

## Procurement (Purchasing) Planning in the Banking Industry

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### Abstract

Planning is essential to the success of any purchase. Successful purchase planning is dependent on many factors and it is the responsibility of the purchase team to consider these factors when planning a purchase. This chapter describes the planning team from the broadest perspective, including the role of the purchase team in this process, and how market research and sources of information aid the team in planning purchases. The financial sector in Ghana has undergone a comprehensive restructuring in the last decade during which a number of firms and organizations belonging to different segments of the sector were established. The sector comprised bank, which form a core segment, insurance companies, pension funds, discounts housing, leasing companies, the Ghana Stock Exchange and its licensed dealing members. A number of non-banking financial institutions have emerged which add depth and diversity to financial services. The purchases teams' involvement in supplier selection and the use of performance evaluation factors also are emphasized. Purchasing planning is a series of activities that are tackled in logical sequence in way that lands to the setting of purchasing objectives and the devising of programs to meet them. Thus, the purchasing plan becomes a framework for identifying where and why resources are going to be allocated, when they are to come into play and how they are integrated in order to make maximum impact. The output of this process is the strategic purchasing plan. Jain stated that, planning is a process directed towards making today's decision with tomorrow in mind and a means of preparing for future decision so that they may be made rapidly, economically and with as little disruption to the business as possible. As purchasing plan is seen as a written document of the planning process and a set of actions or activity to carry-out within a set period, the planning as an ongoing process which is never stopped as far as the bank remains in operation.

**Keyword:** Procurement, Planning, Implementation, Banking Procurement

### I. INTRODUCTION

The financial sector in Ghana has undergone a comprehensive restructuring in the last decade during which a number of firms and organizations belonging to different segments of the sector were established. The sector comprised bank, which form a core segment, insurance companies, pension funds, discounts housing, leasing companies, the Ghana Stock Exchange and its licensed dealing members. A number of non-banking financial institutions have emerged which add depth and diversity to financial services. The bank sector consists of fifteen banks which include: seven commercial banks, four merchant banks, three development banks, and one co-operative bank. In addition is the establishment of 125 Rural and Community Banks.

- Hanson States
- The exchanges of money
- The lending of money

The borrowing of money and the transmitting of money are the four principal branches of business of modern banking. In other words, normally operate in policy such as:

- The acceptance of money from the public either deposit account or current account.
- Payment of such monies in demand by cheques or otherwise.
- Collection of customers cheques
- Financing commerce, industry and agriculture through short, medium and long term loans and advances.
- Lending of money
- Provisions of save custody for customer valuables
- Any other services authorized by the bank regulations. For instances, customers credit or hire purchases or same of the functions bank in the country perform in helping to accelerate the economic activities in the country.

The operations of the banks are largely influenced by the policies of government under part III of the banking law 1989, the bank of Ghana is given wide powers of control over the banks in the country. Section 18 of the law states "Except as provided in this law the bank of Ghana shall have overall supervisory authority in all matters relating to the business of banking in Ghana" and 25 (2) states that "every bank shall comply with any policy laid down on conditions imposed by the banks of Ghana. With these powers, the central government is able to change its policies, which invariably affects the operations of the banks. Some of these shifts could affect the procurement of the other goods and service but the powers conferred on the bank of Ghana over the commercial banks put the latter in a special position as far as national economic policies are concerned. It is therefore paramount for planners to meet the necessary requirement of the central bank.

## **II. LITERATURE REVIEW**

Planning is essential to the success of any purchase. Successful purchase planning is dependent on many factors and it is the responsibility of the purchase team to consider these factors when planning a purchase. This chapter describes the planning team from the broadest perspective, including the role of the purchase team in this process, and how market research and sources of information aid the team in planning purchases. The purchases teams' involvement in supplier selection and the use of performance evaluation factors also are emphasized. Purchasing planning is a series of activities that are tackled in logical sequence in way that lands to the setting of purchasing objectives and the devising of programs to meet them.

