

€ TRAINING

Procurement and Supply Chain Management
Best Practices - MODULE 2



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Introduction

The development and implementation of carefully crafted strategies for the acquisition of all materials, goods, equipment, and services have become a critical issue in all organizations wishing to reduce operating costs while improving quality and productivity. This program explores key concepts forming the basis of procurement and supply chain management and moves through leading-edge issues that confront organizations today.

Course Objectives:

At the end of this course the participants will be able to:

- Review the meaning of strategic procurement
- Be given examples of best practices in procurement and the supply chain
- Review how to obtain the best pricing
- Covering the Supply chain contracts
- Be taught how to develop spend analysis
- Develop a functional and cross-functional view of the supply chain
- See that better working with all of the supply chain players pays
- Consider Key Performance Indicators KPIs

Targeted Audience:

- Contracts, Purchasing, and Procurement Personnel
- Project, Engineering, Operational, and Maintenance, Personnel who are involved in the planning, and execution of purchases and contracts
- Supply, Buying, Purchase, Logistics, Materials and Supply Chain Professionals
- All involved in 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
- Those who need to develop their limited understanding of Logistics and Supply Chain Management
- Those who are looking for business gains and benefits from managing their supply chains more effectively

Course Outlines:

Unit 1: Understanding What Logistics and the Supply Chain Are About:

- Definitions of logistics and Supply Chain management
- The interrelations and connections of Buying, Making, Moving, and Selling activities
- History and the development
- Understanding the Supply Chain dynamics
- Supply Chain Operations Reference Models SCOR
- The Theory of Constraints TOC

Unit 2: Key Aspects and Rules of Supply Chain Management:

- The cost/service balance
- Customer service principles

- Internal organizational structures
- Inventory principles
- Lead times throughout the supply chain
- Adding value
- Production options/changes
- Trade-off opportunities

Unit 3: The Benefits of Adopting a Supply Chain Approach And Appreciating The Changes Needed To Traditional Ways:

- Understanding the sub functional conflicts
- Benefits within and between functions
- Taking a supply-chain view of total acquisition costs
- Accepting that competitive advantage comes from the Supply Chain
- Looking at demand amplification, and the "Forester" effect
- Appreciating the effects of uncertainty and unresponsiveness
- Seeing how we currently manage the supply chain
- Changing the way we manage the Supply Chain for greater effectiveness

Unit 4: Strategic Approaches And Impacts To Supplier/Customer Relationships:

- Practical effects on lot sizes/order quantities
- Reducing costs
- Sharing developments and collaborating
- Eliminating internal and external barriers
- Interfacing versus integrating relationships
- Segmentation and product formatting
- Business strategies and the supply chain
- Supply chain planning
- Gaining competitive advantage
- Considering outsourcing
- Using postponement and consolidation logistics
- Examining demand planning
- Approaches of Quick Response QR, Vendor Managed Inventory VMI and
- Collaborative Planning and Forecast Requirements CPFR
- The Lean Supply Chain

Unit 5: Making Supply Chain Improvements and Implementing a Logistics/Supply Chain Management Approach:

- Manufacturing and retailer case studies
- The major lessons and key aspects from experience
- Oil and Gas in the UK experiences
- Key questions to be answered
- The changes needed with suppliers and customers
- The changes need to internal organization and management practices
- Potential action needed
- The 'doing nothing' future, with 'lessons from experience'
- Guarding against futures of higher stock levels and competition gains
- Breaking down traditional silo/closed management
- A 5 step approach to Logistics and Supplier Development



- The Supply Chain Rules Encore; the rules to give competitive advantage from effective Supply Chain Management