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TOPIC FOUR: PURCHASING AND SUPPLY CHAIN POLICIES

Definition -A policy is a governing set of principles which establish the general parameters for an organization to follow in carrying out its responsibilities.

Definition -A policy is a statement that describes in a very general terms intended course of action. Policies serve as general guidelines in making operating decisions that channel actions towards achievement of objectives.

Purchasing policies provide specific guidance and support by defining the responsibilities of the purchasing department, guiding the conduct of all purchasing personnel and identifying appropriate buyer-seller relationships.

Purchasing organizations should develop a comprehensive policy manual that clearly defines authority, responsibility, and establishing guidelines for the organization and the purchasing professionals to follow when carrying out their responsibilities.

The purchasing policy commits the Organization and every individual involved in purchasing and supply management processes within the Organization, to conduct purchasing and contracting activities in a manner that is:

- ✓ Compliant with laws, regulations and the Organization's policies and procedures;
- ✓ Accountable and auditable;
- ✓ Ethical, environmentally and socially responsible and
- ✓ Cost effective.

The purpose of purchasing Policy is to establish guidelines for all purchasing activities, including the planning, acquisition and management of goods, supplies, and services by the Organization.

Objectives of the Purchasing and Supply Policy

- ✓ Providing a framework for disciplined purchasing decision-making that focuses on value enhancement and cost reduction that aligns corporate social responsibility.
- ✓ Defining responsibilities for purchasing activities;
- ✓ Implementing appropriate internal controls and audit trail processes, including regular reporting of purchasing activity to assess performance; and
- ✓ Promoting strong corporate governance and effective oversight across all purchasing activities.
- ✓ Establish the legal authority of the procurement function within the organization
- ✓ Simplify, clarify, and reflect the laws governing procurement
- ✓ Enable uniform procurement policies throughout the organization
- ✓ Build public confidence in public procurement
- ✓ Ensure the fair and equitable treatment of everyone who deals with the procurement system
- ✓ Provide for increased efficiency, economy, and flexibility in public procurement activities and maximize to the fullest extent the purchasing power of the entity

- ✓ Foster effective broad-based competition from all segments of the supplier community
- ✓ Safeguard the integrity of the procurement system and protect against corruption, waste, fraud, and abuse
- ✓ Ensure appropriate public access to contracting information

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Nature or Essential characteristics or qualities of a good purchasing policy

An effective purchasing policy:

- ✓ Should be clearly defined to the point
- ✓ Should be concise or brief
- ✓ Should be action oriented
- ✓ Should be relevant
- ✓ Should be timely
- ✓ Should be understandable
- ✓ Should be unambiguous
- ✓ Should be flexible
- ✓ Should be carefully written
- ✓ Should have a legitimate purpose

Importance or Significance of Purchasing Policy to an Organization

- ✓ A purchasing policy **acts as a reference point** for the purchasing function
- ✓ The purchasing policy **provides a framework for decision making**
- ✓ It will help the organization to **achieve the best value for its purchases** in both cost and quality
- ✓ It **defines objectives and communicates** to the purchasing officials to strictly adhere to it without deviating from it.
- ✓ It **provides direction** in the execution pf various purchasing task
- ✓ It **acts as authority base** for all activities done in an organization i.e. it provides a purchasing officer in the organization an **authority to purchase supplies for the company**. In this way unauthorized individuals cannot procure goods on behalf of the organization.
- ✓ The purchasing policy will help the organization to **obtain quality goods and services**.
- ✓ The purchasing policy **sets out the spending limits** for the personnel who has an authority to buy on behalf of the company. The policy sets the minimum threshold to be purchased to minimize purchasing cost.
- ✓ A purchasing policy may **set out the names of preferred suppliers** for certain types of products. Preferred suppliers are companies that have demonstrated that they can deliver supplies that meet the company's quality standards at competitive prices. Using preferred suppliers simplifies the purchasing procedure, because the company do not have to approach a number of different suppliers and evaluate their offers.

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- ✓ A purchasing policy **sets out the criteria for selecting suppliers** for certain products or supplies if the company does not have preferred suppliers. A buyer looking for a new supplier will ask three companies to submit proposals or quotations. A purchasing policy must specify if the choice of supplier is to be based on product quality, ability to meet delivery schedules, price, and availability of after-sales service or a combination of those factors.
- ✓ The purchasing policy **states the ethical considerations** to be followed. It may state that the company will only deal with suppliers that have a recognized environmental policy or a published duty of care toward their employees. The policy may state that the company will inspect the supplier's premises to ensure that fair working conditions are in place.