Thus, the purchasing plan becomes a framework for identifying where and why resources are going to be allocated, when they are to come into play and how they are integrated in order to make maximum impact. The output of this process is the strategic purchasing plan. Jain stated that, planning is a process directed towards making today's decision with tomorrow in mind and a means of preparing for future decision so that they may be made rapidly, economically and with as little disruption to the business as possible. As purchasing plan is seen as a written document of the planning process and a set of actions or activity to carry-out within a set period, the planning as an ongoing process which is never stopped as far as the bank remains in operation.

In sum, planning is deciding on what to do, doing it and deciding on what to do is not always easy especially in the banking industry where planning accompanied by heavy risks.

Therefore, the management has formulate a strategic marketing planning to achieve the banks mission. Strategic planning is the selection of corporate strategies for its long-run survival and growth. Thus, a strategy is the means used to achieve the ends and objectives.

Gluek and Jauch viewed strategic planning as a unified comprehensive and integrated plan that relates the strategic advantage of the firm to the challenges of the environment and it is designed to ensure that the basic objects of the organization are achieved through proper execution by the organization. From the view of the various authors stated and unstated in this book, organization on banks especially should not see planning as mere activity by the organization but be seen as a tactical weapon in achieving it long-run goal or mission. Seeing planning as tactical weapon, management should Endeavour to find panacea to purchasing planning in the organization.

Two popular saying explains the importance of planning "if you don't know where you are going you will never get there "and" if you know where you are going to not mind your critic's. The first implies that if there are no plans there can be no direction and therefore destination, the second indicates that once you have planned and you keep monitoring to ensure corrective taken at each stage you can be sure to achieve you desire results. The planning seeks to answer four major questions such as

1. Where are we now?
2. Where do we want to go?
3. How are we going to
4. How can we ensure arrival?

The important of the right answer to the bank cannot be over emphasized. In identifying the purpose of planning Jackson (2001) comments the following planning should be attempts to control the factors which affect the outcome of decisions, actions are guided so that success is more likely to achieve. To plan is to decide what to do before doing it. A bank's purchasing plan provides an essential contribution to the sequential development of the bank's business by:

- Providing an unambiguous statement of objectives acceptance to every department of the unit which equally committed to the plan.
- Enabling the managers to have a fine knowledge of all assumptions and conditions that must met before the plan can be achieved.
- Providing a measure against which progress is evaluated.
- Provide alternative strategies to combat any shortfalls.

Identification of strengths, weakness, opportunities and threats that confront the bank. To achieve good performance in the banking industry, the organization must have in place and coordination the activities of the bank.

### ***A. The Bank And Its Environment***

The environment influences of a bank are those factors which are likely to have an impact on the bank which therefore need further analysis. In analyzing the environment, john and school (2002) argue for a stepwise approach, this involves an initial audit of general environment influence followed by series of increasingly rightly focus stages that are designed to provide the strategist with an understanding of key opportunities and threats and also the strength and weakness as a prelude to identifying the organization strategist position. These environment analyses van be categories into two:

- Macro environment which is uncontrollable to the bank.

- Micro environment also known as the controllable factor of the bank

### ***B. The Macro Environment Of The Bank***

In analyzing the environment, Johnson and schools (2001) stated the following, political/legal: Government increasingly affects how business operates. They legislate on a wide aspect of matters of concern to business including wages, pricing, safety and health at work to the bank, how much and to whom credit can be made available. In Ghana the bank of Ghana has statutory regulatory right over other banks. The government now appears to have deregulated the market and given banks the option to fix their own interest rates. Any variation in the bank rate is expected to be taken into account by the banks. Where the bank appears to overlook such movement especially those favourable to the government, the media will step in to mount the pressure to mind the bank to reciprocate the government gesture.

### ***C. Economic***

Economic include the level of inflation and its rate change, the employment level and their variation, income levels, interest rates and currency exchange rates. The importance of a factor like interest is the fact that it represents the price by the bank on saving and that on loans advances granted. Changes in interest rate affect these two services on the ability to raise funds another the ability invest the funds so raised. Other economic indicators of interest to the banks include the rate of growth in real income. The higher this rate the higher will be demand for services provide by the banks and vice versa. In general bank purchasers will have to monitor the trends in income level and their distribution to be plan for needs of the market. The bank should therefore plan the economic factors so as to develop a strategy to solve economic problems.

