



LM081: Purchasing Techniques, Negotiating & Cost Reduction

Training Description:

This course will examine an organisation's revenue that is spent on goods and services - everything from raw materials to spares and stocks. Hence, when the goal is to increase earnings by lowering costs, world-class organisations look closely at their purchasing strategies.

Success in purchasing is dependent not only on an awareness of the potential opportunities, but more importantly, and the focus of this course, is the knowledgeable implementation of the methods, processes, and techniques that should be utilized in order to become a leader in obtaining real supply management savings through negotiations and understanding cost reduction

This course will feature:

- How to be world class in cost reductions
- Processes for developing purchase price index
- How to evaluate supplier prices
- The importance of planning in successful negotiations
- Approaches in negotiations

Training Objectives:

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

- ✓ Examine the key features in spend profiles
- ✓ Evaluating costing reduction opportunities
- ✓ Understanding supplier pricing structures
- ✓ Apply purchasing strategic plans
- ✓ Develop common approaches in planning for negotiations

Training Designed for:

This course is intended for all Contracts, Purchasing, and Procurement Personnel, Engineering, Operational, Project, and Maintenance Personnel. Those who are involved in the planning, evaluation, preparation and management of purchasing, tenders, contracts that cover the acquisition of materials, equipment, and services.

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
- ❖ Continuous Improvement in Cost and Productivity

- How do other functions view purchasing
- A Purchasing Savings Model
- Total Cost of Ownership Models
- Cost Reduction Initiatives
- Establishing a Strategic Focus with Pareto Analysis on Cost
- Modern Methods of Analysing the Spend

DAY TWO:

❖ Defining Cost Reduction Opportunities

- Developing Company Purchase Price Index and Comparing to External Indexes
- Understanding of Supply Marketplace and how Suppliers Price
- Benchmarking best practices in Cost Reduction
- Resisting Price Increases
- Supplier Performance Measurement
- Cost Saving Methods

DAY THREE:

❖ Methods of Price Evaluation

- Price Justification
- Methods of Price Analysis
- The Competition that leads to price reduction and evaluation
- Methods of Cost Analysis
- Breaking down the Elements of Cost
- Developing "Should Cost"

DAY FOUR:

❖ Successful Negotiations

- Negotiation Skill Sets
- Steps in Negotiation Preparation
- Methods of Persuasion
- What Does Win/Win Really Mean?
- Determining the Issues
- Rating & Valuing Issues

DAY FIVE:

❖ Determining Strengths and Weaknesses

- Global sourcing
- Know Your Better Alternatives to Negotiated Agreements (BATNA)
- Analysing The Other Side
- Negotiation Objectives Diagram
- Prepare the Negotiation Team
- Tips for the Actual Negotiation
- Participants will negotiate model cases & discuss the results to provide an opportunity for hands on experience

❖ Course Conclusion

❖ POST-ASSESSMENT and EVALUATION

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 Certificate(s):

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

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 01st 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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