

To Solve Two Tough Problems on Modern Enterprise Purchase



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Every Purchasing Manager is diligently striving for the "products with excellent quality and reasonable price", but it seems that it is more and more difficult to get close to this target. What is the crux?

Under the context of increasingly severe competition of globalization, users' varied demands and the tendency of constant changes, enterprises should draw up the strategies for core competitiveness that are featured with faster speed, lower costs and more product varieties, so as to strive for survival and development. In addition, how to maximize external resources and reduce own input is an irresistible general trend.

The principle of purchasing consists in accurately identifying suppliers, speedily acquiring valuable products & services and satisfying the demands of clients/users. Then, two difficulties come into being:

Core issue I: how to "accurately identify" suppliers and satisfy the "demand of clients"?

Core issue II: how to "rapidly" acquire the products and services with "good value"?

There are two solutions or methods available:

Solution I: Level up the information management capability on suppliers - collect suppliers' information, and then integrate, analyze and make use of the data via dynamic management and follow-ups, so as to evaluate the performance of suppliers.

At present, the Supply Chain Management (SCM) has been widely applied to meet with the new demands of enterprises. Therefore, the traditional purchasing function is substantially changed, because purchasing has turned to be an integral part as well as the basis of SCM. The modern purchasing management is based on the supply chain, so the higher the management ability is, the faster the products and services with good value will be acquired to satisfy diverse demands of clients.

Under the new situation, in order to successfully put the Supplier Relationship Management (SRM) into practice, the supplier information management is indispensable, because all the decisions should be made upon the acquisition, analysis and utilization of supplier information, thus accurately selecting the suppliers with good performance assessment. Besides systematic records on the transaction data inside the enterprise, the third party agencies like Sinotrust could be employed to acquire such supplier information as registration qualification, production & sales, operation & management, financial solvency and rank score as compared with other suppliers.

Solution II: Level up the purchasing management capability based on supply chain

Supplier management could be made in terms of classification upon value and risk, dynamic update of supplier database, collection of supplier information, access examination and approval as well as performance management, etc.

Both enterprise and supplier could frequently contact and establish mutual trust via the enhanced capability of supplier information management and supply chain-based purchasing management, so that both parties could lay a solid foundation to seek for win-win cooperative relationship and jointly confront severe market competition.

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