### ***D. Technology***

The single most important technological in banking has been the increasing versatility of the computer and its various off springs. The demand for a service passes through a life cycle. As services is introduced, it experiences a sales growth, matures and the finally declines. Technology can influence a service which might have at the matured stage to experience a further growth. An example could be the introduction of the automated teller machine in Ghanaian banking service which is likely to lead to an increase in demand for deposit services as the problem of spending long hours in banks to withdraw cash will have been eliminated. Bank need however to understand the changing technological environment and how new technologies can serve needs and must be alert to their regular impacts of any innovation that might harm the users and thus bring about destruct and opposition.

### ***E. Socio Cultural***

The society that one grows up in affects ones beliefs, values and general perception. To a person who has grown up in typical rural area with no banking facilities, the maintenance of a banking account is considered a luxury or elite. Such a person even when he or she comes to live within a predominantly banking community may never dream of walking up into a bank to open an account. Secondly, the bank should therefore acknowledge the fact that the bank is operating in a society and the society expects in to carry out social responsibilities so as to again public image which is one of the justifications for a bank's existence in a society. These cultural and social factors have considerable effect on marketing opportunities and threats which the purchaser must take into consideration in formulating strategies.

### ***F. Competition***

No organization operates in a vacuum, nor can any organization claim absolute independence from operations of other players in the market. There is the need to correctly identify competitors in order to plan purchasing strategies to outmaneuver. Knowing the competitors correctly, assessing their strengths and weaknesses and understanding their individual strategies in the market are essential for each bank. Banks operate in the financial services sector of the economy. The stock exchange, the formal and informal "susu" companies, the insurance organizations and other money market operators all influence the activities of the banks. A recent development is the market for hire purchases, leasing venture capital and many other operators who provide service that compete with the traditional banks. In essence, in defending its competitor, the banks should not look at its immediate environment of other banks but consider the wider industry of financial service operators whose activities affect its own.

### ***G. Demographic Environment***

Demographic changes are of interest to the purchaser to the extent that represent the relative changes in the needs and wants of the population. All things being equal, the higher the rate of population growth the higher the increase in demand for banking services. Occupational distribution of population also determines the needs of the population. Also, the higher the growth in white collar jobs, the needs of banking of banking services. Age distributions of population also have an effect on the demand of banking services. Adults who from the working

population demand banking services more the young ones. In locating a distribution as well as the size of the population and it's, relative growth must be considered. Though these macro environments of a bank are uncontrollable to some extent, the bank should therefore develop a strategic plan to influence them.

#### **H. Banking in Ghana**

An attempt trace the in historical development of banking Ghana cannot be done in isolation from the rest of the world. As a result, a form of global to British background would be given into being as a replacement for barter goods and services exchange. Gold remained the principle from of money for many centuries. Through gold was superior to barter for purposes of exchange it also has it has its disadvantages like difficulties in use for small purchase and security problem in storage. Gold coins first speared in china in the ninth century but the recorded bank was fur hundred years later in the Italian city of Venice. In 1896, the British bank of West Africa opened a branch in Accra having earlier been establishing in Liverpool in 1894 by Elder Dempster Lines to services their branches in West Africa. Bank of Gold Coast was established in 1953 which was the fore runner of the Ghana commercial bank. This was after a proposal for the establishment of a National Central Bank was rejected in 1947. However, before independence, approaches were made and a declaration was made by the colonial government on 5<sup>th</sup> April, 1955 that the country would issue its own currency. Preparation was made witch ended up it the establishment of the Bank of Ghana on 5<sup>th</sup> March, 1957. The following institution, some of which were in existence before independence and these established thereafter, constitute the present day Ghanaian banking companies.

##### **a. Central Bank:**

This was established in March 1957.

##### **b. Commercial or Deposit Bank:**

- i. Standard chartered bank limited was established as British bank of West Africa in 1896.
- ii. Barclays Bank Ghana limited was established in 1917.
- iii. Ghana Commercial Bank was established as the Bank of Gold Coast in 1953.
- iv. Social Security Bank limited was establishing as Security Guarantee Trust limited in 1975.
- v. Ghana Co-operative Bank limited first started at Kpere in the Volta Region in 1930
- vi. Bank of Credit and Commerce Ghana limited now currently knows as the Trust was established in 1978.
- vii. Meridian BIAO.
- viii. Eco bank.

