier negotiation experience, the knowledge necessary to assess risks of outsourcing and the back ground to assist in cost benefit and other financial analysis necessary to set priorities and select solutions. The focus among procurement professionals have continued to migrate away from transactions to strategies that acknowledge “the time compression”, or supply chain management and its impact on competitiveness. While traditional concepts of cost and value continue to be a cornerstone of the procurement profession the current focus includes Process efficiencies, value analysis and cost reduction or avoidance. The cost of that acquisition costs but other costs associated with utilization of services supplies and software. The value analysis of today are considered to be a part of the more comprehensive value added role of procurement organizations.

Key trends that have changed the Supply Chain Management

The key issues fostering procurement quality collaboration are

1. Supplier network rationalization as well as greater integration with suppliers.
2. Deployment of technology to stream line the tactful functions of purchasing better integration with suppliers and improved decision tools for strategic decision making.
3. Global outsourcing of element of supply chain even strategic ones like manufacturing in some cases.
4. Increased emphasis on cycle time and time compression in journal requiring continuous improvements in process and greater flexibility.
5. Early supplier involvement during product design
6. More consumer sophistication and with in more competitive pressure.

The key issues fostering procurement quality collaboration are

1. The supply management has grown one of the big challenges faced in any organizations is the difficulty of having resources to address all of them. Cross functional teams are needed not only to help construct an efficient way of seeking the “voice of the customer” but in mapping the project strategy. The quality professionals during problem solving may be judgment given as the project priority are established during the early stages of the project. The quality profession has well developed approached to team problem solving. Six-sigma has a well known knowledge and training structure for developing the team competitiveness necessary for effective collaboration.



2. **PROCESS AND PROBLEM SOLVING ANALYSIS**

Basic problem solving skills like plan, do check and act (PDCA) are invaluable yet uncommon. These with six-sigma experience have been trained in a more disciplined, rigorous method a problem solving that builds on that basic methodology. The training in these programme extends from customer focus, through process analysis and root cause into advanced statistical methods.

3. **TECHNOLOGICAL ENABLERS**

The expanding view of supply chains has placed technology at the entire of the debate .Material requirements, Planning systems, distribution requirements planning systems public implementations of E-procurement systems, and supplier management .Inventory systems care receiving even greater attention as organizations identify core competencies, adjust the division of service between purchaseres and suppliers and enter into more long term relationships.

4. **ASSESSING SUPPLIER CAPABILITIES AND MONITORING PERFORMANCE**

Both professions contribute to the “bottom line” however bottom-line financial performance is not a adequate to provide the granular measurement of process performance necessary to monitor, control and evaluate operational improvements.

5. **SUPPLIER,RATIONALIZATION AND DECISIONS**

Decisions regarding supplier solution base typically involves a combination of quantitative and qualitative considerations. Procurement professionals, on the other hand may have a clear pic of qualitative considerations’ like risks in major out sourcing decision, someway must be found of assessing qualitative aspects of performance such as flexibility, clarity and appropriateness communications, problem solving commitment and ability and other indicators of service performance that are difficult to quantify.

6. **CHALLENGES FOR COLLOBORATIONS**

A common challenge faced by both professionals is getting the knowledge transferred to changes behavioral changes across the organization whole quantity and procurement professionals individually many have necessary knowledge, skills and abilities/attitudes achieving sustained systematic changes necessary to improve requires the involvement of variety of people and disciplines.



CONCLUSION

Traditional visions of procurement has given way to a broader view of suppliers and the affiances to be gained by a systems approach to supply management. They both must develop capabilities to contribute to joint problem solving in complex, changing the operational environments that test. The quality management capabilities of their organizations. Organizations need people that can worth in teams, integrate customer satisfaction concepts in a complex, dynamic operations environment, develop meaningful ways to measure performance in increasingly complicated process stay sensitive to the steps necessary to achieve employee adoption of improvement initiatives so ways to measure performance in increasingly complicated process, stay sensitive to the steps necessary to achieved employee adoption of improvement initiatives, so they can be sustained and who can manage projects and solve the problems of complexity. Both professions can contribute perhaps in non traditional ways and through collaboration they stand a better chance of promoting improvements to the bottom line.