Types of purchasing and supply policies

- **Make-or –Buy Decision or policy**

Make-or-buy decisions compare the cost of producing a component or providing a service internally with the cost of purchasing the component or service from an external supplier. Many companies are focusing only on what they are good at and outsource the rest.

The make-or-buy decision is the act of making a strategic choice between producing an item internally (in-house) or buying it externally (from an outside supplier).

Factors favouring buy decision:

Some of the circumstances and pressures favouring buy decision are:

- ✓ Spread of financial risk between the purchaser and vendor
- ✓ Ability to control quality when purchased from outside
- ✓ Availability of vendor's specialist expertise, machinery and or/patents
- ✓ Quantities required too small for economic production
- ✓ Avoidance of costs of specialist machinery or labour
- ✓ Reduction in inventory
- ✓ When technologies are changing rapidly it becomes difficult for companies to keep pace with the needed infrastructure. Hence companies have to depend on external sources.
- ✓ Lack of expertise
- ✓ Suppliers' research and specialized know-how exceeds that of the buyer
- ✓ Limited production facilities or insufficient capacity

Factors favouring make decision:

Some of the circumstances and pressures favouring make decision are:

- ✓ Greater purchasing power with larger orders of a particular material
- ✓ Potential lead time reduction
- ✓ Possibility of scrap utilisation

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- ✓ Cost of work is known in advance
- ✓ Ability to manage resources
- ✓ Maintenance of company's secrecy
- ✓ Cost considerations i.e. it's less expensive to make in house.
- ✓ Productive use of excess plant capacity to help absorb fixed overhead i.e. using existing idle capacity
- ✓ Need to exert direct control over production
- ✓ Better quality control
- ✓ Because of unreliable suppliers
- ✓ Control of lead time, transportation, and warehousing costs

- **Partnership/Collaborative buying or sourcing policy**

It is the commitment by both the buyer and the seller/supplier to a long-term relationship based on clear and mutually agreed objectives.

Partnership aims at transforming from an adversarial relationship of buyer and the supplier to collaborative win-win long term relationship.

Advantages or benefits of partnership

- ✓ Ability to plan long term improvement rather than negotiating for short-term advantage
- ✓ There is better cooperation between the buyer and the seller.
- ✓ Materials are acquired at the lowest prices.
- ✓ The buyer is assured of getting his requirements.
- ✓ Middlemen are eliminated reducing the prices of some goods.
- ✓ The buying organizations keeps little inventory reducing cost of warehousing.
- ✓ Supply base is reduced hence reducing the cost of managing the many suppliers.
- ✓ There is improvement of quality of products and services
- ✓ Goods will be delivered on time as a result of just in time

Problems or disadvantages of partnership.

- ✓ It is difficult to terminate the relationship.
- ✓ There is a problem in sharing the facilities where joint venture is intact to.
- ✓ Confidential information can be given out by one of the partner.
- ✓ The partners may become complacent within time e.g. on quality. And this could affect the performance of the two companies
- ✓ They are difficult to establish in government organization.
- ✓ Over-dependency of the buying company may limit such company from accessing new products/services offered by other companies.
- ✓ It takes a lot of time to identify the suitable partners

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- ✓ Termination of relationships may affect the overall performance of the companies

<u>Why partnership fails.</u>

- ✓ Poor communication.
- ✓ Mistrust.
- ✓ Lack of commitment to total quality.
- ✓ Poor planning.
- ✓ Lack of shared goals between the partners.
- ✓ Change of top management in the two departments.
- ✓ Where the supplier and the buyer do not share the benefits or the risks.
- ✓ Differences between top management in the two organizations (conflict).
- ✓ If the two businesses are far from each other.

- **<u>Outsourcing policy</u>**

It is a management strategy by which an organisation outsources major non-core functions to specialised, efficient service providers. The basic objective is normally cost reduction and concentration on core activities.

