



Effective Source, Purchasing & Cost Reduction Strategies

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Procurement
Supply Chain
Distribution
Time to Market

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Introduction:

In the world today it is not unusual for more than 50% of an organization's revenue to be spent on Goods and services — everything from raw materials to overnight mail. So, when the goal is to Increase earnings by lowering costs, World-class organizations look closely at their purchasing Strategies. Success in purchasing is dependent not only on an awareness of the potential Opportunities, but more importantly, and the focus of this seminar, is the knowledgeable Implementation of the methods, processes, and techniques that should be utilized in order to Become a leader in obtaining real supply management savings. This seminar will combine a variety of instructional methods including lecture by an experienced practitioner and consultant, exercises and role playing, and group discussions covering current practices and their relationship to the Implementation of new concepts.

Who should attend?

- Contracts, Purchasing, and Procurement personnel,
- Engineering, Operational, Project, and Maintenance personnel,
- And all others who are involved in the planning, evaluation, preparation and management of purchasing, tenders, and contracts 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 these activities

Training Methodology:

This interactive Training will be highly interactive, with opportunities to advance your opinions and ideas and will include;

- Lectures
- Workshop & Work Presentation
- Case Studies and Practical Exercise
- Videos and General Discussions

Certificate:

BTS attendance certificate will be issued to all attendees completing minimum of 80% of the total course duration.

Course Objectives:

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

- How to be on the road to world class in cost reductions
- Processes for data mining and developing strategic plans
- Methods of cost improvement
- Process for developing purchase price index
- Procedure for reporting cost improvements
- Cost Reduction vs. Cost Avoidance
- How to evaluate supplier prices
- Reducing low value activities
- Best practices in qualifying suppliers
- The importance of planning in successful negotiations
- Approaches in negotiations
- Standards of ethics
- The importance of rating and valuing the issues in a negotiation

- Negotiating important issues in various contract clauses
- Important elements of final preparation

Contents:

Session 1: Continuous Improvement in Cost and Productivity

- The Need for Change
- How Do Other Functions View Purchasing
- A Purchasing Savings Model
- Total Cost of Ownership Models
- Continuous Improvement Skill Sets
- Cost Reduction Initiatives
- Cost Savings Reporting Procedure
- Data Mining
- Establishing a Strategic Focus With The ABC Analysis
- Modern Methods Of Analyzing The Spend

Session 2: Defining Cost Reduction Opportunities

- User Group Brainstorming Sessions
- Developing Company Purchase Price Index And Comparing To External Indexes
- Understanding Of Supply Marketplace And How Suppliers Price
- Benchmarking
- Process Mapping To Eliminate Low Value Activities
- Developing Purchasing Material/Services Strategic Plans
- Resisting Price Increases
- You Will Never Be Better Than Your Suppliers
- Supplier Performance Measurement
- Cost Saving Methods

Session 3: Methods of Price Evaluation

- Price Justification
- Model For Selecting Analysis Methods
- Methods Of Price Analysis
- Competition
- Historical Prices
- How Much Profit Is Fair
- Methods Of Cost Analysis
- Breaking Down The Elements Of Cost
- Developing “Should Cost”

Session 4: Successful Negotiations

- Our Responsibilities As Agents
- Negotiation Skill Sets
- Steps In Negotiation Preparation
- Methods Of Persuasion
- What Does Win/Win Really Mean?
- Determining The Issues
- Defining Issues For Specific Contract Provisions
- Payment Terms
- Progress Payments
- Warranties
- Spare Parts
- Rating & Valuing Issues
- Standards Of Ethics In Purchasing And Contracting Conduct

Session 5: Determining Strengths and Weaknesses

- Evaluating Your Position

- Know Your BATNA
- Analyzing The Other Side
- Negotiation Objectives Diagram
- Negotiations Planning Forms
- Prepare The Negotiation Team
- Tips For The Actual Negotiation
- Participants will negotiate model cases and discuss the results to provide an opportunity for hands on experience