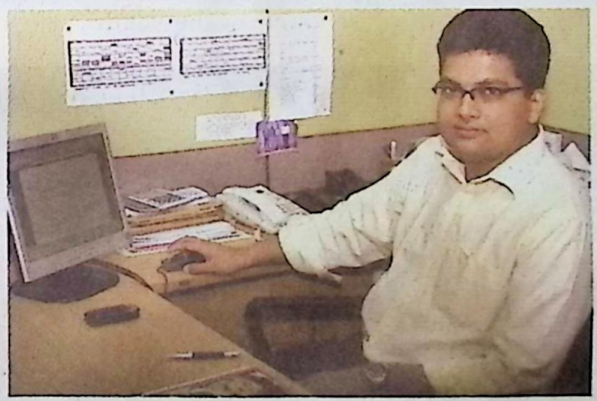
The Multi-Faceted Supply-Chain Challenges

MANY people have very little idea about the complexity and immensity of the work involved in manufacturing and procurement under a large corporation. To give our readers a glimpse of the magnitude of the tasks involved, **Ridwan Karim** of Star Campus consulted **Farhad Alam**, Procurement Manager, Directs, BATB.

As the procurement manager, Mr. Farhad's has to carry out a number of critical functions. His basic responsibilities are to ensure uninterrupted materials supply for manufacturing processes; to ensure & drive the execution of the wrapping materials procurement strategy in line with global & regional strategy to achieve the BATB operations objectives; to determine, select & establish alternative materials and sources through an integrated procurement process; to drive the continual localization of wrapping materials and to lead the negotiation process to ensure delivery of quality finished product at a lower cost.

For carrying out all these tasks, a procurement manager needs to have good coordination with a wide range of key stakeholders. For example, before the manufacturing of any existing or new product, Mr. Farhad needs to meet up with the marketing team to know their requirements, while maintaining discussions with the suppliers to determine the feasibility of developing the materials. He also needs to keep in close touch with the manufacturing team to ensure the running of the materials in the production unit. The Finance department also has to be consulted for price fixation of the materials. After brief exchanges between all these teams, the usual practice is to hold a coordination meeting to agree on the lead time for the deliverables of each stakeholder, which includes Mr. Farhad.

As one can imagine, Mr. Farhad's work entails many challenges. The key challenge is the management of suppliers comprised of external parties. There is always an element of risk associated with on-time delivery of the materials and the acceptable level of quality of the supplies. One has to keep in mind that, since direct materials are customized to some extent, they are not readily available from an alternate source.



One unique feature of Mr. Farhad's work is the prospect of gaining exposure in many different positions under the same company. Other than procurement, many other functions like planning, manufacturing and logistics fall within the realm of the supply chain. Mr. Farhad points out that, with the demonstration of the required competencies, he has the opportunity to move to other functions through lateral or vertical movements within the supply-chain - an opportunity that is extremely rare in other conventional careers. For example Mr. Farhad served in manufacturing before coming to procurement. His knowledge on manufacturing helps him in ensuring that the suppliers maintain the desired quality, which has immense impact on the production of finished goods. His earlier experience also helps him to provide valuable input to his brand colleagues while developing any product.

Though he is currently doing his MBA in IBA, Mr. Farhad does not believe that a post-graduate degree in Business Administration is essential for his line of work. He feels that it is possible for any professional to acquire the necessary management skills from real life experiences as the individual grows within an organization. However, he testifies from his personal experience that such a degree can sharpen an individual's managerial skills and equip him with a proper technical background.

So, what does a student of the Engineering discipline, who wants to pursue a career in manufacturing, need to do? Mr. Farhad believes that a proper emphasis on the courses relevant to production management and projects other than the core courses can equip an engineering student with the bundle of skills required to be successful in this career. Students need to develop their outlook keeping in mind that they would have to get the job done with a given set of technical resources at their disposal. They should also bear in mind the critical differences in approaches when it comes to managing human resources, as opposed to supervising automated resources.