

PURCHASING AND PROCUREMENT

By Student's Name

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Introduction

The contemporary business is experiencing lots of challenges providing that investors can't survive in profoundly changing marketing operations. This statement denotes that present organisations should have the capability of identifying issues that affect business operations and accumulate the necessary resources that help to promote their growth and development. At this point, the firms should have an active approach for sustaining contact with the suppliers carrying out significant roles in facilitating the business profitability (Rainville, 2017). For instance, the management must enhance the bond with the distributors to be at a position of clearing its stock without struggling. Concerning the above statement, the selection of suppliers is among the significant problem depleting the operations of the purchasing department since it makes it hard to procure the right quantities of products at fair prices (Nehring et al., 2017). Indeed, this case shows that the selection of suppliers enables the business managers to be attentive about factors affecting the procurement and purchasing process as well as the determination of effective tactics for solving practical selection issues.

Review of Strategy and Initial Theory

What was the used strategy in preparing for the interactive learning session?

The negation game strategy has played a vital role during the process of preparing the interactive learning session concerning Blackberry procurement and purchasing. In this model, the students have selected the above mobile phone company, hence, having an opportunity of establishing a practical plan for determining the best ways of manufacture phones (Nagurney et al., 2019). In particular, these learners have to meet the demand of 50,000 phones annually, and they, therefore, have to come up with three market division, that is, high end, low end and medium (Prasad and Chitta, 2017). The persons making these phones should have five

components, including processors, camera, battery, screen, and memory, thus, indicating that Blackberry producer has to rely on other firms manufacturing different elements. However, every group may use £1,000,000 to acquire the necessary components (Khan and Yu, 2019). For this reason, it is suitable to select one or several markets, hence, managing to target low, medium, and high suppliers.

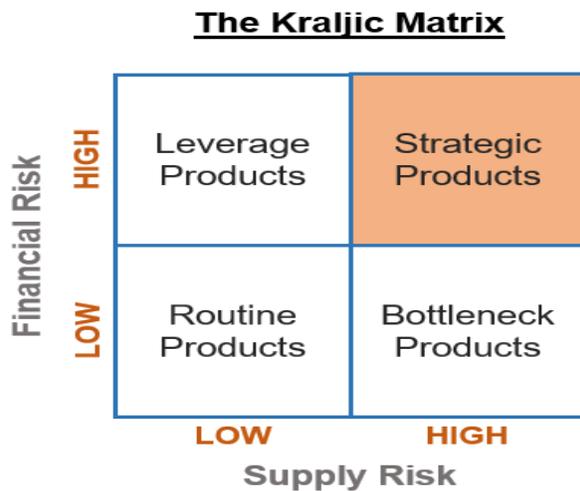
What theories were used to support the strategy?

The preparation for learning sessions will revolve around Pareto and Kralji theories. To be specific Kraljic model enables the purchasers to create awareness about the classification of products in terms of profit contribution and supply risk as well as allowing them to understand they have equal power with the suppliers (De Medeiros and Ribeiro, 2017). The above knowledge help to choose suitable purchasing criteria as well as facilitating the process of identifying the best mechanism for solving the issues depleting purchasing and procurement tactic (Soudmand et al., 2017). According to the above information, the author of Kraljic theory has established an approach to assess the suppliers participating in the exercise for promoting Blackberry (B.B.) exercise for enhancing the procurement and purchasing process. This model provides the learners intending to meet the demand for the phone to acquire knowledge regarding the best procuring techniques (Hussein and Hassan, 2018). Undeniably, the use of Kraljic model will operate as a collection management method that provides the apprentices with the aptitude of determining the elements requiring delegation (Abbas et al., 2018). The above information shows that the use of the above theory will eliminate instances where the learners may purchase products that may affect the company's productivity negatively.

Further, the learners will utilise Kraljic theory to enhance the B.B.'s procurement and purchasing strategy since it revolves around different scopes, hence, facilitating categorisation of

different products or items. In an illustration, this model will enable the learners to evaluate the strategic acquisition position of resources, therefore, enabling the firm to identify the additional value emanating from the production line (Ayadi and Lapeyre, 2016). Likewise, this model also creates a platform for the learners to reveal the level of complexity in the supply sector, therefore, easing the process of selecting the updated supplies acting as materials and technology replacements (Hussain et al., 2017).

