



## Effective Purchasing, Tendering & Supplier Selection

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Procurement

Supply Chain

Distribution

Time to Market

# Effective Purchasing, Tendering & Supplier Selection

## Introduction:

This course aims at developing and strengthening the understanding of the crucial role played by the supplier in delivering customer satisfaction through an effective supply chain. The candidates will learn how to evaluate the performance of both potential and current suppliers. Asses the factors that comprise and effective tender and conduct effective negotiations that bring long term value to the organization. The key highlights of the course are:

- Planning
- Tendering
- Negotiation
- Supplier Management
- Measuring Performance
- Communication

## Who should attend?

Purchasing professionals, anyone involved in defining the specification and evaluating supplier performance, anyone involved in preparing and analyzing bids, anyone with an involvement in supplier relationships, anyone whose roles involves negotiation with outside agencies.

## **Course Objectives:**

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

- Identify and reduce procurement risk through development of a plan of action
- Enable improved performance from your existing suppliers through evaluation and performance measurement
- Understand and strengthen your supply chain
- Improve operating relationships within your organization
- Award contracts on the basis of measured performance / criteria
- Provide a working understanding of the Negotiation process
- Understand the fundamental tools of effective purchasing
- Operate with increased confidence when dealing with suppliers
- Manage internal relationships more effectively
- Better deliver improved negotiated outcomes
- Use measurement as a key tool in driving supplier improvement
- Understand the key elements of a well-structured tender
- Raise the profile of purchasing within the company
- Improve the performance of established suppliers
- Deliver materials and services at reduced cost and increased value
- Retain money within the company through more productive negotiation
- Improve the professionalism of those within the purchasing function
- Drive improvement through identifying current problems and weaknesses

## **Course Outline:**

**What is the Role of Purchasing in the Company?**

- Introduction to Purchasing and its contribution to the organisation

- What is the purpose of a business
- Dealing with the problem of being a “ go between “
- Purchasing process and cycle of procurement
- Positioning purchasing within the company
- Vision, Mission and Value of Purchasing
- Purchasing Structure
- Where to find performance improvement

### **Developing the Purchasing Strategy**

- How to reach the internal customer
- Developing Purchase agreements
- Importance of being involved in creating the specification
- Supplier selection methodology
- Criteria for pre-qualifying suppliers
- Integrating the supplier selection process
- Positioning your need and you value against the market
- The role of ISO 9000

### **Selecting the Right Supplier & Evaluating Performance**

- Conditioning the supplier to meet your requirement
- The total cost approach to purchasing
- Analyzing Cost
- Analyzing Value
- Hidden costs
- Life cycle costing
- Using Price indices
- Performance evaluation

## **Tendering and Analyzing the Bid**

- Process needs
- Types of tender
- Electronic commerce / E Auctions
- Evaluating a bid objectively
- Terms and Conditions of contract
- Standard contract clauses
- Methods of Payment
- Expediting the agreement
- What if the contract fails to deliver: legal issues

## **Negotiating the Contract and Preparing a Plan of Improvement Action for Purchasing**

- Defining negotiation
- Obstacles to effective negotiation
- Different styles of negotiation
- The tools of the process
- Phases of a negotiation
- What to do and what not to do
- Focus on four key areas of world class performance
- Evaluating performance gaps