



Strategic Purchasing & Supply
Management Workshop



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Introduction:

Developing and implementing carefully crafted strategies for acquiring all goods, parts, equipment, and services have become critical in all organizations wishing to reduce operating costs while improving quality and productivity.

This strategic purchasing and supply chain management program explores key concepts of strategic cost/price analysis, value analysis, and total cost of ownership. It will move today's supply management organization from its typical tactical focus to the strategic focus needed to embrace the strategic role of purchasing in supply chain management and achieve world-class performance.

In today's competitive landscape, recognizing the strategic role of purchasing in supply chain management is pivotal. Purchasing decisions and processes are central to a company's overall strategy.

This strategic purchasing and supply chain management workshop delves into the intricate nature of purchasing and how it contributes to a sustainable and efficient supply chain model. Discussion on advanced supply chain management techniques will provide students with insights into modern procurement practices.

Upon completing this strategic purchasing and supply chain management workshop, participants will be awarded a purchasing and supply chain management certificate, which echoes their expertise in the field and prepares them for advanced roles within their organizations. This certificate validates acquiring skills necessary to handle strategic purchasing and supply chain management effectively.

Targeted Groups:

- Senior procurement managers.
- Supply chain directors.
- Operations managers.
- Strategic planning executives.
- Logistics managers.
- Sourcing professionals.
- This strategic purchasing and supply chain management workshop is for individuals interested in pursuing purchasing and supply management careers.

Workshop Objectives:

At the end of this strategic purchasing and supply chain management workshop, participants will be able to:

- Explore the elements of cost in the supplier's price.
- Understand the differences in international labor rates.
- Develop a purchasing coding system.
- Learn how volumes should impact price.
- Discover supplier's different pricing models.
- Explore issues of supplier/contractor overhead expenses.

- Experience the development of a purchase price index.
- Obtain supplier's price breakdowns.
- Learn how to get more time to work on strategic issues.
- Develop skills in negotiation planning and strategies.
- Understand methods of price and cost analysis.
- Apply concepts of value analysis.
- Understand the development of should cost.
- Learn the types of TCO systems.
- Learn about implementing TCO analysis.

Targeted Competencies:

- Supplier pricing models.
- Supply management mission and vision.
- Cost analysis.
- Use of price indexes.
- Price analysis.
- Preparation for negotiation.
- Strategic approaches in supply management.
- Developing what the price should be.
- Spend analysis.
- Price/volume analysis.
- Value analysis.
- Total cost of ownership.

Workshop Content:

Unit 1: Setting the Strategic Direction:

- Define the supply management mission and vision.
- Stages to world-class supply management.
- Change and become more strategic.
- Supply management skill sets.
- Develop the spending analysis.
- Create time to be strategic.
- Know The ABC Pareto analysis.
- Material/services purchasing code development.

Unit 2: How Do You Know That You Obtained a Good Price:

- Supplier pricing models.
- Define cost and price analysis.
- Difference between cost and price analysis.
- Selection tool.
- Methods of price analysis.
- Historical analysis.
- Work with producer price indexes.
- Develop the organization's purchase price index.
- Estimate cost relationships.

Unit 3: Getting a Better Price by Analyzing Cost:

- Methods of cost analysis.
- Major elements of cost.
- What and how important are supplier overheads?
- Sources of cost information.
- Develop "should cost."
- Request supplier cost info.
- Explore issues in analyzing supplier cost breakdown.

Unit 4: Using Price Volume, International Labor, and Value Analysis:

- Global industrial labor rates.
- Work with currency exchange rates.
- Cost volume profit analysis.
- Fixed and variable costs are defined.
- Use of cost volume relationships.
- Calculate fixed and variable costs algebraically.
- Define value analysis.
- Know The test for a value list.
- The supplier value checklist.

Unit 5: Total Cost of Ownership TCO Concepts:

- Change in supply management.
- Definitions of TCO.
- Objectives of TCO.
- Barriers to TCO.
- Process flow diagrams.
- Approaches to TCO.
- Dollar model.
- Value model.
- Explore total cost modeling of the supply chain.
- Implementing TCO.