<u>Examples of functions that can be outsourced entail:</u>

- ✓ Cleaning services
- ✓ Repair and maintenance services
- ✓ Transport services
- ✓ Catering services
- ✓ Medical services
- ✓ Recruitment and training services
- ✓ Security services

<u>Benefits of outsourcing</u>

- ✓ It allows the management to have more time and concentrate on the core-business of an organisation
- ✓ It reduces capital requirements e.g. where the service provider brings in expensive machine
- ✓ It reduces risks in working environment
- ✓ It motivates the employees to concentrate on the core business since the attention is not diverted to other functions
- ✓ It increases flexibility of operations.
- ✓ There is cost certainty as the contract price agreed should in theory not change within a given period
- ✓ Improved consistence of services
- ✓ Supervision becomes easier.
- ✓ Reduction in labour cost

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Disadvantages of outsourcing:

- ✓ Lack of commitment to the client or industry
- ✓ Company's confidential information can be spread to external entities.
- ✓ Reputation/image of the organization is deteriorated
- ✓ Over-dependence of external entities may lead to frustration especially when the outsourced company fails to deliver the services which are required
- ✓ The company may lose the control of key processes e.g. lack of embracing internal customer care.
- ✓ There may be cultural mismatch between organizations and service provider.
- ✓ The service provider may become complacent
- ✓ Organizations lacks flexibility i.e. it cannot get services from other service provider after out-sourcing.

- **Sub-contracting policy**

It is where a portion of the whole project is given to another organization to perform work while the major portion of the project is done by the primary organizations e.g. in construction of roads the primary organizations may construct the road and the sub-contract construction of bridges to another organization.

Reasons for sub-contracting.

- ✓ To ensure completion of work in time.
- ✓ Inadequate specialized knowhow.
- ✓ Inadequate machinery.
- ✓ To avoid acquiring long term capacity e.g. machines that you may not require in future.
- ✓ When sub-contracting is cheaper than doing it for yourself.
- ✓ To avoid overloading machines into labour.

- **Reciprocity buying policy**

It is a policy of giving preferences to the suppliers who also buy from your company. It is a good policy to place an order with the seller who is the customer of the firm. For example, a sugar factory agrees to buy sugarcane from a farmers' cooperative society, provided the society also agrees to buy sugar from the sugar factory.

Reciprocity is industry's version of "*you scratch my back and I will scratch yours*". Reciprocal buying, "*If you buy from me, I buy from you*" provides a return consideration wherever possible and it helps to build connections and goodwill. A careful buyer can get better quality at a reasonable price. It may increase sales and simplify purchasing.

Advantages of reciprocity policy.

- ✓ Buyer and the seller benefit from buying and selling to each other.
- ✓ The two understand each other and can solve their problems mutually.

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- ✓ Since they communicate directly, they eliminate middlemen making the product to be cheap.
- ✓ Marketing effort e.g. advertising by the organization may reduce because there is known buyer.

Demerits of reciprocity.

- ✓ Price for items may be high since the buyer cannot buy competitively.
- ✓ Dispute may arise when the value of which is exchanged between the two is different.
- ✓ Opportunity for better quality alternative may be denied to the buyer if he is tied to reciprocal agreement.
- ✓ Business may be taken away from satisfactory supplier.
- ✓ It is hard to find a new supplier when reciprocity agreement ends or in time of emergency.
- ✓ It is difficult to terminate reciprocal relationship without conflict.

- **Supplier base policy**

It is the policy that relates to the number of suppliers one will be buying from. It may decide to buy from-single sourcing policy or many -multiple sourcing.

Factors affecting supplier base.

An organization may decide to buy from single or several suppliers after considering the following.

- ✓ Risk of supply. If an item is getting ready available, the supplier base can be done. If there is risk of supply base can be wide. If there if is risky of supply a supplier can be developed to ensure supply.
- ✓ Competition from other buyers.
- ✓ Relationship with suppliers.

Supplier base rationalization.

When the supplier base is wide, the buyer may analyze all of them with an intention of retaining a few of them who can supply him well.

Advantages of supplier rationalization.

- ✓ There is saving on administrative cost since you are dealing with few suppliers.
- ✓ Long-term relationship may be developed with the few suppliers.
- ✓ The goods bought from few suppliers can be standardized.
- ✓ Purchases that are unplanned are minimized (mare lick).
- ✓ The total cost of purchasing is minimized e.g. there is less orders to be placed.
- ✓ It is possible to develop the few suppliers.

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Possible risk of reduced supply base.

