



LM089: Strategic Purchasing & Supply Management

Cost/Price Analysis, Value Analysis, & Total Cost of
Ownership Concepts

Training Description:

This training course leads participants through the development and implementation of carefully crafted strategies for the acquisition of all goods, parts, equipment, and services to reduce operating cost while improving quality and productivity. With the growing importance of supply-chain management, purchasing has assumed an increasingly pivotal strategic role, evolving from an obscure buying function into a strategic business thinking. Intense competitive pressures have forced companies to reexamine their approach to managing suppliers and their supply base. Purchasing is thus increasingly regarded as a strategic tool, centered on its ability to create collaborative relationships for firm advantage. The ability to extract benefits from supplier relationships is linked to the way these relationships are managed. Thus, it is not enough for a firm to possess a strategic purchasing orientation, they must also create conditions which allow the buyer and supplier to contribute and develop the relationship. Various supply management practices facilitate this process.

Training Objectives:

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

- ✓ Set Strategies for Procurement
- ✓ Build a Distinctive Capability in Strategic Purchasing
- ✓ Evaluate Purchasing Key Liaison Role Between External Suppliers and Internal Organizational Customers
- ✓ Improve Profitability by Controlling Total Costs
- ✓ Examine Sustainable Competitive Advantage by Enabling a Firm to Build and Leverage Beneficial Inter-Organizational Relationships

Training Designed for:

This course is intended for purchasing, procurement, contracts, contract administration, projects personnel, all others who are involved in the planning, evaluation, preparation and management of purchasing and contracts that cover the acquisition of materials, parts, equipment, and services and who are in organizations whose leadership want high levels of excellence in those involved in these activities.

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:

- ❖ Introduction
- ❖ Setting the Strategic Direction
 - Defining the supply management mission and vision
 - Stages to world class Supply Management

- Becoming more strategic in procurement
- Supply Management skill sets
- Developing the Spend analysis
- The ABC (Pareto) analysis

DAY TWO:

- ❖ **How do you know that you got a Good Price?**
 - Supplier Pricing models
 - Defining Cost and Price analysis
 - Methods of Price analysis
 - Working with Producer Price Indexes
 - Developing the Organization's purchase price index
 - Estimating Cost in relationships

DAY THREE:

- ❖ **Getting a Better Price by Analysing Cost**
 - Methods of Cost analysis
 - Major elements of Cost
 - What and how important are Supplier overheads
 - Sources of cost information
 - Analysing Supplier cost breakdowns

DAY FOUR:

- ❖ **Using Price, Volume, International Labour, and Value Analysis**
 - Global Industrial Labour Rates
 - Working with Currency Exchange Rates
 - Cost Volume Profit Analysis
 - Fixed and Variable Costs Defined
 - Defining Value Analysis?
 - Checking Supplier Value

DAY FIVE:

- ❖ **Total Cost of Ownership (TCO)**
 - Changing Supply Management
 - Defining TCO
 - Barriers to TCO
 - Approaches to TCO
 - Total Cost Modelling of the Supply Chain
 - Implementing TCO
- ❖ 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 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 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 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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