



Purchasing & Inventory Management Masterclass

Website: www.btsconsultant.com

Email: info@btsconsultant.com

Telephone: 00971-2-6452630

Procurement
Supply Chain
Distribution
Time to Market

Purchasing & Inventory Management Masterclass

Introduction:

World-class organizations view best practices in purchasing and inventory management as essential skill sets needed by all employees involved in the procurement process. This course focuses on the common “gaps” in performance management that must be filled in order to provide the continuous improvement needed for organizations to meet their strategic objectives. This course develops how to be proactive rather than reactive, and how work on the “right” things to stimulate Purchasing’s creativity, flexibility, and supply market knowledge. We establish how to provide and measure purchasing contributions to the organization so that this critical function and all those in it can be elevated to be seen as a core organization competency. The cost of investment in inventory, costs of holding materials and low stock availability can lead to tactical cost cutting measures. This course develops sets of business rules to ensure the lowering of costs and the reduction of capital tied up in stock whilst improving customer service.

Who should attend?

Procurement, Contracts, Purchasing, and Project personnel, Engineering, Operational, and Maintenance personnel, anyone who are involved in the planning, evaluation, preparation and management of tenders, awards, contracts and purchases that cover the acquisition of materials, equipment, and services and who are in organizations whose leadership want high levels of competency in those involved in contracts and purchasing activities.

Course Objectives:

By the end of this course, delegates will be able to:

- Plan to develop high performance purchasing organizations
- Discuss how to improve internal customer service
- Contrast many ways of reporting key performance indicators (KPI)
- Formulate the best strategy for each inventory class
- Analyze the value chain in inventory management
- Have increased knowledge about how Procurement and Inventory should be measured
- Achieve skill sets in inventory management
- Gain confidence to applying inventory management techniques

Course Outline:

The 1st Steps to Becoming World Class

- 4 stages to world class
- Let's be honest of how purchasing is viewed today
- Strategic Sourcing
- Developing spend profiles and the ABC analysis
- New job descriptions for purchasing of the future
- Purchasing personnel required skill sets

Evaluating Your Own Operation

- What are best practices?
- Purchasing gap analysis
- Vision and mission for purchasing
- Developing the purchasing department strategic plan

- Developing key performance indicators (KPI) for procurement
- Developing a company purchase price index

Continuous Improvement and How to Get It

- Cost reduction initiatives, methods of cost containment
- Waste in the supply chain, breaking down the elements of supplier cost
- Commodity/service strategic planning, resisting price increases

Supplier Classification System

- Supplier qualification methods, supplier performance metrics
- Apply performance to purchasing decisions
- Process mapping to eliminate low value activities, e-procurement

Improving the Image of Procurement

- Global sourcing
- International labor rates comparison
- Developing and maintaining a customer focus
- Basic issues in corruption and fraud prevention
- Increasing the level of procurement professionalism
- Keeping current in the profession

Inventory in the Value Chain

- Overview of the value chain
- The purpose of inventory in the value chain
- The three trade-offs in inventory management
- Classification of inventory
- Procedure for eliminating obsolete inventory

- ABC Classification, Location of inventory
- Concept of postponement

Demand Planning

- Basic forecasting methods, customer segmentation, research methods
- Hierarchy of planning
- Aggregate planning
- Maintenance & Inventory planning meeting
- Master Scheduling

Forecasting

- Principles of forecasting
- Effect of lead time on the forecasting process
- Quantitative forecasting
- Qualitative forecasting
- Tracking forecast accuracy

Independent Demand Management Techniques

- Reorder point
- Periodic review
- Two-bin system
- EOQ
- Determining safety stock

Dependent Demand Management Techniques

- Using MRP
- The MRP grid

- Order policy decisions
- Using MRP to plan spares

Inventory Recording & Accounting

- Period stock take
- Cycle counting
- Perpetual recording
- Bar coding
- RFID

Performance Measurement

- Stock turnover rate
- Customer service
- Cost of operations
- Measuring the effectiveness of your system
- How to use the measurements