

## **INTEGRATIVE PROCUREMENT AND SUPPLY CHAIN STRATEGY**

Upon expiry of the five year strategic rolling plan (2015-2020), the CEO of Dakawa Telecommunications Company appointed a task force to develop a new five year strategic rolling plan (2020-2025) of the company. It was expected that the task force will come up with objectives, strategies and a framework of resources needed to implement the strategic plan.

The company focuses on provision of telecommunication services with a customer base in more than eight countries in Sub-Saharan Africa. The team that was tasked with preparing the strategic plan of the company was made up of finance, economics, telecom engineering and marketing experts. After a while the strategic plan was completed and was presented to the Board of Directors who ratified the plan ready for implementation.

Among other things, the strategic plan postulated that the company should expand its business by entering a new market in Tome Republic as it was established that in the country there was only two telecom companies. Recognizing the opportunity due to little competition in the country, it was agreed that the company should enter into the said market. To be able to enter into the market, the Business Development Division of the company dictated that the company should approach the expansion by finding a 'low cost' means of reaching large number of customers. Key to successful entering in Tome market, procurement manager and supply chain manager were required to devise a procurement strategy and supply chain strategy that will manifest the company's objectives.

The procurement manager together with his team developed a detailed procurement strategy/commodity strategy that promised an organization to acquire assets, components and supplies necessary for streamlining operations at Tome Republic but at lowest possible combination of cost. Working in isolation the supply chain manager devised a supply chain strategy that sought to enhance the effectiveness of service delivery in the country. Among other things the supply chain manager advocated for 'transformational' acquisition of assets and services so as to be responsive in providing telecom services in the country.

In the next scheduled management meeting, the procurement manager and supply chain manager presented their respective strategic direction. To the dismay of the management members the strategic direction presented by the two functional divisions of the company were in complete

disarray. The chairperson of the management meeting and the members at large directed that the procurement manager and supply chain manager rework their strategic direction, this time working in a collaborative manner. When resolving for the rework on the procurement and supply chain strategy the chairperson of the meeting remarked, “we view procurement and supply chain as critical to our chances of being successful in this new market”.

Working intensely and in a collaborative manner, the procurement manager and supply chain manager managed to rewrite their respective strategic direction to depict a key goal of finding low cost means of offering optimum and responsive services. After achieving the much needed ‘strategic clarity’ and being sure that procurement strategy and supply chain strategy are ‘talking’, the procurement manager focused on building strategies for acquiring individual items needed to operate in the new market.

In the process of building of category strategies, the procurement manager considers the work programme of the company as well as conducting ‘spend analysis’ to determine the most appropriate sourcing strategy for each commodity group. The information needed to support spend analysis were retrieved from purchase history made in other countries where the country was already operating. While the procurement manager consider spend analysis to be useful in developing category strategy, one junior subordinate –a new recruit and a fresh graduate- contended that given the circumstances, spend analysis may not produce the anticipated results.