

A person's hands are shown in the background, one holding a smartphone and the other a blue credit card. In the foreground, there is a silver shopping cart with yellow handles and a brown paper bag inside. To the left of the cart, three cardboard boxes are stacked on a light-colored wooden surface. The central box is upright and has the text "Shopping Online" printed on it. The other two boxes are partially visible, one to the left and one to the right, both featuring standard shipping icons. A dark, rounded rectangular box is overlaid on the center of the image, containing the section title in white text.

## 3.2 The role of procurement

Shopping  
Online

A person wearing a brown suit jacket and a white shirt is holding a silver pocket watch in their right hand. Their left hand is raised, palm facing forward. A black rounded rectangle is overlaid on the center of the image, containing the text 'JIT (Just in time)' in white. The background is a plain, light-colored wall.

# JIT

(Just in time)

# JIT

## (Just in time)

It helps in terms of not needing to store finished stock, as it goes straight to the customer. It helps reduce waste, as the product is made when needed.

However if there were issues in production, this can mean unmet customer orders.

A person wearing a brown suit jacket and a white shirt is holding a silver pocket watch in their left hand. Their right hand is raised with the index finger pointing upwards. A black rounded rectangle is overlaid on the center of the image, containing the text 'JIC (Just in case)' in white. The background is a plain, light-colored wall.

JIC  
(Just in case)

# JIC (Just in case)

Just in case, this is where businesses have buffer stock, in case demand increases or anything happens in terms of production. This ensures demand is met but can have high storage and wastage costs.

A woman with dark hair, wearing a maroon t-shirt, is sitting at a desk in a warehouse. She is looking at a silver laptop screen. The background shows high industrial shelving units filled with cardboard boxes. The lighting is bright, with overhead fluorescent lights. A dark grey rounded rectangle is overlaid on the image, containing white text.

# Factors affecting choice of supplier

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Price – What is classed as good value

Quality – What quality would meet customer expectations.

Reliability – It is important that products are delivered on time, efficiently with strong communication.

# Procurement

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This department focuses on purchasing and buying raw materials or products. It involves finding, negotiating and buying supplies.

Procurement affects

Costs

Quality

Reliability

Profitability



# Logistics



# Logistics

Logistics is mainly focusing on the transportation and delivery of products. Logistics ensure products arrive on time, reduces storage and transportation costs and improves customer satisfaction.

Poor logistics can cause delays, higher costs and lost sales.

# Effective supply management



# Effective supply management

Supply chain management is coordinating all activities in sourcing, producing and delivering a product. If this is done effectively it has the following benefits.

1. Lower costs through efficient procurement and logistics
2. Improved reliability of suppliers
3. More efficient production and delivery times
4. Waste reduction
5. Improved customer satisfaction
6. Higher competitiveness and profitability