

# € TRAINING

Category Management in Procurement



# Category Management in Procurement

## Introduction:

This new approach maximizes value from procurement by combining traditional techniques, with newer tools, techniques, and approaches. We will give an understanding of the Category Management methodology with the necessary working knowledge of how this approach can be used, and is now being used, by World Class companies.

This course shows how Category Management maximizes value from procurement by integrating supplier sourcing, supplier management, supplier development, and supplier relationship management.

## Course Objectives:

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

- Apply a thorough understanding of supply chain activities
- Identify, analyze and evaluate procurement opportunities
- Understand the key aspects in category management
- Use tools and techniques
- Make procurement and supply chain organizational improvements
- Understand what drives your other supply chain players
- Use analytical tools to identify procurement opportunities
- Make cost and service improvements
- Gain a framework for continual improvement
- Use best in class practices like economic profit
- Access these for value opportunities
- Examine how to maximize value from procurement

## Targeted Audience:

- Procurement Managers
- Head of Logistics
- Inventory Managers
- Procurement Professionals
- Supply Chains Professionals

## Course Outlines:

### Unit 1: Understanding Procurement and Category Management:

- Procurement and purchasing definitions
- A vision for procurement
- The 21st-century procurement challenge
- Procurement and the Supply Chain
- The 8 Supply Chain Rules
- Supply chain excellence and shareholder value
- Competitive advantage

- The 2008 economic crisis and the consequences for the supply chain
- Procurement structure options
- Supply Chain Models and Types
- The Global Supply Chain
- Category Management definitions
- The evolution of Category Management
- Category grouping overview
- The three aspects to be considered in category groups
- Category Management structures

## Unit 2: Maximizing Value and Procurement Excellence by Using Varied Routes:

- The procurement excellence roadmap
- The Purchasing and Supplier loops
- Why we should use Category Management
- How category management improves the value
- How category management builds from P2P and the procurement cycle
- Integrating approaches
- The two outcomes to maximize value from procurement
- The value opportunities that come from using Category Management

## Unit 3: Understanding The Supplier Sourcing and Selection Routes:

- Traditional purchasing revisited
- The P2P and procurement cycle
- Value and risk analysis
- Kraljic matrix
- The Category management and value opportunities
- Volume concentration
- Best price evaluation
- Low-cost country sourcing

## Unit 4: Understanding Collaborative Supplier Management:

- Supplier management objectives
- Supplier customer connections
- Supplier service
- Supplier management and contract management
- Best practice contract management
- Supplier relationship management definitions and aims
- Applying Supplier relationship management
- Collaboration

- Supplier development definitions and aims
- Best practice in supplier development
- Changed views and lessons
- Benefits and improvements
- The Category Management outcomes and value opportunities
- Specification improvements
- Joint process development and linking price with suppliers
- Value chain disruption and managing supply chain risk
- Best practice in supplier management

#### Unit 5: Recognizing and Overcoming the Barriers to Category Management:

- Common barriers and challenges
- Internal conflicts
- Perception of procurement
- Lack of creativity
- Skillsets
- Trust
- Fear of change
- Overcoming such barriers
- Best Practice in the implementation of new ideas

#### Unit 6: The 4 Steps Model for Introducing Category Management:

- Understand the current situation
- Key questions
- Research and analysis
- Design and improvement
- Key questions
- What needs doing
- Plan the new processes and structures
- What needs doing
- Key questions
- Operate and review the new processes
- Key questions
- What needs doing
- Making strategy a continuous process

#### Unit 7: Category Management and Rethinking The Supply Chain:

- Supply chain futures, predictions and what needs to done
- Agility
- Network design
- China supply chain effects
- Going "Green"
- Professional leaders/manager development
- The 10 improvement for reengineering end to end supply chains
- Supply chain excellence and shareholder value



- Generating economic profit
- The 5 steps to supply chain excellence
- Developing the supply chain strategy
- Supply chain strategy best practice
- A vision for the future