Purchasing Techniques, Negotiating & Cost Reduction

18 – 22 July 2027
Cairo (Egypt)

Dubai - UAE: +971 4 450 5697
Istanbul - Türkiye: +90 539 599 1206
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MERCURY

Purchasing Techniques, Negotiating & Cost Reduction

Ref: 4010_280908 **Date:** 18 – 22 July 2027 **Location:** Cairo (Egypt) **Fees:** 3500 Euro

Introduction:

In the swiftly advancing business landscape, organizations increasingly scrutinize their purchasing and procurement strategies as a significant portion of their revenue—often more than 50%—is invested in goods and services. From raw materials to expedited shipping services, the call to boost profits through strategic cost reduction is a high priority.

This purchasing and negotiation strategy for cost reduction course is designed to propel attendees toward world-class performance in cost reduction by imparting a deep understanding of the effective methods, processes, and techniques utilized in purchasing and negotiating strategies.

Through engagement, participants in the purchasing and negotiation strategy for cost reduction course will learn not only about potential opportunities for optimization but also actively work towards implementing key strategies to realize tangible supply management savings.

Targeted Groups:

- Purchasing supervisors.
- Purchasing managers.
- Buyers.
- Senior buyers.
- This purchasing and negotiation strategy for cost reduction course is for personnel who seek to deepen their understanding of the purchasing function.

Course Objectives:

Participants will complete this purchasing and negotiation strategy for cost reduction course with the knowledge and skills to:

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- Embark on the path to world-class cost reductions in purchasing and procurement.
- Master the processes involved in data mining and the development of strategic plans.
- Identify and leverage methods of cost improvement and purchasing cost reduction techniques.
- Establish and understand the role of the purchase price index in cost reduction strategies in procurement.
- Report and track cost improvements through a structured cost reduction program.
- Differentiate and evaluate the concepts of cost reduction vs. cost avoidance.
- Analyze and negotiate supplier prices using advanced purchasing negotiation techniques.
- Eliminate processes that add little value while focusing on core competencies.
- Implement best practices in qualifying suppliers and procurement cost reduction.
- Understand the importance of planning in successful negotiations.
- Understand the importance of rating and valuing the issues in a negotiation.
- Negotiate important issues in various contract clauses.

Targeted Competencies:

Participants in the purchasing and negotiation strategy for cost reduction course will develop skills in:

- Crafting detailed spending profiles.
- Prioritizing duties for maximum effectiveness.
- Identifying cost reduction opportunities.
- Evaluating and negotiating prices.
- Deciphering supplier pricing structures.
- Formulating strategic purchasing plans.
- Preparing comprehensively for negotiation processes.
- Defining negotiation issues.
- Understanding the Total Cost of Ownership TCO.
- Executing successful negotiations.

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Course Content:

Unit 1: Continuous Improvement in Cost and Productivity:

- Recognizing the impetus for change in purchasing negotiation strategies.
- Perception of the purchasing function from a cross-functional viewpoint.
- A model for purchasing savings and the impact on overall cost reduction.
- Total Cost of Ownership models and their significance.
- Skill sets are critical for continuous improvement and cost-reduction initiatives.
- Cost reduction initiatives.
- Procedure for reporting cost savings effectively.
- Techniques in data mining for procurement negotiation training.
- Strategic focus and spend analysis using ABC analysis.
- Embracing modern methods for analyzing procurement expenditures.

Unit 2: Defining Cost Reduction Opportunities:

- Engaging user groups in brainstorming to uncover purchasing cost reduction potentials.
- Developing company purchase price indexes and comparisons with external benchmarks.
- Grasping the supply market dynamics and supplier pricing methodologies.
- Techniques for benchmarking and its relevance to purchasing negotiation.
- Mapping processes to eliminate activities that contribute minimal value.
- Strategic plan development for purchasing materials or services.
- Resisting price increases.
- You will never be better than your suppliers.
- Supplier performance measurement.
- Cost-saving methods.
- Tactics for resisting price increases and fostering a cost reduction strategy in procurement.

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Unit 3: Methods of Price Evaluation:

- Price justification.
- Model for selecting analysis methods.
- Methods of price analysis.
- Competition
- Historical prices.
- How much profit is fair?
- Methods of cost analysis.
- Breaking down the elements of cost.
- Developing "should cost".

Unit 4: Successful Negotiations:

- Our responsibilities as agents.
- Negotiation skill sets.
- Steps in negotiation preparation.
- Methods of persuasion.
- What does win-win mean?
- Determining the issues.
- Defining issues for specific contract provisions.
- Payment terms.
- Progress payments.
- Warranties.
- Spare parts.
- Rating and valuing issues.
- Standards of ethics in Purchasing and Contracting Conduct.

Unit 5: Determining Strengths and Weaknesses:

- Self-evaluation of negotiation positions and procurement negotiation training.
- Assessing the Best Alternative to a Negotiated Agreement BATNA.
- Analyzing the counterparty's position to optimize negotiation outcomes.
- Negotiation objectives diagram.
- Utilizing negotiation planning forms.
- Preparing the negotiation team effectively.
- Tips for achieving success during the actual negotiation process.