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Procurement Mistakes that Every Purchasing Professional Shall Avoid

When handling the tasks of the Procurement department, the professionals are dealing with a lot of things. Whether it is tackling the suppliers, checking the flow of material or coordinating with the superiors, subordinates or peers. There is a lot of hassle, every procurement professional goes through in his day to day life. At such times, making a mistake is a common thing. However, each mistake cost us some value! Therefore, it is necessary to keep a check on the mistakes you might be incurring. Here is a list of some mistakes, which are avoidable if followed properly.

Not keeping an Eye on the Market

The purchasing doesn't end after negotiating with the supplier, but it begins from then. In this ever-changing competitive world, the rates of commodities change frequently. Apart from that, there are various suppliers ready to provide material to you at a low rate along with some other advancements. Hence, it is advisable to check out the market and other suppliers from time to time.

Concealing your Suppliers

The suppliers are familiar with the happenings at the grass root level. We can consider them as experts of the industry you are functioning in. Thus, one must try to get information from the suppliers regarding the values that they can add to your organization.

No or Imprecise Communication with the Suppliers

The suppliers are having their own queries. It is often tough for them to respond to you with just a few sentences in the RFP or RFQ. Therefore, you shall be easily approachable to the suppliers, so that they can solve the issues they are facing and provide you with their best quote without compromising on the quality.

Negotiating only on Price, Not on Value

As said earlier, getting the supplier who offers competitive rate isn't the win-win situation. Instead, you shall further seek for competitive services from the suppliers. One shall never compromise on the quality and must sign on the dotted line after confirming on all the parameters.

Undefined implementation of the Policy

Very often it happens that you fix the rates of the material to be acquired all across the year. However, your team chooses to buy some other non-coded products. Hence, you are required to go through all the processes again. At such times, the use of an eProcurement software is advisable. This would reduce on the additional time you need to invest on the transactional activities of non-coded product. Apart from that, such softwares also facilitate simple communications, easy way to negotiate with the suppliers and allows you to have an eye on the market.

Excerpts from: <https://www.strategicsourceror.com/2018/09/five-procurement-mistakes-that-are.html>