



# LM044: Strategic Sourcing for the Oil & Gas Industry: *Attaining Procurement Excellence*

## Training Description:

Procurement in the Oil and Gas industry has always faced particular challenges. With the background of volatile oil and gas prices, marginal oilfields, extreme locations and new global business trends, the oil and gas industry is forced to seek better solutions to overcome these challenges. Procurement Leaders need to think about the sourcing strategies they employ to maximise the value they bring to their organizations.

Strategic Sourcing is a disciplined, multi-stage process that examines, addresses and optimizes the Total Cost of Ownership, and that typically involves cross-functional teams. This is why Strategic Sourcing is so critical and can have such a strong effect on the bottom line. Strategic Sourcing can go well beyond cutting costs. Best-in-class companies recognize strategic sourcing as a value creator and consider it to be integral to their overall strategies for growth.

This intensive training course has been specifically designed to focus procurement professionals on the many benefits of utilizing and working to a comprehensive strategic sourcing policy that encompasses real value for money; and highlights why the strategic sourcing approach allows procurement professionals to consolidate purchasing power in order to secure the best value available in the marketplace, in addition to:

- Reducing or controlling procurement costs
- Maximizing the value of every dollar of spend
- Streamlining the procurement operations
- Building strong, trustworthy relationships with existing and new vendors
- Retaining, gaining or regaining a competitive advantage in their marketplace

## Training Objectives:

**By the end of the training, participants will be able to:**

- ✓ Gain stakeholder involvement and buy-in
- ✓ Comprehensively understand both internal needs and the external supply market
- ✓ Understand the Total Cost of Ownership (TCO)
- ✓ Build effective RFIs and RFPs
- ✓ Develop the right sourcing strategy to achieve tangible results

## Training Designed for:

This course is intended for Procurement Officers, Contracting Officers, Supply Chain Professionals, Program managers and those who are involved in the planning, evaluation, preparation and management of purchasing, tenders, contracts that cover the acquisition of materials, equipment, and services.

This course is designed for anyone involved in the sourcing process, particularly those who want to be able to define and quantify value to the business, and support it through analysis and understanding.

## Training Requirement:

**“Hand’s on practical sessions, equipment and software will be applied during the course if required and as per the client’s request.”**

**Contents can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client’s learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.**

## Training Program:

### DAY ONE:

- ❖ PRE-TEST
- ❖ Introduction
- ❖ Defining and Implementing Effective Sourcing Strategies
- ❖ **Competency Description:** As a Procurement Professional, it is vital that you understand the various strategies involved in sourcing activities.
- ❖ **Key behaviours**
  - Strategic understanding
  - Benefits analysis
  - Defining excellence
  - Key elements of planning
- ❖ The Importance of Strategic Sourcing in the Oil & Gas industry
- ❖ Tactical versus Strategic Sourcing
- ❖ Strategic Sourcing Benefits
- ❖ Key Steps in a Strategic Sourcing Process
- ❖ Developing a Strategic Sourcing Plan

### DAY TWO:

- ❖ **Strategic Sourcing Approach to Critical Success Factors**
- ❖ **Competency Description:** To be totally effective in your chosen profession, you must possess a deep understanding of the strategies and processes of the procurement department and the role you play in making sure that time, money and effort is not wasted through inefficiency and wasteful activities
- ❖ **Key behaviours**
  - Understand the role and objectives of strategic sourcing within the organization
  - Procurement spend analysis
  - Building robust performance measures
  - Collaboration for effective specification development/impacts of failure
- ❖ Organizational Commitment
- ❖ Supply Market Understanding
- ❖ Total Cost Evaluation
- ❖ Modifying Approach Towards Suppliers
- ❖ Organizational Role Changes
- ❖ Culture / Processes for Continuous Improvement

### DAY THREE:

- ❖ **Creating Effective Oil & Gas Sourcing Teams**
- ❖ **Competency Description:** It is imperative that sourcing teams all work together to deliver the desired outcomes. Procurement professionals must be capable of working with, and understanding end users' requirements and then develop a comprehensive supplier portfolio to aid the selection of the right suppliers to exceed expectations
- ❖ **Key behaviours**
  - Working in diverse teams

- Managing expectations
- Understanding scope of requirements
- Develop supplier selection strategies
- ❖ Understanding the Business Requirements
- ❖ Supplier and Supply Market Research
- ❖ Identification of Preferred Supplier(s)
- ❖ Supplier Selection Processes
- ❖ Supplier Development and the Strategic Sourcing Process

#### DAY FOUR:

- ❖ **Leveraging Supply Management Tools and Techniques to Improve Cost Performance**
- ❖ **Competency Description:** Strategic sourcing is not just about cutting costs – it is based on understanding the differences between cost and value and how to conduct cost benefit analysis in order to source the highest quality materials/services at the optimum price.
- ❖ **Key behaviours**
  - Understand the 25/75% rule of total ownership costs
  - Analyzing cost vs value
  - Risk understanding in strategic sourcing and costing
  - Price and value negotiation strategies
- ❖ Major Procurement Challenges in Oil & Gas
- ❖ Strategic Cost Management
- ❖ Principles of Cost and Value Management
- ❖ Understanding the Total Cost of Ownership
- ❖ Strategic Analysis and Generating Options
- ❖ Analysing and Mitigating Risks

#### DAY FIVE:

- ❖ **Supplier Performance Management, Quality Management and Supply Based Integration**
- ❖ **Competency Description:** It is essential that procurement professionals understand the importance of supplier collaboration and how to implement the right measures and performance criteria to sustain continuous performance over the life of the contract.
- ❖ **Key behaviours**
  - Developing a supplier engagement strategy
  - Choosing the right measures for the situation
  - Stakeholder engagement
  - Decision analysis
- ❖ The Importance of Supplier Performance Management
- ❖ Developing and Maintaining Long-term Supplier Relationships
- ❖ Performance Measurement and Evaluation
- ❖ Quality Management for Strategic Sourcing
- ❖ “Speaking with one voice” to Suppliers
- ❖ Course Conclusion
- ❖ POST-ASSESSMENT and EVALUATION

### **Training Certificate(s):**

CMCT Internationally recognized certificate(s) will be issued to each participant who completed the course.



## Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

## Training Fees:

**TBA as per the course location** - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01<sup>st</sup> of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

## Training Timings:

### Daily Timings:

|               |                               |
|---------------|-------------------------------|
| 07:45 - 08:00 | Morning Coffee / Tea          |
| 08:00 - 10:00 | First Session                 |
| 10:00 - 10:20 | Recess (Coffee/Tea/Snacks)    |
| 10:20 - 12:20 | Second Session                |
| 12:20 - 13:00 | Recess (Prayer Break & Lunch) |
| 13:00 - 14:00 | Last Session                  |

### For training registrations or in-house enquiries, please contact:

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