



**THE KISM “SUPPLY CHAIN MANAGEMENT CONFERENCE” HELD AT THE KIVI MILIMANI HOTEL ON 26<sup>TH</sup> JUNE 2009, 8.30am to 5.00pm**

Kenya Institute of Supplies Management organised the above conference on ‘Supply Chain Management’ with support from the German Technical Corporation (GTZ) office in Nairobi that is responsible for capacity development in public procurement. 160 members participated in this conference.

The conference was one of the membership activities scheduled in KISM’s year 2009 program. It was the first of its kind and it is the intention of KISM to hold similar annual forums where members will have a daylong opportunity to listen to presentations, network and hold discussions on key issues affecting the procurement and supply chain profession. The purpose of this conference was to draw members attention to the state of the profession by provide an opportunity to share experiences with fellow practitioners on the exiting challenges facing and tested interventions across various sectors.

**Invited Guests and Speakers**

<b><u>Subject</u></b>	<b><u>Presenter</u></b>
• Opening remarks & Chairman’s speech	- Mr. Dickson Mwenze (KISM - Council)
• Professionalization of procurement functions and the role of the Supplies Practitioners Management Act (SPMA)	- Mr. Jeremiah Ogola (KISM - Council)
• Professionalization of procurement cadres in the public sector	- Ms. Celestine Otunga (Director – PPD)
• Lessons from Kenya’s procurement reforms (public sector)	- Mr. Amoth Rasanga (Manager – Public)
• Challenges in procurement & supply chain management	- Mr. Mwaniki Gachuba (Procurement Manager – National Oil Corporation of Kenya)
• Best practices in procurement & supply Chain management	- Capt. Joseph Omollo (Director – World Vision International)
• Lessons from developed countries in Professionalizing procurement & supply chain mgt functions	- Mr. Mathias Muehle (GTZ)
• Alternative professional certifications	- Mr. Hong Siew Lim (ITC)
• Master of Ceremony	- Mr. Hedwig Nyalwal (KISM – Secretariat)

All presentations are highlighted in the following pages.

## **Professionalization of procurement functions and the role of the SPMA**

It was noted that regulations to support implementation of the SPMA had been drafted with assistance from consultants. In carrying out this activity there was wide consultation among KISM's members and stakeholders through direct interviews and workshops, which were held in Eldoret, Embu, Kisumu, Nairobi and Mombasa. The lay draft of the regulations were finalised in April 2009 and forwarded to the Permanent Secretary of the Treasury for further consideration and gazettment. The Act establishes and provides the legislative frameworks for the institute, registration committee, examinations board, and disciplinary committee. The Act will be complemented by the proposed regulations, which define and direct the operational tools and details for implementation of all functions under the Act

It was also brought to the attention of the participants that KISM's definition of a procurement officer tallies with the definition of a procurement officer as indicated in the Public Procurement and Disposal Act 2005 under section 26 (8).

## **Public procurement reforms**

State corporations operating on commercial principles are experiencing difficulty with the strict procurement rules that do not allow them to procure urgently. This places them at a disadvantage by making them commercially less competitive vis a vis private companies in their sectors. This concern can however be addressed by rules in the PPDA & Regulations that allow for direct procurement under emergency situations.

Procurement rules create room for extending preferences to local Small and Micro Enterprise, though cases of application of such preferences have not been documented. An issue complicating extension of such preferences is in the definition of SME's, and the Government can assist by coming up with a clear definition. Currently various ministries have their own definitions of SME's. This situation notwithstanding, procurement officers are encouraged to use these provisions to benefit SME's.

On the issue of undercutting procurement officers were encouraged to carry out due diligence to familiarise themselves with prices and research on past performance of the suppliers. Members commented that the price guideline issued by PPOA appeared based on counter prices and was there not an adequate guide for procurement officers.

## **Challenges and best practices in Supply Chain Management**

Reducing carbon footprint: Procurement professionals should take the lead in dealing with carbon footprint. Some countries will not allow import with carbon emissions above acceptable levels. As a practitioner, one should ensure that products procured are not harmful to the environment. Other SCM institutions around the globe have included in their codes of ethics declarations requiring procurement practitioners to advise against purchases of products emitting carbon monoxide at levels that are considered as unsafe. KISM was urged to follow suite by advocating for the same.

Supply chain visibility is still a challenge in Kenya particularly in the public sectors. It was observed that this situation could be attributed to the slow pace of organisation to embrace technology. It was however noted that some of the modern techniques for increasing supply chain visibility are available in Kenya today, including bar coding.

Supplier development should be a principle to follow especially for the purpose of sustainability. Usually the situation that obtains along supply chains this the desire among suppliers to sell at the highest price and buyers to buy at the lowest price. For practitioners the key considerations should be to obtain value for money at the most advantageous price.

### **International Purchasing and Supply Chain Management Certification (International Trade Centre)**

The ITC, which is a division of the United Nations, design this program as a tool for imparting skills and knowledge in the areas of purchasing and supply chain management particularly in developing countries. A key objective of this program was to support growth and development in less developed and developing countries. The program currently runs in 55 countries and is headquartered in Geneva, Switzerland.

Exemptions: The certification program does not allow exemptions and those undertaking the program for purposes of certification are required to undertake all the 15 modules and a project paper.

Unique features of the program: It is a modular learning system, supported by cases and research carried out or generated on a continuous basis. The program takes a practical approach hence requiring persons who wish to undertake it, to have some basic experience or sound knowledge in the practice of procurement and supply chain management. Those training or delivering the program are also required to undergo training on ITC delivery methods.

Career progression: This is not an academic program but a professional program. Some ITC modules have however been incorporated into Masters programs in Universities in Switzerland. Persons who successfully complete the ITC program can therefore pursue executive MBA's offered by these universities.

KISM's perspective on the ITC program: Through the SPMA, the institute is given mandate to examine programs and make recommendations on whether these programs are of acceptable standards for the profession. The ITC program is a valuable addition to other programs running in the country particularly due its unique features that may not be found in other programs.

#### **Comments from the floor:**

#### **1. Peter Mwanyala – Postal Corporation of Kenya**

“Through KISM’s training programmes including training on the Act, I have gained confidence in my work and I’m able to make decisions without fear and intimidation. I thank KISM for this”.

**2. John Odongo – United States International University (USIU)**

“I thank KISM for conducting this forum and request for more of such meetings. This forum has given me opportunity to share and learn much. I also call for KISM to provide certificates in such future forums”

**3. Cyrus Maina – DPO Kwale**

“I thank KISM for organising this forum. I wanted to learn much about the ITC programme. The only thing KISM is not doing is making professional courses accessible countrywide. KISM should approach other institutions as it has done with Railway Training Institute in order to reach those in the rural areas”.

**CLOSING REMARKS**

Mrs. Florence Oile, a Council member thanked members for attending the conference and GTZ for sponsoring the event. The conference ended at 5.30pm and thereafter members were invited to have tea as they networked.