

# Inf336: project procurement management wk1

[Business](#), [Management](#)



Project Procurement Management Risk management Risk management is a very essential aspect in project management. Just like other project decisions, the supply chain decisions also have great risks involved. In as much as the supply chains to an extent increase the efficiency very recent occasions of tsunami and unexpected earthquakes have clearly showed the extent to which the consequences of such risks could move. For instance, there have been severely influenced worldwide electronics production and mass disruptions on business such as automotive industries due to risks such as floods, earthquakes and ash clouds. An example of such risks that affected the supply chain includes the Thai flooding that significantly resulted into shortages particularly in the hard disk drive market, which had previously been used to generate millions of dollars (Kendrick, 2009). However, the nature of the supply Chain risks have recently been changing. It has come to most people's realization that the upcoming risks that normally come along with vulnerabilities often are better addressed adequately at the management level.

As a manager of such projects to be able to adequately respond to the risks I would carefully consider the operating models in my organization in an attempt to come up with a defined optimum balance between the assuredness and the financial efficiency of a very stable supply chain. As a manager I would also not wait until the disaster strikes rather, I would build a continuity plan. In enabling this, I would ensure that I effectively integrate the risk management in the operations of both planning and management in terms of workflow and functions just like I used to do in a company I ever had encounter with.

## Organizational structure

The structure of the organization could easily influence the overall success of the project right from the point initiation to closure. It is important that before setting up an organization an individual or a group should consider the benefits and disadvantages of both types of systems. For instance in my organization which has centralized kind of structure, very few people are involved in the decision making process to come up with the organizational policies. In a decentralized kind of organizational structure, at all levels of management and entirely in the organization, the authority is normally delegated to respective destinations. However, any organizations level of decentralization or centralization solely depends on the extent to which decision-making ability is distributed at all levels in an organization (Kortmann, 2012).

The benefits of the centralized organizational structure are that, the senior manager is able to control the entire organization in which the standardized laid procedures could result into cost saving. Unlike with the decentralized structure, the decisions that are arrived at benefit the whole organization and not a part of it. With experienced managers for the centralized structure, the organization is able to benefit from the decisions made by an experienced manager. On the other hand, the disadvantages are; the senior managers are not allowed enough time to concentrate on more important issues and decisions that are equally important for the organization. In addition, people lower in the chain fail to have a good understanding of the environment in which they work in and the people they associate with. Generally, there are different organizational structures with advantages and

their corresponding disadvantages. It is important that people consider the size and the type of business before choosing on any kind of organizational structure.

#### References

Kendrick, T. (2009). Identifying and managing project risk. New York: AMACON.

Kortmann, S. (2012). The relationship between organizational structure and organizational ambidexterity. Wiesbaden: Springer Gabler.