

PROCUREMENT PERFORMANCE MEASUREMENT IN THE LEBANON PHARMACEUTICAL COMPANY

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Lebanon pharmaceutical companies are starting to understand the importance of procurement as a strategic function of the organization. As the competition is increasing, different ways of creating competitive advantages are being researched, evaluated and implemented. In the case of supply chain and particularly procurement, the benefits of optimization are mostly clear - Kerkhoff (2005) notices that the financial situation of the company can be improved through the procurement function by locating and exploiting the potential for increased profit and reduced procurement expenditures. So, the purpose of our research to define purchasing position in corporate business plan in Lebanon pharmaceutical companies. Procurement department, like all other departments in a company, is an element of the overall organization, which must contribute to the achievement of the corporate goals. Thus a clear link between the corporate strategy and procurement strategy is crucial to understand, follow and implement in each function and action. The position of the procurement department in the overall strategic map of a company can be exemplified as in the Fig. 1.

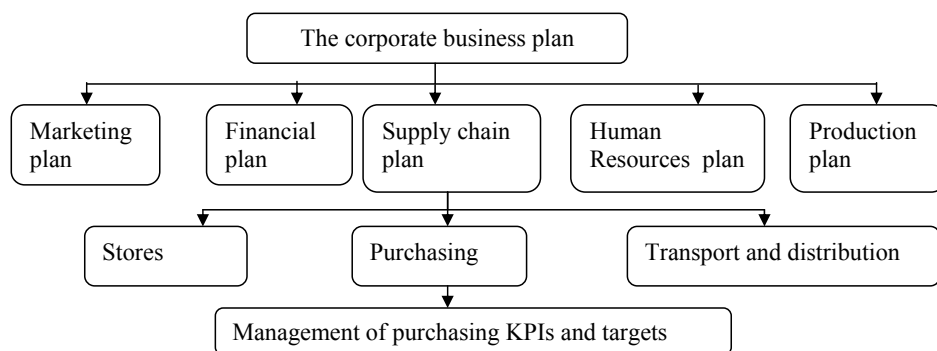


Fig.1 Purchasing position in corporate business plan of Lebanon pharmaceutical company

It is clear, that although each department has its own strategy, goals and KPIs, all these factors must feed upwards to the corporate business plan. Moreover, the strategy and targets of the procurement function should not only reflect the company's vision and development directions, but as well should represent the perception of the top strategic managers to the procurement function.