- ✓ Overdependence on a single source.
- ✓ There is danger of supply destruction due to strikes, breakdown of machines from the supplier.
- ✓ No chance to compare prices between different suppliers.
- ✓ The organizations cannot get better items from other suppliers.
- ✓ Loss of supplier good will i.e. the supplier dropped may not be willing to do business with you in future.

- **Local supplier policy**

A business or a company may adopt policy of buying locally. The policy is influenced by factors like:

- ✓ Transport cost.
- ✓ Government policy.
- ✓ Patriotism and nationalism.
- ✓ Need to support local industry.
- ✓ Fear of exchange fluctuation.
- ✓ Urgent purchases.

Advantages of local supplier against distant supplier.

- ✓ Transport cost is reduced.
- ✓ Closer co-operation is enhanced between supplier and buyer.
- ✓ It's possible to get goods easily in times of emergency.
- ✓ Local industry is developed hence better supply from nearby.
- ✓ Employment levels increase locally.
- **International purchasing policy**.

In this type of policy the company may decide to buy its requirements from foreign market.

Reasons for buying internationally.

- ✓ If the products are not available locally (total unavailability).
- ✓ Shortage-if the quantity available locally is not enough, the extra requirement is bought abroad.
- ✓ Quality consideration-foreign quality may be better than the local.
- ✓ Price may be lower in foreign country.
- ✓ Better technology.
- ✓ Need to increase the supplier base to reduce risk of supply.
- ✓ Reciprocal trading- buy from them so that they can buy from you.

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Problems when importing.

- ✓ Rules and regulations-licenses, quotas are imposed by government before importation.
- ✓ Risk in transit-the risk is higher hence need for insurance.
- ✓ Physical distance-goods have to make long distances which takes time and increase cost of transport.
- ✓ Difference in language and culture-this makes communication between seller and buyer to be difficult.
- ✓ Currency-exchange rate fluctuates.
- ✓ Trade worthiness-the buyer and seller do not know the trade worthiness of each other.
- **Small or large suppliers policy**

An organization may adopt a policy to either buy from a small or large supplier.

Advantages of small suppliers.

- ✓ The supplier may give closer attention to the buyer's requirement.
- ✓ The relationship between the staff of the two organizations is closer and hence better communication.
- ✓ Supplier is able to respond to the requirement of the buyer.
- ✓ It is possible to develop the supply

Advantages of large supply.

- ✓ They have large reserve capacity hence they are able to provide large quantities.
- ✓ They have special facilities and knowledge that can be made available to the customers.
- ✓ They do not rely on one buyer hence there is risk of supply or if the buyer does not buy from them.
- **Consortium/group buying policy**

It is an agreement in which two or more buyers agree to buy jointly.

Merits or advantages

- ✓ They can get price reductions since they buy more.
- ✓ They are able to negotiate better terms and conditions e.g. after-sales services like transportation.
- ✓ They gain economics of large scale purchasing which could not be gained individually.
- ✓ Purchasing staff from the organization gain knowledge from each other.
- ✓ Saves time in searching and ordering for standard goods.

Demerits or Disadvantages

- ✓ Difficult for the organization to agree on specifications.
- ✓ Procurement laws in some countries may prohibit a consortium buying.

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- ✓ The group of organization may not stay for long and their needs may come at different times.

- **Supplier development policy**

This is any activity that a buying firm undertakes to improve a supplier's performance and capabilities to meet the buying firm's supply needs. Supplier development is accomplished by: instigating competition among suppliers, working directly with suppliers through training and other activities, assessing supplier's operations and also providing incentives to improve performance. Supplier development in world class firms is proactive and it focuses on helping suppliers retain the learning that occurs in the development process to help them improve their own systems. Supplier development requires that both firm commit financial, capital and personnel resources to work; share timely and sensitive information and create an effective means of measuring performance and progress.

Purpose of supplier development programme:

- ✓ To achieve bottom line improvement in each other's business
- ✓ To create processes that ensure improvement
- ✓ To pursue solutions through team work, by involving key staff members of both organisations
- ✓ To arrive at the best solution in the interest of shared vision, keeping in mind the whole partnership to gain win-win outcome
- ✓ To gain competitive advantage by decreasing lead-time, reducing the cost of quality and price
- ✓ To nurture supplier capabilities by providing resources.
- ✓ To have a collective approach to problem solving.