Fig 1: The Kraljic theory (Baily et al., 2015)

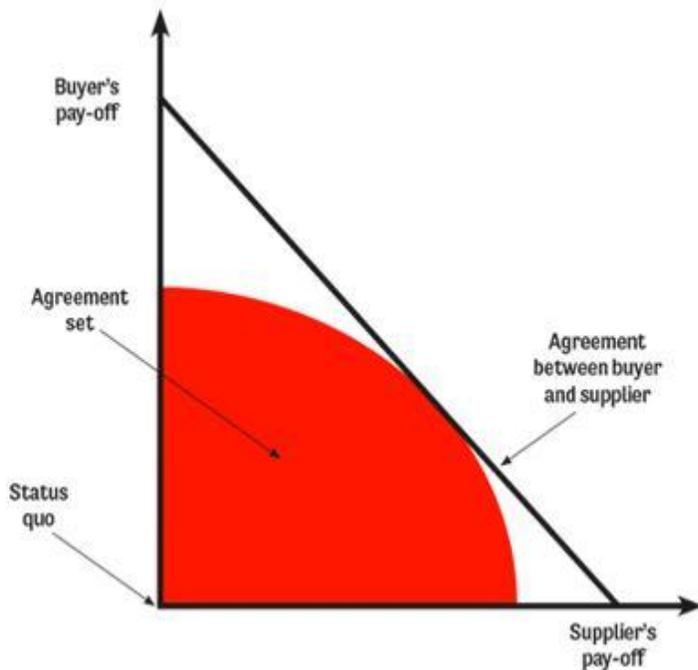


Explanation: The use of the Kraljic Matric theory will help BB’s management to reduce supply and financial risks through facilitating the production of leverage and routine products. This aspect will offer the manufacturer with strategic plan for producing products with higher demand in the market.

The Pareto model and game theory will also play a crucial role in supporting the strategy for learning about B.B.’s purchasing and procurement strategy. To be specific, the application of the Pareto principle provides an effective mechanism of determining the total organisational expenditure in purchasing process since it helps to identify the things that learners need to consider in the procurement activity (Saberri et al., 2019). For instance, this model will ascertain

that the organisation have utilised 8% of the revenue on making 20% purchases, hence, facilitating the selection of the number of tasks contributing to significant overall growth in the company. Alternatively, the learners utilise the game theory in a competitive situation, therefore, obtaining the capability handling disagreements or starting the negotiations between the decision-makers (Nehring et al., 2017). This statement denotes that game theory will be useful in the procurement process since it will enable the company to come up with strategic ideas as well as attaining favourable outcomes (Rahim et al., 2016). For example, the learners use the Game Theory tool to assess economic phenomena and competition, including auctions, mechanism design, bargaining, experimental economics, voting theory, behavioural economics and political economy (Spina et al., 2016).

Fig 2: Game Theory (Cachon and Netessine, 2004)



Explanation: The use of game theory will help the BB Company to come with policies that are acceptable by both the buyer and sellers. At this, the parties transacting business must reach to a mutual agreement and benefit from the transaction.

Is there a clear and logical flow of the arguments presented?

This case shows that there is a logical and precise flow of argument since these apprentices have provided sufficient details about approaches for promoting procurement and purchasing tactics. For instance, these learners have demonstrated the Game Theory, Pareto model, and Kralic model can enable the company to enhance its interactions with the suppliers (Rahmah et al., 2018). On the same note, there is also comprehensive data about the way the company can outsource resources from other firms, hence, managing to reduce production costs and expenses (Ahmadi et al., 2018).

To what extent is the content adequately referenced?