##### **c. Development Bank**

- i. The National Investment Bank was established by Act 163 in 1963.
- ii. The Agricultural Development Bank was established by act 286 in 1965.
- iii. The bank of housing and construction was established by Decree NRCD 135 in 1973 and liquidated in 1990.

##### **d. Merchant Bank**

- i. Merchant Bank Ghana limited was established in 1972.
- ii. Continental Acceptance limited was established in 1990

##### **e. Saving Banks:**

National Saving and Credit Bank stated as the post office saving bank I 1888 but the names changes in 1972 to reflect its present functions, which are more or less Commercial Bank. It has amalgamated with the Social Bank limited in May, 1994.

##### **f. The Rural Bank**

There are about one hundred and twenty (120) rural banks in Ghana as at 1996 with the first one being established at Agona Nyakrom in the Central region 1976.

##### **g. Other Institution**

The consolidated discount house limited, although not essentially a bank in the sense of the word, was also established in 1987 as a nucleus of new money or discount market.

Development of purchasing and marketing concept and mix in the bank

#### **I. The Purchasing Concept**

The purchasing concept is based on the assertion that the organization will achieve its objectives by determining the needs and wants of the consumers and providing the desired satisfaction more effectively and efficiently than competitors. In effect the concept places the customer in the center of the decision making process and evolves the means to satisfy the customer in the best possible way whilst at the same time achieving organization goals, the modern banking system in Ghana have actually paid attention to customer needs and are doing well to satisfy them.

At first customers have to wait hours before they could encase a cheque or make a deposit. To break this trend the bank has introduced below technology to ensure faster services and minimum time waiting for each transaction.

Secondly, many customers have been tied up to break hours they consider inconvenient as the hours of business clash with their own. To resolve this some banks have adopted longer hours of work. Standard chartered bank for example opens up to 3:00pm and others such as Rural Banks (Ahantaman Rural Bank) open on Saturday from 10:00am to 4:00pm

**a. *Purchasing Is Maintaining A Friendly Atmosphere***

In recent time, bankers have realized the brisk competition in the banking industry and that are trying to develop strategies to maintain their existing suppliers and customers. They keep smiling faces, call customers by names and are polite to customers.

**b. *Purchasing Is Innovative***

Having gained competitive advantage which a friendly atmosphere provides, banks have exploited other ways of differentiating themselves from the others. The stand chart brought in the service card” Ghana commercial bank brought the cedis travelers cheque and currently the “Ready cash Card” Barclays Bank introduced a Barclay’s certificate of deposit (ABCD) and currently the ATM and SSB Ltd the Sika Card.

**c. *Advertising***

This is any paid form of non-personal communication about an organization service by identified sponsor. Banks have realized the contributions advertising contributes to their services and spend huge amount on advertising. Through advertising the Barclays bank have created the assumption to consumers mind that we are in a big world and that needs a big bank to transact with research indicate that this assumption impinge in mind of consumers have really boost this service. The Ghana commercial bank also advertises their money transfer services and their newly introduced “ready cash card”. The S. S. B. Ltd also advertises their SIK CARD and the money transfer services they render. Any advertising campaign should create the AIDA MODELS and are able to create strategic advertising to persuade the general public through various media.

**d. *Sales Promotion***

Banks in order to gain competitive edge try to embark on sales promotion. This is a special promotional scheme usually of limited duration which complements personal and mass selling and help to enhance consumer purchase. Sales promotional schemes have three distinct characteristics. These are communication, incentives and invitation. The sales promotional predominant in the Ghanaian banking services includes coupons, premiums, contest raffles etc. In 2000 the Agriculture Development Bank conducted raffles as sales promotion to reward farmer customers and to invite non-customers to engage in the transaction.

**e. *Publicity And Public Relation***

Whist publicity is defined as non-personal stimulation of demand for a service, public relation is defined as an organizations communication and relationships with its various publics. It is an efficient indirect communication channel for promoting services in the bank. Research indicates that bank spend large amount of money on sponsorship than advertising and sales promotion. In recent time the Agriculture development sponsors the “Agro” programmes being viewed on the national television screen each Saturday

**f. *Promotional Mix***

In the production era in the history of purchasing, the prevailing attitude was a good product or service will sell itself. However in evolution of the purchasing era, service had to be marketed by communicating the service and provide incentives to gain patronage.

