

# The borouge company procurement strategy study

[Business](#), [Company](#)



For the case of the Borouge company, since additive is a very delicate material to them, it will take at least some time to decide which supplier are they going to have. The company can have a series of test to see the competitiveness of the supplier by certain meetings, product agreements, product testing, payment processing and contract terms testing to see if the supplier is good to be a partner in business. Looking for a supplier is not easy. People may come in and out of the company saying they are the best supplier that the company will have. So the Borouge company must be very careful.

How to change an existing supplier? The first thing to consider is the contract of the existing supplier. The contract must be finished first before they officially change their supplier. If the contract of the original supplier is over, it is much professional if the Borouge company will inform them that their contract with the company is finish and the company will not ask for an extension of another one year or term of supply from them. Since that the agreement between the customer and the original supplier is done, it is also a must that the Borouge company pay all of their existing payments to the supplier if there is any.

The Supply Chain: The Procedure workflow Other critical area for additives business is through the use of the Supply Chain process. The Supply chain management is the coordination of production inventory, location and transportation among participants in a supply chain to archive best mix of response and efficiency for the market. Through the use of the supply chain management, the employees in the company will have a defined step by step of transaction while processing their data.

Since orderliness is a big part in maintaining a business, the writer believes that an organized supply chain management is a big help for the Borouge Company. There are many advantages that a supply management can bring to a company. It brings a procurement flow to be better understood by employees thus making their work easier and fast. It benefits both the customer and the company in making transactions. It also helps to improve customer service relationship, product development and marketing. Risk is always an issue in every management.

Implementation of a supply chain management is not an excuse for imperfection. Better risk management is recommended for business who use this kind of strategy because customers and employee demands always rise, so the top management must know how to take pressure and solve problems. Implementation of supply chain management involves a lot of patience and practice. Education and proper documentation should always be a part of every action that customers and employees should do to ensure all transactions are well understood so that every order is made and delivered on time.

One problem of supply chain management is that employees wait for each other before they act. Chain supply management sometimes encourage a step by step procedure which make people wait for some other employees to finish first before they do their job thus making the work flow slower. It can also result for downtime and stops multi-tasking among workers. Because of all the stated possible risk in implementing supply chain management, the

top management should conduct proper audit among employees to ensure that they know their job schedules and responsibilities.

Report follow-up is also recommended. Customers being one of the precious assets of the company must always be a top priority so they must be updated all the time about the company's actions. Development must also be a part in the supply chain management. There should always be Integration and outsourcing, concentration and globalization, secure supply chain and more. Having the right knowledge and tools, there are different processes that the company can use to identify risks.

The company can have a flowchart of the overall supply chain and its sub process, identify a critical supply chain system, process and production activities, determine likelihood of risk events that may happen, know the sources of higher severity and determine all product life risk. Aside from the supply chain management, people of the company should be flexible enough to find sources for their needs. Sourcing strategy is another way that they can learn to venture more on the different ways of finding their needed materials. This can help the company to get more from their investments.

Different strategic sourcing services can be learned through different companies and some are through experience. There are three (3) Strategic Sourcing Services namely the Sourcing strategy, Organizational Improvement, IT Supply Management Tools Implementation, Communication and Education and Risk Management which are all important for a growth of any company. The Sourcing Strategy includes the Development and Measurement of the company's employees that includes

trainings, seminars, test and a series of audits to measure their different capabilities in their work.