

€ TRAINING

Effective Purchasing, Tendering & Supplier
Selection





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Introduction:

This training aimed at developing, strengthening, and understanding the crucial role played by the supplier in delivering customer satisfaction through an effective supply chain. Participants will learn how to evaluate the performance of both potential and current suppliers. Assess the factors that comprise an effective tender and conduct effective negotiations that bring long term value to the organization.

Course Objectives:

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

- Identify and reduce procurement risk through the 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
- Honor contracts based on 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

Targeted Audience:

- Purchasing Professionals
- Those involved in defining the specification and evaluating supplier performance
- Those involved in preparing and analyzing bids
- Those with involvement in supplier relationships
- Those whose role involves negotiation with outside agencies

Course Outlines:

Unit 1: The Role of Purchasing in the Company:

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

Unit 2: 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

Unit 3: 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

Unit 4: Tendering and Analysing 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 contractor fails to deliver - legal issues

Unit 5: 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