In recent banking industry purchased their product through advertising embarking on sales promotions and publicity.

**J. *Marketing mix***

Marketing concept as mentioned earlier is a philosophy of business thinking which insists that the most important stakeholders having an effect of the organization are its customers. Therefore to achieve success the firm must be marketing oriented and aim at reasonably profitable sales volume. The marketing mix is the blending of various

marketing variable to achieve marketing concept. The choice of the combination of the marketing mix variables depends principally on time and the organizations overall strategy. The marketing mix we said to be the micro environment of the business. As said in the previous chapter, it is seen as the micro environment of the business because with time the organization can control them. The element of time is a vital factor in assessing the particular mix to be offered to a selected target market. Any market situation may change rapidly or otherwise.

Although thousands of variables are involved in the banks micro environments, marketing decision making can be divided into seven Ps: product, price, place, promotion, personnel, procedure, and physical evidence. But this work will only talk about the first five.

### **K. Product/Services**

The social and economic justification from the existence of a business is its ability to serve and satisfy its customers through the media of its service/product. A bank is in business to provide the financial needs to a customer, customers buy services to satisfy needs. A customer opening a savings account is not buying a pass book or card, he is buying a saving deposit that earns interest, also is the current account customer not buying cheque book but a means to battle his bills in a convenient manner.

Services of banks should be branded to differentiate them from their competitors. Brand names of services in banks include the Meridian Gold Account, standard chart service cards, Barclays ABCD (A Barclays Certificate Deposit) and Barclays ATM card, S.S.B Ltd, "Sika" card and money transfer etc.

#### **1. Pricing.**

Of the five elements of the banks micro environment, pricing is the one which produces revenue, while the others involve cost. This shows the importance of pricing in the service industry, in banking prices are interest paid on deposits or interest charged on loans and overdraft, commission on turnover (COT), levied on current account, charges on items left for safe custody and indeed many commissions and earnings levied on the patronage of bank services.

Banks in the past have been limited in their pricing by legislation, and until October 1987 the government through the bank of Ghana controlled tariffs and interest rates. Banks continue to revise their interest rates and then the central bank varies the rediscount rate. The laws do not enforce banks to charge the same prices (price collusion) but it is known that whenever the bank of Ghana announces a change in the rediscount rate, the primary banks do adjust interest rate accordingly and independently.

#### **2. Promotion.**

Promotion in marketing means marketing communication and this involves staff, customers, potential customers, shareholders and the bank public. The bank uses a promotional mix of advertising, sales promotion, publicity and also personal selling to achieve the communication strategy.

#### **3. Place/ location/distribution**

This is where services are made available to existing and potential customers having developed a strategy it's necessary to bring the services to the doorstep or make it available to the target audience. In distribution of branches certain decisions come to interplay. In selecting the general area, factors considered include population, commercial and industrial structures as well as the banking structure. Rural banks which are established to serve the rural dwellers are located in the rural areas to serve customer needs.

#### **4. Persona/Internal Public**

Many things happening in the banks appear to originate from the top management down to their general staff. The implementation of such policies are to a large extent dependent on the general staff. In most banks activities of the local unions and the senior association's staff are of significant importance in achieving the objectives of the bank. These internal interest groups, pressure groups or the general staff needs to be taken care of any marketing strategy as the success of the banks depends on them.

### **L. Market Surveillance**

Market surveillance is a continuous process. It includes activities designed to keep purchasing professionals abreast of current technology, product development, and innovative services in those areas in which buying is anticipated.

Purchasing personnel rely on market surveillance to provide a general sense of the products and services available in the market and their characteristics and capabilities.

Market surveillance can provide the purchasing service with:

- a. Information regarding the current and projected availability of products and reliable sources.
- b. The extent of competition in the market.
- c. The range of product performance characteristics.

- d. Market acceptability.
- e. Price trends and current market prices.
- f. Types of available distribution systems and support services.

The objective of market research is to keep the banking postal services informed of events and conditions that may affect long-range purchasing activities and future purchases. This research focuses on industry trends, technological change, macroeconomic conditions, and other factors that might have an impact on postal service commodities and long-term postal service plans for purchasing them.