- **Conservative buying policy or Hand to mouth policy**

Under this policy, purchases are made **strictly on the basis of current needs** of the company concerns. Small lot purchases are made through small and frequent orders, of course, the buyer has to sacrifice quantity discount. But he incurs minimum risk of loss, when he adopts this policy of hand-to-mouth purchases.

A conservative buying policy is obviously suitable and always preferable when there are plenty of materials available in the market.

The placing of small and frequent orders involves locking up of lesser capital at a time and the cost of warehousing and insurance will also be lower.

The conservative or hand-to-mouth buying policy on the basis of current needs is naturally unsuitable in a rising market or when the outlook of future supplies is dark and uncertain and even when the present supplies are inadequate to satisfy the normal demand.

If the buyer follows this policy under such conditions, he will have to enter the market frequently and each time fresh purchases will have to be made at higher prices and costs. Of course, limited financial resources may prevent him from buying in bulk.

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- **Concentrated buying policy**

The number of sources on which a manufacturer may depend for the supplies may be very few or limited. It is called concentrated buying policy. Such policy offers the following benefits:

1. Patronage given to a limited number of suppliers will enable the buyer to secure the status of a privileged customer even in a rising market and to get better services, special treatment, prompt delivery, reasonable prices etc.

2. Reduction in the cost of contractual function i.e. efforts in searching sources of suppliers and maintaining contacts with them is possible.

3. Large orders on a few suppliers yields the benefit of lower prices and quantity discounts.

4. Bulk purchases reduce cost of handling and transport per unit of purchases.

- **Diversified Buying policy**

Under this policy, instead of depending on one source of supply, purchases are made from a large number of sources. This policy is also known as **scattered buying policy**. This policy offers the following benefits:

1. Buying plan is flexible.

2. Possible to extract better terms of sales and lower prices when there is healthy competition among many suppliers.

3. Diversification helps reduction of risk arising out of extreme concentration. All sources cannot fail simultaneously to supply materials to the firm.

4. Diversification makes selection easy and gives a wider choice to the buyer. Extreme scattering may create a few disadvantages e.g., sacrifice of quantity discounts, incidence of higher transport and handling costs, absence of special privileges and lack of better services, etc.

Factors considered in formulating purchasing and supply policies

Remember every policy is considered to be unique and therefore it should be handled independently.

1. **Make or buy policy**

a) Make policy

A company can decide to make products or produce a service in-house considering the following factors:

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i. Cost aspect or cost considerations- It is less expensive to make in-house
ii. Quality aspect or consideration- i.e. the need to control quality
iii. Availability of suppliers-i.e. when suppliers are unreliable one can consider to make in-house
iv. Utilization of plant capacity-i.e. the productive use of excess plant capacity to help absorb fixed overhead. It also helps in the use of existing idle capacity.
v. Time aspect or consideration-i.e. lead time reduction or control of lead time
vi. Maintenance of the company's secrecy
vii. Management of resources-i.e. ability to manage resources in-house
viii. Competent of suppliers-i.e. Lack of competent suppliers can lead to making in-house

b) Buy policy

A company can decide to make products or provide service in-house considering the following factors:

i. Risk aspect or consideration- i.e. spread of risk between the purchaser and the vendor e.g. financial risk
ii. Capacity of the vendor- i.e. the availability of the vendor's specialists, expertise and machinery
iii. Quantity aspect or consideration-i.e. if the quantities required is too small for the economic production
iv. Technology aspect or consideration- i.e. when technology are changing rapidly it becomes difficult for the company to keep pace with needed production
v. Buyer specialists- i.e. lack of specialists or expertise of the buyer
vi. Inadequate capacity-i.e. the limited production capacities

2. Subcontracting policy

i. Capacity to implement the project i.e. the availability of capital which includes finance, manpower, and machineries.
ii. Availability of time because subcontracting goes hand in hand with time to complete the project.
iii. Quality aspect or consideration-i.e. the quality needed can only be achieved if it is subcontracted.
iv. The cost aspect or consideration i.e. it is cheaper to subcontract than doing it yourself.

