

ABSTRACT

Purpose: Purpose of this study is to explore the select issues of public procurement, role of environment, assessment of requirement of internal and external customer, Importance of budget, inventory management, supplier buyer dyed and performance measurement system. The study is carried out with the ulterior motive of budget management and making procurement as driver of supply chain. This will result into improved customer satisfaction and optimal inventory management.

Methodology: The study uses a case study approach and Indian Railway a Government of India organization under Ministry of Railway is chosen as unit of analysis. Building on a review of literature a questionnaire based survey was carried out to measure service expectation and service quality. The outcome was validated. The respondents were senior executives of Indian Railway. Two dedicated workshops were conducted at National Academy of Indian Railway, Baroda to understand dynamics of customer need assessment, budget management, interplay of different stake holders and leveraging competencies of supplier in providing needed material component and services. Best practices of successful professionally managed success stories were studied. These best practices were customised to suit public procurement environment.

Findings: The study comes up with classification of various issues related with public procurement, assessment of various factors which impact service quality, identification of critical success factor for successful supply chain management.

The performance measurement system of various successful private and public organizations is analysed and listed.

A model for implementation of vendor managed inventory and budget management is designed. Dynamics of customer centric supply chain management is analysed using the framework of business process orientation approach.

The role of supplier in bringing agility in managing supply chain and meeting new material and component need of buyer have been discussed across the frame of supplier buyer dyed.

Finally the study presents a comprehensive framework for sustainable ecosystem for supply chain management and budget management.

Research Implications: The study contributes to the literature by classification of various issues related with public procurement. It study issues related to vendor managed inventory and suggest model for vendor managed inventory in public procurement environment. The study contributes to design model of vendor evaluation and relation management and ultimately carryout the portfolio analysis and develop self-sustainable model to make procurement as driver of supply chain.

Practical Implications: Public procurement contributes 20% to 25% of world GDP and it is aimed at developing social and economic infrastructure so as to make healthy, educated and well tolerant society. Study underscores the weaknesses of public procurement. It customise the best and successful supply chain practice to suit public procurement environment and develop a self-sustainable model of efficient and effective model of supply chain management. The model mitigates the problem of cartel formation among supplier and brings in transparency across supply chain. The finding of the study would be useful to policy makers to design the suitable policy of public procurement to meet the strategic needs of the organisation and the country. A five percent reduction in expenditure will be huge amount which can be spent on other social or economic infrastructure. Moreover money well spent will enhance the success rate of the mother project. It becomes extremely important because public procurement drives the economic and social policy of the country.

Keywords: Vendor Managed Inventory, Supply Chain Management, Public Procurement, Performance Measurement System.