MERCURY

# Advanced Purchasing and Procurement Techniques Course

25 – 29 October 2027
Rome (Italy)



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# Advanced Purchasing and Procurement Techniques Course

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Advanced Purchasing and Procurement Techniques is a one-week course for experienced procurement specialists, buyers, and sourcing leads who manage organizational spending and supplier performance. You analyze category spend, structure commercial negotiations, model total cost of ownership, and complete a Category Sourcing and Supplier Strategy Playbook for immediate implementation. Advanced Purchasing and Procurement Techniques is delivered by Mercury Training Center.

## About This Course

Procurement teams often face escalating supplier costs, single-source dependency, and weak contract compliance across organizational spend. You must already manage procurement requisitions, run routine quotations, and evaluate commercial tenders to follow this course. You practice spend analysis, commercial cost modeling, and supplier performance governance through structured drills, financial templates, and scenario simulations.

## Who It Is For

- Professionals responsible for analyzing cross-functional spending data and developing strategic category sourcing plans.
- Professionals responsible for leading high-value commercial negotiations and drafting supplier agreements.
- Professionals responsible for evaluating supplier risk, operational continuity, and ongoing vendor performance.
- Professionals responsible for managing post-award contract delivery, milestone compliance, and commercial dispute resolution.

This course is not for operational purchasing clerks who execute transactional purchase orders, who benefit more from introductory purchasing procedures training, nor is it for executive supply chain directors seeking enterprise governance and policy formulation, who are better served by executive supply chain leadership courses.

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## Competencies You Will Build

- Strategic Category Management: Segmenting organizational expenditure into clear supply categories and aligning market approaches with internal business priorities.
- Commercial Cost Breakdown: Deconstructing supplier quotes into raw material, labor, overhead, and margin elements to uncover pricing variances.
- Total Cost Modeling: Calculating lifecycle acquisition, operational, maintenance, and disposal expenses to guide sourcing decisions.
- High-Stakes Sourcing Negotiation: Structuring concession patterns, targets, and walk-away points to secure favorable contractual terms.
- Supplier Performance Governance: Measuring vendor delivery, quality, and service levels using balanced scorecards and corrective intervention frameworks.
- Supply Risk Mitigation: Identifying single-source dependencies and developing contingency supply agreements to protect operations.

## What You Will Be Able to Do

By the end of the course you will be able to:

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- From raw accounts payable data, build a Kraljic portfolio matrix to classify organizational spend and select commercial sourcing tactics.
- Given detailed supplier cost proposals, calculate shoulder-cost estimates and determine target pricing for formal commercial bidding.
- Using total cost of ownership models, evaluate competing capital equipment tenders across their full operating lifecycles.
- Given complex commercial contract terms, structure a structured negotiation matrix containing prioritized concessions, limits, and fallback positions.
- Using vendor delivery records, build a supplier scorecard with weighted key performance indicators to review quarterly performance.
- From supply market vulnerability assessments, draft dual-sourcing contingency procedures to prevent operational material stockouts.

## Day 1: Spend Analysis and Strategic Sourcing Frameworks

- Kraljic Portfolio Matrix for Spend Categorization and Sourcing Strategy Selection
- Pareto Analysis and Spend Data Cleansing for Organizational Cost Baselines
- Porter Five Forces Model for Supply Market Contestability Assessment
- Bottleneck and Critical Category Sourcing Plans for Operational Risk Control
- Demand Aggregation Protocols for Multi-Site Requisition Alignment

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## Day 2: Cost Modeling and Total Cost of Ownership

- Bottom-Up Cost Breakdown Analysis for Material and Conversion Cost Verification
- Shoulder Cost Calculation for Direct Goods Tender Evaluation
- Total Cost of Ownership Calculation for Plant and Equipment Acquisition
- Landed Cost Modeling for International Logistics and Incoterms Application
- Price Indexation Mechanisms for Commodity Contract Adjustment

## Day 3: Strategic Supplier Negotiation and Contract Structuring

- Negotiation Planning Matrix for Concession Trading and Target Setting
- Best Alternative to a Negotiated Agreement Analysis for Commercial Leverage
- Service Level Agreement Schedule Design for Quality and Delivery Terms
- Liquidated Damages and Performance Bond Clauses for Supplier Accountability
- Incentive-Based Contract Models for Supplier Cost Reduction Sharing

