

# [Relative resource management](https://assignbuster.com/relative-resource-management/)

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Lecturer Relative Resource Management The BP oil company in United s is the principal distributor of oil. They have to selecttheir next contractor of operating equipments carefully by assessing all the possible advantages and disadvantages of their choices (Enlow et. al, 2). They should also analyze the contractor’s competence to ensure they will be able to meet their requirements. The main problem is that there is no single provider who has ability to meet all the requirements of BP. Making such a choice is challenging because regardless of the option taken by the company, there are related consequences (Enlow et. al, 13). However, the choice taken should minimize those consequences as much as possible
According to Enlow, et. al (6), before the buyer selects their provider of the apparatus, they should first examine the ability of each potential seller to meet their needs. To achieve this, they should examine the precedent agreements of the distributor and assess whether they have been able to satisfy their previous clients in time. The buyer should also examine the prospect’s future expansion map and their current awareness in the same field (Enlaw et. al, 6). Their economic position will determine their capacity to meet what client’s wants. It is important to establish the physical position of the distributor because this will affect the value of their products as well as the rapidity of distribution to their clients. Finally, they should look at how the prospects design their gadgets in consideration of their impacts on the surroundings (Enlaw et. al, 14). The seller should be able to demonstrate potential to handle such problems before they enter into an agreement.
The BP’s management should to take into account the prospect of the distributor to meet deadline for supply of the apparatus (Enlaw et. al, 3). Since the current supplier has only six months remaining, the selected supplier should be able to deliver clients request in time to avoid breakdown of company’s operation. The manufacture should be able to create required apparatus using the most current knowledge so that they can effectively and efficiently serve needs of the buyer. This will also ensure that those apparatus are not injuries to the surrounding as a result of poor technology. There is need to assess any problems that may arise in case the seller is chosen from another region. They should understand the consequences which may arise in case of political conflicts between clients’ and suppliers’ nations.
The company should acquire equipment from a distributor who can be able to improve their quality from time to time according to clients’ requirements (Enlaw et. al, 4). The company may have to add more equipment in the future to meet need for capacity expansion. When choosing the seller, mangers should select a reliable dealer who will meet modern and potential demands. To achieve this, Bp should examine the history of the dealers and establish whether they have been able to satisfy the necessities of the previous clients.
Fig. risk analysis
Rource; (Enlaw et. al, 14).
BP directors have already interacted with ReciproCo Company and have established its capacity to meet their requirements. In (Enlow et. al, 11) the case of Machine Pack Systems (MPS) Company, they have a good reputation but, it is skeptical whether they have capacity to meet client’s requirements due to their small capacity. Similarly, Starke Ausstatten Inc. has good prospect but it is also doubtful whether they have potential to meet their client’s requirements. Therefore, BP should consider purchasing their products from these two sellers and give each company 1000 units to be sure they will meet their needs.
Due to varying external environment, the company should buy their equipments from a local seller (Enlow, 7). This is important because if they establish a relationship with an external party, they may have difficulties in solving their needs in case of conflicts between the sellers company and that of the client. The manufacturer of the compressors should be able to fabricate apparatus which are friendly to the environment (Enlow et. al, 7). Any possibility for the items to cause injuries to the surroundings should be ruled out because this will result into damages to external parties. Consequently, this will cost BP a lot in terms of compensation for the injured parties.
The BP management should enter into an agreement with two or more traders. They should be from home country so that they can avoid threat that may come from outside to their environment (Enlow et. al, 14). Also, having more than one trader will eliminate the possibility of total failure of delivering apparatus since it is not easy for more than one traders to fail at the same time. Having local traders will help the business to work under familiar law without complications. The will also be able to function within the same legal tender with their sellers hence this will not affect the stipulations of their agreement. The agreement should however be flexible to allow room for adjustment in case of any serious implications which may threaten the position of either the seller or the buyer.
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Work Cited
Enlow, Courtney., Dunn, Karen., Nepal, Bimal., and Koufteros, Xenophon. Global Procurement at Bp: Risk Analysis and Mitigation Strategies. Unpublished, 2012. 17