#### ***M. Market Investigation***

Market investigation involves comprehensive research that is conducted in response to a specific product or service need. The purpose of market investigation is to determine, with a high degree of confidence, whether any goods or services are available to satisfy the need (including support, standardization, and other considerations) or whether products or requirements can be modified or tailored accordingly.

Other Information Sources include:

- a. The yellow pages.
- b. GSA Schedules.
- c. Consumer Reports online.
- d. Procurement directories.
- e. Commodity indices.
- f. Product brochures and promotional literature.
- g. Product catalogs

#### ***N. Historical Pricing Data***

Contract files contain prices and price-related data and usually document why the prices paid for similar purchases were determined fair and reasonable. When considering historical data, you must allow for changes in the market, in requirements, and in quantities. In historical prices in the banking industries in relation to current conditions, such tactics must be considered:

- a. Extent to which increased competition can lower prices.
- b. Changes from detailed design specifications to performance requirements, enabling consideration of new sources and potentially leading to lower prices.
- c. Changes in quantity discounts, which can affect prices.
- d. Changes in inflationary pressures on prices.
- i. ***Published pricing data:*** Some sources publish pricing or price-related data that can help develop estimates of fair and reasonable prices. These publications include manufacturer and dealer catalogs; product brochures; promotion materials; and articles, advertisements, and product evaluation in trade journals. Federal supply schedules also contain pricing information. Surveys of published price data can reflect a range of current market prices for the item being purchased. Many of these prices are applicable to specific quantities; evaluate those prices for the quantities being ordered.
- ii. ***Pricing Data from Buyers and Experts:*** Buyers in banking industry and in other federal and local governments may have purchased the same or similar items in the past, and may be able to refer you to other sources, including contract files, for relevant pricing information. Contract administrators, technical experts, and auditors may also be sources of valuable pricing information. Other contacts may be made through telephone surveys and through attendance at professional meetings.
- iii. ***Pricing Data from Suppliers:*** Through pre-solicitation conferences and the use of solicitations for information or planning purposes, some price-related information may be obtained from potential suppliers. Use comments on discounts given for bulk purchases to reevaluation quantities proposed for order, thus possibly taking advantage of the price discounts. Comments on delivery terms may reveal that the postal service's proposed delivery requirements are shorter than customer, requiring expedited supplier processes that raise price. The purchase team may consider extending the delivery dates to achieve lower prices. The team may receive comments regarding restrictive elements of the requirements statement that would limit competition, and thus increase prices. The team could consider eliminating those restrictions.
- iv. ***Pricing Data from Other Sources:*** Other potential sources of information regarding prices and price-related data include trade and professional associations, chambers of commerce and better business bureaus, and state and local consumer protection agencies should be used in the banking industries sourcing for supplier.



### III. RESEARCH FRAMEWORK

#### *A. Population Target*

The research study was conducted on customer and potential customers of Ahantaman rural bank and staffs of this reputable organization. These people are in the position to give firsthand information on the activities of the bank. They could also help the researcher know some of the problems encountered in purchasing planning in organization.

#### *B. Sampling Technique*

The procedure used in choosing the sample was the non-profanity sampling. By this procedure the researcher uses random sampling technique. The reason for choosing this technique is that the research dealt with all categories of customers and on the part of the staff only accounts were involved.

#### *C. Sampling Size*

The researcher predominantly wanted to obtain responses from both customer and staffs of the bank. However, due to inadequate time and resources at the disposal of the researcher. The researchers therefore sample the population by using forty customers and ten staffs from t the bank to help achieve the desired objectives of the study.

#### *D. Instrument Used In Data Collection*

Since the population was made up to illiterates, semi-literate and literate, the instrument used in the collection of data were structures, interview and questionnaires. The illiterate people were interviewed whilst the literate were given questionnaires. To be answered. There were seventeen items both open and closed ended items consists of “yes” or “no” responses and fill in the space whist open ended were to enable the respondent to express their own opinions. His responses of the items for the accountant sought for information such as what problems are encountered in planning, customer bases, his importance of planning, their positions and what is unique about Ahantaman Rural Bank. With the customers, the questionnaires wanted to seek information on their age, occupation, where they reside, what account they operate.