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3. **Partnership policies or collaborative policies**

i. Risk of supply i.e. the company can decide to partner with the supplier if the supplier is the only one who can supply all his requirements
ii. For the purposes of supplier development so as to gain competitive advantage
iii. For the purposes of achieving quality from the supplier who is quality conscious
iv. Inventory reduction i.e. the cost of warehousing
v. For the purpose of joint problem solving
vi. For the purpose of rationalizing supply base
vii. In order to enter just in time arrangements with the supplier

4. ***Outsourcing Policy***

i. Time factor or consideration- i.e. to allow the management and the staff to concentrate to core functions or competencies.
ii. Capital aspects or considerations- i.e. where the company requires adequate capital to bring in expensive machine thus it can outsource from the service provider.
iii. Risk aspect or consideration- Risk in working environment get reduced drastically
iv. Employee motivation- It motivates the employees to concentrate on the core business since the attention is not diverted to other functions
v. Cost aspect or consideration- i.e. if the cost of outsourcing is not high then the company can decide to outsource
vi. Consistence of services- i.e. if the service provider shows total commitment in terms of service delivery to the company

Other types of policies include;

- ✓ Reciprocity policy
- ✓ Supplier base policy
- ✓ Local supplier policy
- ✓ International purchasing policy
- ✓ Small or large supplier's policy
- ✓ Consortium or Group buying policy
- ✓ Supplier development policy

Process followed in formulating purchasing and supply policies

i. Drafting purchasing and supply policy. This is initiated by the purchasing department.
ii. The draft policy has to go for approval at various levels, for instance the top level management (Board).
iii. Once approved it is then circulated to the relevant institution under ISO then it becomes documentation of quality assurance.

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iv. The document is then cascaded down to the department as a department document for use.
v. Implementation of the document i.e. putting into action.

Challenges in implementing purchasing and supply policies

- ✓ **Inadequate human resources-** i.e. the personnel or manpower at disposal are not enough and they lack competence to implement the policy
- ✓ **Inadequate finance-** i.e. the company in question may lack liquidity or finance to implement the policy into the letter.
- ✓ **Organizational culture-** this are the customs, believes and values that an organization subscribes to. In this way the organization's culture may become impediment to some organizations.
- ✓ **Technological issues-** Technology is considered to be paramount when it comes to implementation of an organization's policy since it will be used as a reference point at any time.
- ✓ **Top management support-** In this case, if the top management does not offer total commitment and support to the department in charge of policy implementation, then it is likely to fail hence the top management support is fundamental for the implementation of the policy.

Purchasing and Supply Manual

It refers to a guidebook or a document that shows how the organization acquires her goods and services of all kinds.

Purchasing and supply manual is considered to be a reference guide for the purchasing personnel.

Its purpose is to educate both employees and vendors on how to buy and sell to the organization.

It provides essential information and brief step by step procedures for purchasing of goods and services.

The document is intended to guide the purchasing officials directly involved in purchasing activities.

It also helps in understanding the purchasing processes to achieve uniformity in procurement process followed.

Advantages of preparing purchasing supply and manual

- ✓ It acts as a reference
- ✓ It helps the purchasing personnel to understand purchasing processes
- ✓ It is a guide on how to implement the policy

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- ✓ It provides essential information and brief step by step procedure for purchasing of goods, works and services to the purchasing function
- ✓ It helps to achieve uniformity in purchasing process

Disadvantages of purchasing and supply manual

- ✓ The manual is not binding for instance I acted like this based on the manual is against the policy
- ✓ It is costly i.e. the cost of production of the manual to give several employees
- ✓ Time consuming in preparation
- ✓ It must be continuously updated i.e. reviewed now and again compared to a policy which is reviewed at a specific period

N/B a policy is considered to be superior than manual.

The contents of purchasing and supply manual

- ✓ Table of contents
- ✓ Definition of terms
- ✓ Scope i.e. the coverage
- ✓ Introduction
- ✓ Purpose of the manual
- ✓ Introduction
- ✓ Objectives
- ✓ Appendices
- ✓ References etc.

Challenges/Drawbacks/Pitfalls influencing supply manual

- ✓ Resistance or rejection from employees
- ✓ Inadequate human resources
- ✓ Financial challenge
- ✓ Organizational culture
- ✓ Technological challenges i.e. inadequate personnel others lack computer literacy.
- ✓ Lack of support from the top management

Process of preparing the purchasing and supply manual

The manual explains how the policy should be implemented. It does not go through the same as the policy.

i. A taskforce or committee is setup to go through the framework or policy and understand it well

ii. The taskforce or committee should ensure that the manual is in line with the policy, regulation and Act.
iii. Submission to the top management for approval
iv. After approval the manual is circulated to the department
v. Implementation of the document i.e. putting into action.

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