

Use Cases

SUPPLY Use Case 01: Build Strategic Procurement Plan using procurement forecast consolidated from Biennium Budgetary Plan and Ad Hoc donation agreement (Applicable for Goods and Services)

Description:

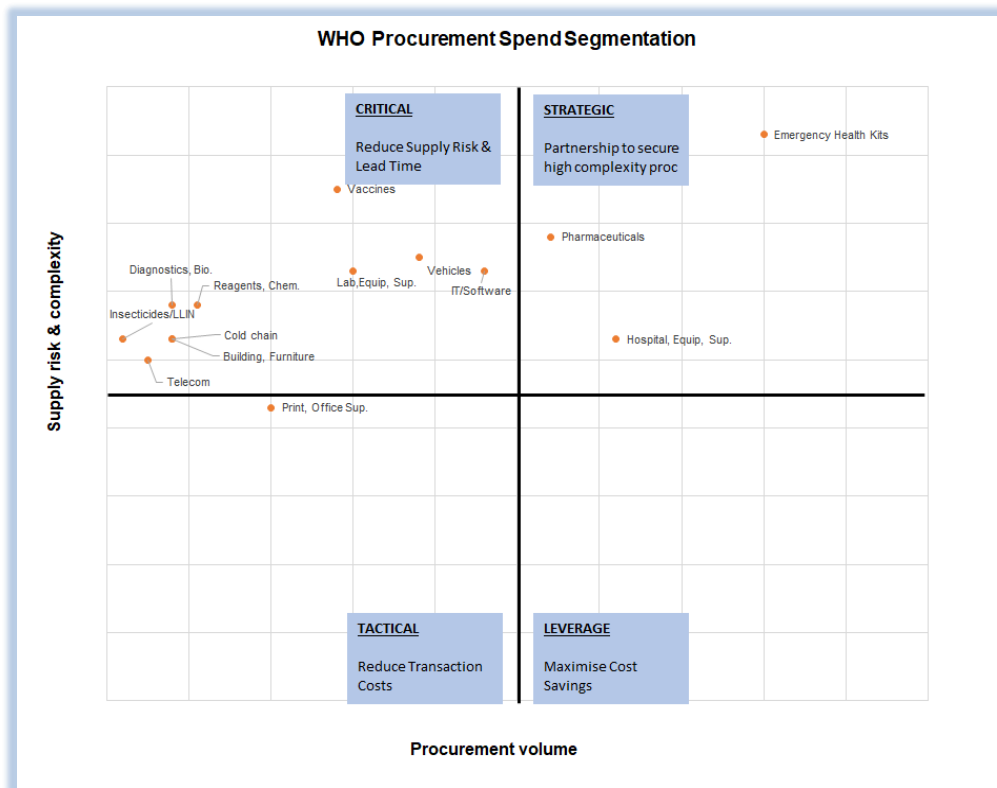
This use case takes place at the beginning of the biennium before the implementation of the budget when the consolidated regional procurement forecast data obtained from:

- a) SPM tool in which forecast was supported for Operational Budget plan; and
- b) CEM tool capturing ad hoc donation agreement.

The collated forecast meeting the criteria for Strategic Procurement Plan (eg. Selective values, product categories, time lines and etc.) from both tools should be consolidated and made visible to regional procurement team, who would review, edit and approve before rolling up to global level. The global consolidated forecast would be a) categorized by supply risk levels by global procurement using computation of risk factors for each product category, such as strategic Importance, nature of supply market, probability of supply failure impact of supply failure, supply chain and logistics challenge, sustainability and procurement complexity; b) mapped to Category Management Matrix to form Strategic Procurement Plan.

Strategic procurement plan consists of product categories in quadrant i.e. Strategic (high value high risk), Critical (Low value high risk), Leverage (High value low risk) and Tactical (low value low risk). Procurement teams would develop the appropriate strategies for each quadrant (e.g. establish global/regional/local LTA, UN joint procurement, piggyback on others' LTA, pooled procurement, seasonal purchase, stockpile, local procurement, etc.) and these strategies would be marked to the global consolidated forecast with action takers and indicative timeline.

Proposed for consideration	increase	decrease					
<i>Insert the name of the categories below and rate the risks for each category</i>	Strategic importance	Nature of supply market	Probability of supply failure	Impact of supply failure	Supply chain and logistics	Sustainability	Procurement complexity
Building, Furniture	Important	Neutral	Moderate	Moderate	Low complexity	Moderate sustainability risks	Moderately complex
Cold chain	Important	Neutral	Low	High	Moderate complexity	Slight sustainability risks	Moderately complex
Diagnostics, Bio.	Moderate	Neutral	Moderate	Moderate	High complexity	Moderate sustainability risks	Highly complex
Emergency Health Kits	Critical	Moderately favourable to buyer	High	Extreme	Very high complexity	Moderate sustainability risks	Highly complex
Energy	Important	Moderately favourable to supplier	Low	High	Very low complexity	Moderate sustainability risks	Slightly complex
Freight	Very low	Highly favourable to supplier	Very low	High	Low complexity	No sustainability risks	Straightforward
Hospital, Equip, Sup.	Important	Highly favourable to supplier	Moderate	High	Moderate complexity	Moderate sustainability risks	Highly complex
Insecticides/LLIN	Moderate	Neutral	Moderate	Moderate	Moderate complexity	Significant sustainability risks	Moderately complex
IT/Software	Critical	Neutral	Moderate	High	Low complexity	Significant sustainability risks	Moderately complex
Lab, Equip, Sup.	Important	Neutral	Moderate	High	Moderate complexity	Moderate sustainability risks	Highly complex
Other	Moderate	Neutral	Moderate	Moderate	Moderate complexity	Slight sustainability risks	Moderately complex
Pharmaceuticals	Critical	Moderately favourable to buyer	Moderate	High	High complexity	Slight sustainability risks	Moderately complex
Print, Office Sup.	Moderate	Neutral	Very low	Moderate	Low complexity	Moderate sustainability risks	Moderately complex



