

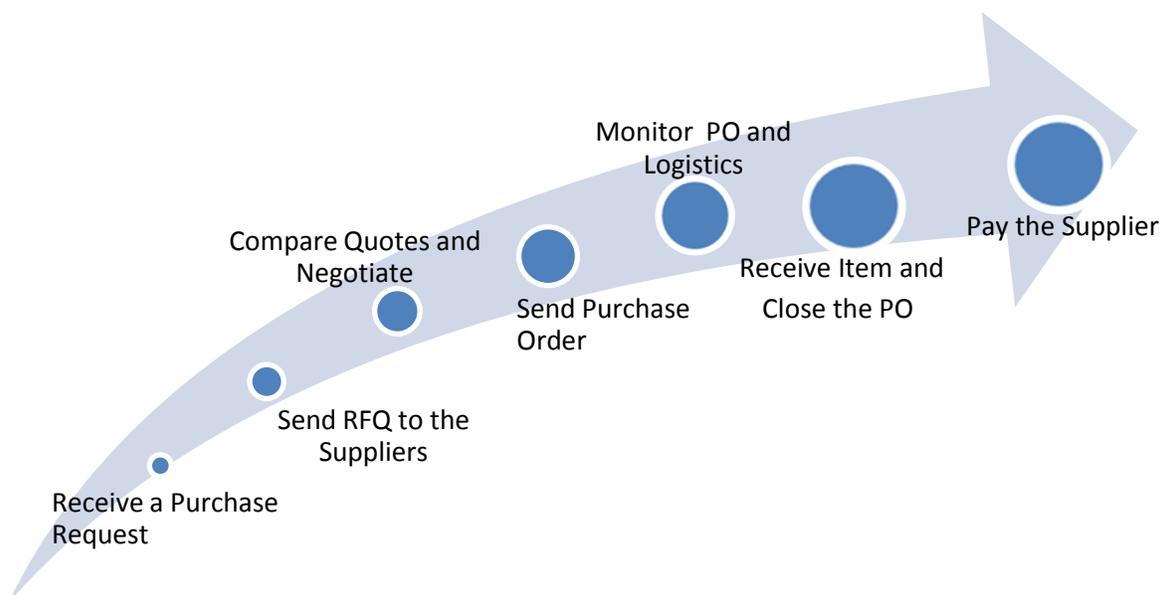
## The Future of Purchasing-Exceeding Expectations

The roles of buyers and purchasing managers are mistakenly considered as gray and dull, despite the complex tasks invested in a purchase order. Purchasing consists of a myriad of activities with both internal and external customers and numerous suppliers, resulting in hundreds or even thousands of orders that buyers may handle daily. To meet the needs resulting from these tasks, companies have developed various platforms and software systems in recent years to simplify and support the work of purchasing departments.

**But let's take this a few steps further.** Imagine a world in which a purchase order is conducted autonomously, where a request is seamlessly translated into quote requests and from there to a purchase order communicated via the cloud to suppliers. The suppliers transmit delivery time, the pickup is coordinated automatically and an autonomous truck transfers the item to the customer and even unloads the inventory. Well, the autonomous truck is already here, and automated systems for managing purchasing in SAAS already exist, so we can say that the future is almost here.

**Re-strategizing the Organization-** In a world where the market is changing rapidly and the digital world is dictating the way it works, many organizations are starting to re-strategize by simplifying complexity with innovative IT tools. Purchasing departments have begun to adapt to new work environments and conditions that impact the market. The vast amount of work invested in a complex order is simplified when sophisticated tools are added to the equation, thus buyers are able to perform daily activities more efficiently and quickly.

### "Traditional" Purchase Order Process



The market today offers extensive solutions in the field of purchasing management, whether private cloud solutions or software that interfaces with the organization's IT systems, thus providing access to suppliers and customers. This reduces the scope of the buyers' activity with customers and suppliers and automates the process. For example, in the past the buyer contacted suppliers by e-mail or telephone. Instead, an internet solution will connect the buyer to the supplier and will send emails automatically. All procurement and Logistics activities that were previously done manually will be handled in cloud by the system.

But will this undermine the buyer's power? Will technology replace the buyer's operational and tactical work? There certainly has been a change in the skill set expected from a purchasing buyer. If a buyer today deals with the minute details of the purchasing process from A to Z, in the future buyers will have a monitoring role. Thus the essence of the role of the buyer will shift from mere procurement to a comprehensive understanding of information technology and the web environment. Buyers will have to adapt to the new environment and understand IT systems in depth in order to monitor the process and ensure its integrity. Colleges and universities will have to adapt to these changes and provide an essentially different set of qualifications and knowledge for buyers.

#### **Future Purchasing Process**



#### **But are these tools capable of replacing strategic purchasing?**

The purchasing department is the first link in a chain creating profit for the organization by direct cost saving of items that the organization must purchase - raw materials, spare parts for machines and more. Using online tools will help buyers reduce procurement costs and directly affect the organization's bottom line. Thus proper use of these tools and implementing the correct system for the organization is the first step to improve efficiency. Furthermore, though there is no substitute for the direct interaction

between the buyer and the supplier in the negotiations process, computerized and online tools can streamline the rest of the process. Tools such as online tenders, search engines for purchasing sources, and web platforms that link multiple suppliers to one environment result in faster and higher quality results.

Working on SAAS will not happen in one day and organizations will not be able to transform their operations at the push of a button to an Internet environment. The barriers are still high, the issues are serious. But when computing in an Internet environment is appropriate for an organization, the benefits can be significant in the long term.

The autonomous truck and automated systems are already here, so the future is just around the corner. All that remains is to prepare for it and enjoy the ride.

*The writer of this article, Reuven Elia Moshe, is SCM Specialist at UTi iMS. For further information please contact: [rmoshe@go2uti.com](mailto:rmoshe@go2uti.com)*