#### *E. Analysis of Collection*

The target population consists of the both the literate and illiterate groups. The literate groups were supplied with questionnaire to complete within five days while the interview of the illiterate groups looks about four days. The face to face interactions took about ten to twenty minutes with interviewees. The responses were then analysis and written down. In all thirty two questionnaires were disturbed to staffs and customers and forty people interviewed. The questionnaires for staffs and customer s were disturbed in all the eight branches. Also, the forty people interviewed

are selected in the eight branches of the bank. Indeed it was through the assistance of the various branches managers and their co- operation that both the questionnaires were easily distributed and interviews successfully completed.

#### ***F. Adorning***

The responses to the questions were critically studied and grouped into their constituent parts. Findings were analysed. Percentage distribution tables were used to analysis the data.

### **IV. SUMMARY CONCLUSIONS AND RECOMMENDATION**

#### ***A. Summary***

The main objective of this work is to acknowledge the importance of purchasing planning in the banking industry. Planning is deciding on what to do before doing it. These are the need to plan strategically in any organization and even in the banking Industry where there are financial deals. To tackle the problem scientific methods such as questionnaires and interviews were used to help the researchers gather the necessary information concerning the problem and the questions in the questionnaires were carefully selected in order to bring out good response from both the bankers and customers.

Ahantaman rural bank renders basically three main functions just as the commercial bank. There are mobilizing deposits, lending part of the deposits and transferring money from place to place .The bank performs additional unique services to its customers such as offering loans scheme to farmers, treasury services for its customers offering doorsteps banking.

#### ***B. Finding***

From the analysis above it was identified that Ahantaman rural bank has problems in planning and its implantation. Managements have lackadaisical attitude toward panning and this has seriously affected the bank in its service provision. Managements seem to be myopic and this is that has led to the banks persistent use of the outmoded system of banking. It was also found out threat staffs are not involved in decision making and most of the item the needs and problems of customers are not communicate to management for prompt action. It was also found out that customers are not satisfied with their service provision. They complain of the numbers of hours they have to wait to be served and also the time it takes.

#### ***C. Recommendations***

From the analytical discussion into the information gathered the following recommendation are made. The only way to achieve large planning and market share in today marketing era is to acknowledge the importance of purchasing planning and control. Banks have to think strategically in their planning process.

Management should have and a well-defined vision and mission statement so that the business is not swayed by forces of circumstance. From the customer response majority of the respondents were not satisfied to with the bank services. It is therefore recommended that the bank should endeavor to improve its services. Since the bank is not computerized customers spent hours transacting business which they complain about.

It is recommended that the bank should establish a computer network that will help speed up their operation. The interest rate charged on loans is very high compared to other banks .It is therefore recommended that the bank reduces its rate. These recommendation if properly implemented will improve the bank services and make It a force to reckon will the banking industry.

#### ***D. How To Curb Purchasing Planning Problems Facing The Banks***

Planning is an essential tool to the success of every business and that any impediment should be trash out to ensure a smooth of businesses. Several methods or way can be instituted to curb these purchasing planning.

These are:

1. Purchasing planners should be provided with the requisite information. Planners should have access to sources of information. This information may be inside or outside organization.

2. Adequate funds should be provided for planning activities.
3. Level of staff should be involved in the planning process. No one should be allowed to shirk.
4. Management should also be given adequate training in planning. They should be taught the virtue and techniques of planning. Management should be taught to have confidence in them.
5. A recording system should be instituted his will even ginger up management to get actively involved in the planning process .In case of any failure management should encourage and not reprimand.

#### ***E. Conclusion***

Ahantaman rural bank since its establishment in the 80s has come a long way to chalk certain successes despite certain purchases planning problems it encounters. To enable the bank achieve Its missions and objectives it has taken bold steps toward efficient service, good corporate image ,developing innovative and very dynamic management. The future certainty will be full of challenges will a heightened tempo of competitors from formal banking institution but even more so from the large number of non-banking financial institutions Ahantaman staff and management are adequately prepared to face the challenges that the future brings and have confidence In staying at the head of the pack in Ghana banking sector.

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