To Whom It May Concern

REVIEW OF THE TARA NAWA INTEGRATED PROCUREMENT SYSTEM

I have been requested by Mr. Elmo Erasmus, Managing Member of Tara Nawa Computer Software Solutions CC to assess and compare the RFQ/Tender functionality contained in Tara Nawa’s web based procurement solution, with that of other traditional procurement solutions. Below is my objective evaluation of the Tara Nawa system.

Change in Procurement Management Philosophy

Tara Nawa’s solution offers a radical change in the procurement management philosophy as follows.

1. In the case of soliciting RFQ’s/Tenders from suppliers, the system does not obtain those from a list of approved or pre-qualified suppliers. Instead the system uses a total open market philosophy so that unlimited suppliers may participate in RFQ/Tender submission. Responses can be evaluated in terms of technical and commercial capability. Rich data filtering features and alerts are available to prevent and/or highlight business award to potentially undesired suppliers.

2. Where medium to long term contracts are awarded (for example stock items kept in a warehouse), the solution uses its “Continuous Offer Compiler” and “Continuous Opportunity Reviewer” functionality. In brief, contract items remain open for any supplier to re-submit prices for items of choice (Continuous Offer Compiler). The buyer gets alerted when current contract price are no longer competitive (Continuous Opportunity Reviewer). Compared with traditional electronic procurement systems, this obviates the need for cumbersome contract management procedures and unwieldy long term partnering agreements between buyer and seller.

   The Tara Nawa solution therefore requires a fundamental review of traditional procurement management concepts emphasizing a holistic approach to the procurement function when being implemented and a paradigm shift regarding the conventional approaches to managing supply market relationships.

Impact on operational procurement functions

The Tara Nawa solution impacts on typical procurement functions in a manner that is unique and typically not integrated in traditional electronic procurement systems.

1. In traditional procurement systems, buyers spend more than 90% of their time with mundane clerical tasks using telephones, emails and faxes. With Tara Nawa’s solution all of these tasks are automated, allowing the buyer significant extra time to fulfill the role of a
professional procurement official (compared with that of an order clerk). The system does not allow for any paper based transactions.

2. The system contains a set of powerful on line supply chain reports, enabling management to promptly take action in the case of lurking opportunities or exposures, both on the buyer side and supplier side. With traditional electronic procurement systems, such opportunities/exposures are normally only highlighted, often when it is too late, during periodic internal audits. The Tara Nawa solution therefore virtually eliminates the time consuming and expensive procurement research task which is a prerequisite for implementing traditional electronic procurement systems.

3. *Continuous* performance evaluation of both the supply market and the internal buyers is another completely unique feature of the Tara Nawa approach. Scheduled and intermittent evaluation procedures are the traditional methodology imbedded in most existing electronic procurement software solutions. *Tara Nawa therefore conceptually rewrites traditional purchasing procedures.*

**Implementation, Training and User Interface**

1. Traditional electronic procurement systems (there are many of such systems available on the Internet) use a complex programmed platform for both the supplier and buyer. They usually require a long implementation process of 6 to 12 months or even longer, as well as intensive training for buyers and suppliers.

2. Tara Nawa’s solution mainly makes use of MS Excel spread sheets. The powerful pivot table functionality with filtering/sorting now built into MS Excel (this was not available in older versions of MS Excel), enable users to achieve their requirements without the need for complex programming. Implementation takes from 1 to 5 days. Because of the well-known MS Excel environment, users are trained in less than an hour.

3. Tara Nawa therefore eliminates the expensive review, re-engineering and integration of electronic procurement systems between buyer and seller that is a typical requirement of most procurement software packages available in the market.

*Tara Nawa is therefore, to the best of my knowledge, the most open and accessible to the supply market and least expensive to implement of the currently available electronic procurement software solutions.*

**Conclusion**

Tara Nawa has a unique electronic procurement solution with unique features that I have never encountered in any other procurement solutions before. *These features, and the new procurement management philosophy which is fundamental to the system, will change the way in which procurement is done in the future.*

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Curriculum Vitae

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Willem Hugo is professor emeritus of the University of South Africa. He is the former Executive Director of the UNISA Graduate School of Business Leadership and a career enthusiast and teacher in the fields of Procurement, Logistics Management and Supply Chain Management. He was head of the Department of Business Management and Dean of the Faculty of Economic and Management Sciences at UNISA. He is the author of many articles and co-author and editor of 19 textbooks including the first textbook on Supply Chain Management published in 2004 in South Africa. His latest book is the 6th Edition of Purchasing and Supply Management published in 2011.

Prior to embarking on an academic career Willem Hugo worked for 14 years in the field of supply management in industry including more than a decade at the South African Atomic Energy Board. Since retirement from academia he continued with consultancy projects in South Africa and abroad. He was appointed visiting professor at the Graduate School of Business of the University of Pretoria on their MBA programme during 2002 and 2003. He was from 2003 for the five years a consultant and lecturer for the International Trade Centre (UNCTAD/WTO) a United Nations division which is based in Switzerland, and he travelled on teaching and consultancy missions for this organization to Singapore, India and Tanzania. He was also on the ITC Academic Advisory Board. Since 2008 to date Willem Hugo is a director and CEO of the Ear Institute Namibia (Pty) a Namibian based company involved in importing and marketing of audiology equipment, hearing protection devices and hearing aids.