## Day 4: Supplier Performance Management and Relationship Governance

- Balanced Supplier Scorecard Design for Periodic Performance Measurement
- Vendor Tiering Framework for Collaborative and Arm-Length Relationships
- Root Cause Analysis for Recurring Quality Defect Resolution
- Supplier Development Plans for Bottleneck Capability Enhancement
- Contract Variation Management Procedures for Post-Award Scope Changes

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### Day 5: Sourcing Strategy Execution and Tool Integration

- Exercise: Spend Categorization and Matrix Validation on Manufacturing Data
- Exercise: Total Cost Calculation and Supplier Proposal Evaluation
- Exercise: Commercial Negotiation Simulation for Capital Equipment Contracts
- Exercise: Corrective Action Plan Drafting for Failing Logistics Vendors
- Completion of the Category Sourcing and Supplier Strategy Playbook

## Case Studies and Exercises

The following suggested activities ground your learning in operational decision-making.

- Case study: A fleet maintenance contractor in public transport demands above-inflation tariff adjustments during mid-contract reviews. You evaluate cost breakdown elements, determine true labor and spare parts escalation indices, and design a counter-proposal that limits budget expansion.
- Exercise: Using raw operational procurement data from a pharmaceutical packaging facility, you construct a total cost of ownership model for competing high-speed labeling machinery. You determine trade-offs between initial acquisition prices, routine maintenance wear parts, power consumption, and equipment reliability.
- Case study: An offshore valve fabricator supplying an oil refinery halts shipments due to raw steel cost increases. You assess multi-sourcing alternatives, draft a structured negotiation concession strategy, and structure an incentive-sharing agreement to restore timely operational deliveries.

## What You Take Back

You leave with your Category Sourcing and Supplier Strategy Playbook, a structured working document to apply during your first month back at work. You use it to prioritize category spend, conduct vendor cost breakdowns, structure negotiation roadmaps, and implement governance scorecards across critical suppliers.

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- A spend classification template and Kraljic prioritization matrix for internal category planning.
- A total cost of ownership calculation sheet for comparing high-value vendor proposals.
- A structured commercial negotiation planner detailing concession priorities and limits.
- A supplier performance scorecard with weighted operational metrics and review protocols.

## Quick Answers FAQ

### What foundational experience is required before attending Advanced Purchasing and Procurement Techniques?

You need working knowledge of standard procurement workflows, purchase order processing, and supplier quote requests. Professionals must already read commercial contracts, evaluate supplier tenders, and monitor vendor purchase deliveries to follow the advanced analytics, financial modeling, and strategic negotiation tools practiced during the course.

### How does Advanced Purchasing and Procurement Techniques differ from basic purchasing courses?

Basic purchasing courses focus on transactional order placement, administrative requisition tracking, and standard purchase order generation. Advanced Purchasing and Procurement Techniques focuses on strategic spend categorization, deep-dive supplier cost breakdown analysis, total cost of ownership modeling, high-stakes commercial negotiation structuring, and long-term vendor performance governance.

### Why should an organization adopt advanced purchasing and procurement techniques?

Advanced purchasing and procurement techniques eliminate single-source vulnerabilities, uncover unearned supplier margins, and control whole-lifecycle equipment costs. Organizations shift purchasing from an administrative processing department into a strategic contributor that protects operating margins, ensures supply continuity, and drives measurable supplier value.

### What practical tool do you bring back from Advanced Purchasing and Procurement Techniques?

You take back a Category Sourcing and Supplier Strategy Playbook. This completed operational document contains your spend analysis matrix, cost breakdown models, commercial negotiation roadmaps, and supplier performance governance scorecards, which you can apply immediately to manage your organization's highest-spend supply categories.

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## For Your Manager

This course equips your team member to systematically reduce external spend, analyze supplier cost structures, and negotiate favorable commercial agreements. The participant returns with a functional Category Sourcing and Supplier Strategy Playbook, ready to apply to an upcoming category review or supplier renegotiation to generate tangible cost savings and protect your supply continuity.