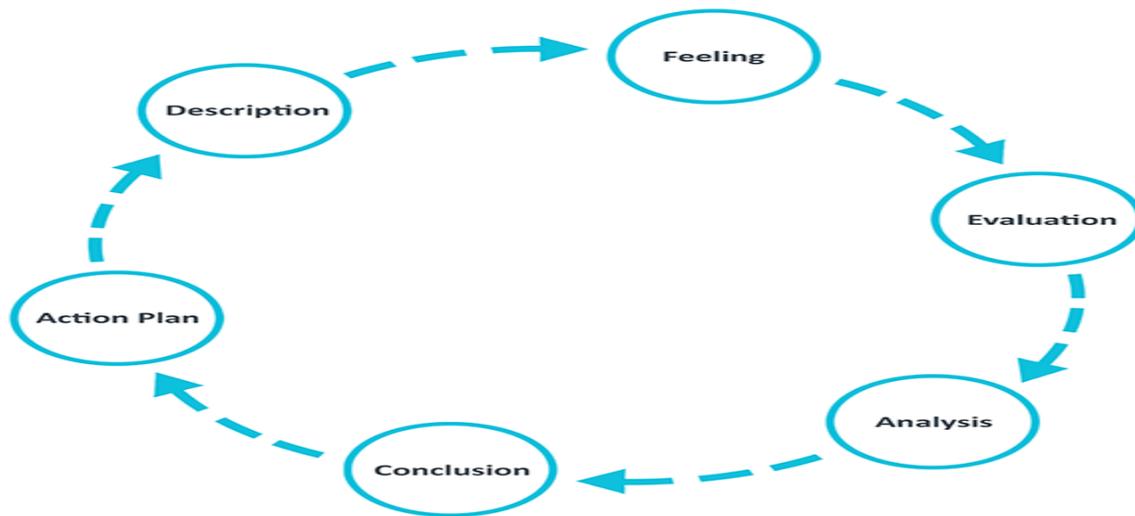
The learners have adequately referenced the content in this learning session since they have utilised theories that have been applicable in other organisation, hence, bringing about a positive change. For example, this education session offer details regarding various benefits of promoting efficient interaction with the suppliers since they have a significant implication on organisational production (Yu et al., 2019). On the other hand, this session has proved the essence of managing supplier relationship, thus, demonstrating the way this aspect can be a competitive advantage for institutional growth and development (Zhang et al., 2018).

Reflective Critical Analysis for Improvement

How is the chosen theories and strategy applied? And how was it executed?

In an illustration, this theory offer platform for analysing experiences, hence, enabling people to learn and make a plan. This model revolves around six stages that improve the learning session as it appears in the figure below (Hassan et al., 2017).

Fig 3: Gibb's Reflective Cycle (Ed.ac.uk., 2020)



Explanation

Gibb's model enables people to learn through experience, hence, facilitating effectual interaction between individuals transacting business. For instance, this model can be applicable in repeated cases, therefore, offering the learners with the capability of determining valid ways of utilising the project findings in the future. To be specific, the first stage of Gibb's model helps to describe the experience, whereas the second level provides an understanding regarding learners' thoughts and feelings (Hassan et al., 2017). Besides, the third stage of this model is suitable for analysing the learners' negative and positive experience, while the fourth phase is vital for analysing the existing organisational situation. Likewise, the conclusion part provides the learners with the ability to carry out accurate analysis about learning session (Cai et al., 2017). Lastly, the action plan enables the learners to know the best way of dealing with future situations, hence, making it possible for them to deal with the potential changes affecting the

purchasing and procurement process. Indeed, the above information shows that the application of Gibb’s framework helps the students to attain the capability of carrying out procurement and purchasing effectively and efficiently (Sayed et al., 2020).

Action Plan for BB’s Project (Ayadi and Lapeyre, 2016)

Task	Stakeholder	Timeline
Budgeting for Project	Financial Manager	30 th April 2020 to 25 th May 2020
Accumulating Resources	Board of Director	26 th May 2020 to 15 th July 2020
Manufacturing Phones	Production Team	20 th July 2020 to 18 th November 2020
Marketing the Phones	Sales and marketing group	25 th September 2020 to 1 st December 2020
Distributing Phones to the Target Markets	Distributors and suppliers	1 st January 2021 to 27 th April 2020

Using theories to improve the used strategy and how could it improve the execution

The use of Game Theory, Kraljic model, and Gibbs’ theory is crucial for enhancing purchasing and procurement strategy, hence, offering the best way of improving its execution. In this case, the division of different sections between the learners will help to investigate various elements that provide the company with the capability of transacting procurement and purchasing operations without struggling (Rahmah et al., 2018). Concerning the above information, the students had expected they could put together different assignment, hence, needing to schedule the time for determining the issues that may deplete the procurement process (Abdul, 2018).

Is there a good critical analysis of theories and strategies used?

The application of the Game Theory, Kraljic model, and Gibbs' theory ascertains that the learners had enough time to rewrite their assignments, hence, making them coherent. At this point, the participants had acquired awareness about the learning session requirements, including the deadline for completing various educational sections (Rainville, 2017). The above aspect ascertained that the learners had utilised different theories to enhance their strategy, hence, managing to improve the execution plan for promoting the purchasing and procurement process.

Is there good support of the concept and ideas discussed?

The review of the learning session shows that there is significant support of the ideas and concept that the participants have discussed. For instance, the exploration denotes that each member had produced better results during the available deadlines, hence, proving that they had the capability of handling different procurement and purchasing issues without struggling (Rahman et al., 2017). Besides, the notion of some students cancelling their plans has enabled the remaining learners to put possible efforts to attain the learning objectives within the stipulated time. Also, the analysis stage had offered learners the chance to explore if their learning plan is effective. In this case, the participants had the opportunity to evaluate different things that have been depleting purchasing and procurement process in Blackberry as well as coming up with the suggestions for solving the current issues (Matulesy and Adiansunyani, 2016).

