

CENTRALIZED PROCUREMENT AT CRDB BANK Plc: A CASE STUDY

Dr. Omary Swallehe,

Senior Lecturer in Marketing and Business Studies,

School of Business, Mzumbe University,

P.O.Box 20266-Dar Es Salaam, Tanzania

E-mail: oswallehe@mzumbe.ac.tz

Mr. Jamal Hussein is a new employee recruited as a bank officer trainee working in the department of marketing and corporate affairs. In his familiarization on how things are conducted in the department of procurement, especially on matters relating to organizational buying behavior, he was encountered the following scenarios.

Mr. Atto Mwanga is working as the head of procurement management unit of the bank in the directorate of finance and administration was eager and looking forward to work with Mr. Hussein at his department.

As of recent, Mr. Mwanga has just approached by the people from the directorate of marketing with the view of making an order of the promotional polo T shirts to be used in the fourth coming cotton forum that was schedule to take place in Mwanza city. This is an annual event organized by the bank with the view of promoting and sensitizing both farmers and business people on the significance of cotton business in the country.

The documents submitted for this purpose/making order for the promotional materials revealed that, the directorate of marketing of the company is perceived of having frequent and good working relationship with the Corporate Designer the re-known designers of promotional materials in the country. This was evidenced from the price and delivery time quoted by the corporate designers. In this case therefore, the main duty of the procurement people and Mr. Mwanga in particular was to actually purchase the items from this company and not otherwise.

Mr. Mwanga, then contacted employees in the directorate of marketing telling them that, the information supplied by the

Corporate Designers were insufficient according to the regulations and therefore specification of the items ordered/to be ordered needs to be given for that purpose.

The information obtained from the directorate of marketing confirmed his opinion that the T-shirts were standard items, but he also learned that the representative of the intended supplier had a good working relationship with people in the directorate of marketing, and that the event manager Mr. Deogratious therefore felt that Corporate Designers qualified to be given a tender to supply the promotional materials for the upcoming event. Instead, the tender was stayed and Mr. Mwanga asked three other companies who also listed supply of T-Shirts in their catalogues, to indicate their selling prices of the T shirts and also quote the lead time in that particular quotations. At this point in time, Mr. Deogratious the event manager of this year cotton forum reacted badly with the decision of procurement department and specifically Mr. Mwanga himself. He decided to have a discussion with Mr. Mwanga on the possibility of awarding an order to the supplier who has been supplying the T-shirts for many years now and supplying above average quality. The discussion ended in vein and Mr. Mwanga decided to go on with his decision

The quotations were then received and organized by Mr. Mwanga from the three suppliers and compared by that of preferred company by marketing people-the corporate Designers (see Table Q6). After evaluating the quotations and basing on his experience and personal judgment, it was decided that, the order should go Fabric Afrique Company. This was due to the fact that, the total cost of the order would be Tsh

8,000,000/=and within the limits in which he can grant orders without seeking permission from higher authority. That was an added incentives for the in charge to make the choice and that saved him in the whole process of preparing special report to explain the decision he made.

Mr. Japhet Temu a businessman in Dar es Salaam the best friend of Mr. Mwanga was aware of the above developments and was wondering what this situation could educate him on the challenges ones face when selling to organizational customers.

TABLE - Q6 COMPETING QUOTATIONS

S.no.	Company	Price	Delivery	Remarks
1.	Corporate Designers	8500/=	2 months	
2.	Atto G. Suppliers	8300/=	3 months	
3.	Fabric Afrique	8000/=	10 weeks	
4.	Attandi Enterprises	9000/=	9 weeks	

NB Total number T-Shirts to be ordered 1000 pcs.

Questions:

1. Analyze the decision making unit-(DMU), explain briefly the role played and the choice criteria of each and every player identified in the first place?
2. Explain, why did different decision making unit players use different criteria when evaluating potential suppliers?

3. Among the players identified above whom you think is important for someone who wants to sell the products to the company.
4. It is said that marketing the products to industrial customers is a little bit complicated than marketing products to consumers. Discuss.