This Strategic Procurement Plan would be implemented by Users (in Country Offices / Requesting Units in HQ or Regional Offices) and procurement teams at global, regional and country through LTA, Requisition and Purchase Order. System would compare the annual procurement plan against the actual implementation and send periodic reminder report to fund managers when implementation rate is below satisfactory thresholds of value and time.

Pre-conditions:

The regional level procurement forecasts from SPM tool and CEM tool will be consolidated at global level and reviewed and cleared by global procurement team in the new ERP system.

Post conditions:

The Strategic Procurement Plan that contains strategies, values, timelines and action takers will be implemented by Users and procurement teams through LTAs, Requisitions and/or Purchase Orders.

This flow is focused on the creation of the Strategic Procurement Plan at global level.

Use case ID	User	ERP	Description and associated requirements
SUC101	User in Country Offices / Requesting Unit and Fund Managers would put up biennium budgetary plan.	System must have the ability to integrate with 3rd party forecasting application (preferred A.I. powered) to optimize the historical purchase data based upon historical pattern, seasonality, emergency input, any other scattered patterns, etc. Then, must provide draft forecasted plan of high value amount and product/service categories to be interfaced from ERP to SPM application to facilitate Users' preparation of biennium budgetary plan. Forecasted plan should include at least item/service description, category, commodity code, value, quantity, lead time, location (for services), potential suppliers and expected delivery by quarter.	SUP-FR-070 SUP-FR-071
SUC102	System automated interface	System must have the ability to integrate with SPM tool and have an inbound interface into the ERP system for countries and regions to collect the regional procurement forecast approved in SPM.	SUP-FR-072

SUC103	System automated interface	System must have the ability to integrate with PRP CEM tool for donation agreement at pre-signing stage to collect data for ad hoc emergency or short-duration funded procurement into ERP.	SUP-FR-073
SUC104	Regional procurement team to review, edit and approve via approval workflow to roll-up to global level	System must have the ability to consolidate all approved procurement forecasts at regional level from both SPM and CEM tools above and roll up to global level; visible to regional procurement team, who would review, edit and provide clearance through a workflow before roll-up to global level.	SUP-FR-074 SUP-FR-075
SUC105	Global procurement team define supply risk levels of product categories and develop procurement strategies	Global procurement must have the possibility to mark the risk levels of various risk components to define final supply risks level for each product/service category of the global consolidated forecast; and plotted to Category Management Matrix. Category Management Matrix to include dimension of a) supply risk (hi/lo) and b) relative value (hi/lo) to facilitate development of procurement strategies.	SUP-FR-076
SUC106	Global procurement team in consultation with Regional procurement teams, finalize the strategic procurement plan (i.e. develop procurement strategies per category for system to label them to global consolidated forecast and assign action takers.	Strategic Procurement Plan must consist of product/service categories in 4-quadrant i.e. Strategic (high value high risk), Critical (Low value high risk), Leverage (High value low risk) and Tactical (low value low risk). Procurement teams would develop the appropriate strategies for each quadrant (e.g. Category Strategic -> to establish global/regional/local LTA, UN joint procurement, piggyback others' LTA, pooled procurement, Category Critical -> seasonal purchase, stockpile, Category Leverage -> Tender/competitive bidding; Category Tactical -> local procurement, petty cash, outsourced procurement, etc.) and system to auto-label these strategies to the global consolidated forecast; and global procurement team assign the action takers.	SUP-FR-077
SUC107	Global Procurement team review and sign off Strategic Procurement Plan	System should permit for interactive recorded exchanges between regional procurement team and global procurement team during the strategy development process.	SUP-FR-076 SUP-FR-077

SUC108	User and procurement teams execute the strategic procurement plan (SPP) by establishing LTA, Procurement Request and Purchase Order.	This Strategic Procurement Plan would be implemented by Users and procurement teams at global, regional and country/Unit level through LTA, Requisition and Purchase Order. LTA team creates the LTA and link the action to the approved SPP. User raises Procurement Request and link to the approved SPP such link would be carried into Purchase Order.	SUP-FR-082 SUP-FR-086
SUC109	Fund Managers and Procurement Teams review implementation rate	System should compare the annual procurement plan against the actual implementation and send periodic reminder report to fund managers and procurement teams when implementation rate is below satisfactory thresholds of value and time.	SUP-FR-079 SUP-FR-080 SUP-FR-081