Is there a good link between the insights/findings from the initial strategy and the critical analysis of the improvement strategies using the applied/suggested theories?

There is a close connection between findings and insights from the previous strategy and the improvement critical analysis mechanisms utilising Gibbs theory, game theory and Pareto

model (De Medeiros and Ribeiro, 2017). To be specific, it occurs that B.B. had been previously focusing on creating efficient interaction between the suppliers and other companies acting as the resources for this organisation (Sayed et al., 2020). Similarly, the learning session is also focusing on enhancing the bond between the suppliers since they play a vital role in promoting the procurement and purchasing process.

Is the content adequately referenced?

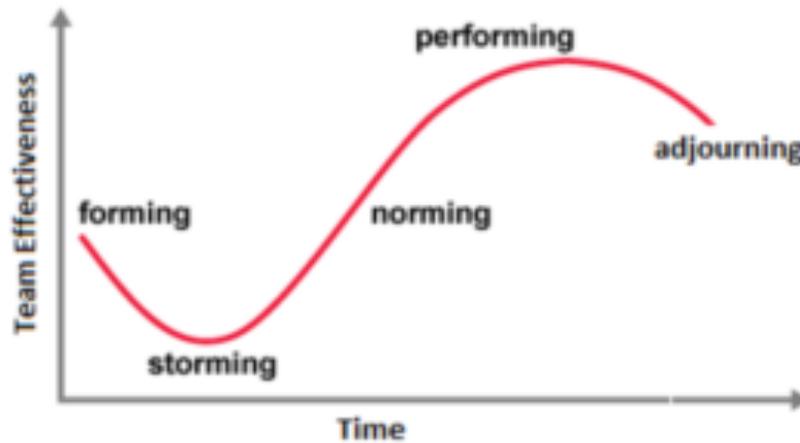
The information, in this case, shows that the learners have adequately referenced theoretical content, hence, managing to come up with vital tactics for promoting B.B.'s operations. In an illustration, the learners have supported their arguments with facts from various theories, hence, managing to come up with an effective plan for promoting purchasing and procurement for Blackberry (Abbas et al., 2018). The above details show that learners have successfully referenced their content.

Conclusion and Overall Recommendations or Comments

Explain the learning outcomes from the interactive sessions, include any comments, ideas or recommendations.

The use of Tuckman's theory will help to demonstrate the learning outcomes emanating from the interactive sessions. The above model enables learners to address the procurement activity from the previous formation of the group via the completion of the project by utilising different stages as they appear below.

Figure 4: Tuckman Stages (Lumenlearning.com, 2014)



The learners use Tuckman theory's storming stage to determine the competition and conflict that occur during the purchasing and procurement process. Still, the norming stage help to improve the performance of the learners by enabling them to cooperate and start focusing on organisational goals (Zhang et al., 2018). Also, the performing stage helps the learners to become well-established, thus, guaranteeing that the learners are organised and mature as well as determining if they are capable of functioning well. Still, the adjourning stage has ascertained that learners have accomplished the learning goals through wrapping up final activities as well as documenting the project results and efforts (Khan and Yu, 2019).

Are the conclusions consistent with the findings?

The conclusions for the learning session about procurement and purchasing are consistent with the findings. In an illustration, supplier selection issues have a significant effect on the purchasing department, hence, enabling the business individuals with the capability of making appropriate procurements at fair prices (Rainville, 2017). At this point, the organisation is capable of obtaining the right quality and qualities of products that promote organisational profitability (Rosas et al., 2020). For instance, the use of Kraljick portfolio model facilitates the

evaluation of B.B. purchasing portfolio, hence, paving the way for creating awareness about purchasing and procurement techniques.

What recommendation (to yourself/the group) can be given?

While summing up, there exist helpful recommendation that the group of learners need to consider for them to understand procurement and purchasing effectively and efficiently. To be specific, it is crucial to make use of Pareto model, Gibbs theory and Game Theory to gain awareness about obtaining the raw materials and utilising them in a manner that helps to generate valuable goods (Nagurney et al., 2019). More importantly, the application of the above models will be suitable for defining effective mechanisms for enhancing value as well as creating a competitive approach (Hassan et al., 2017). Indeed, the use of the above suggestion is ideal for improving procurement and purchasing operations.

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