



Procurement and Supply Chain Management Best Practices



2 - 20 September 2024



Munich (Germany)

# Procurement and Supply Chain Management Best Practices

course code: C8029 From: 2 - 20 September 2024 Venue: Munich (Germany) - course Fees: 6750 Euro

## Introduction

The development and implementation of carefully crafted strategies for the acquisition of all materials, goods, equipment and services has become a critical issue in all organizations wishing to reduce operating cost while improving quality and productivity. This conference explores key concepts forming the basis of procurement and supply chain management and moves through leading edge issues that confront organizations today.

This fast paced program is designed for those wanting to develop high performance purchasing and supply chain organizations as we will in this conference:

- Achieve a thorough understanding of what is the best practice.
- Establish the mission, vision, and knowledge needed to successfully implement the processes and methods needed to reach world-class performance.
- Provide an overview of the key drivers involved when viewing supply chains from a logistics/demand point of view.
- Explain what procurement and supply chain management are fundamentally about so that delegates are able to apply key techniques in controlling cost, time and the movement of goods and materials to customers and users.
- Provide practical skills to take back to the workplace to enable delegates to change current methods and activities and work better with all supply chain players

## The seminar is split into two modules:

MODULE I - Procurement Best Practices

MODULE II - Logistics & Supply Chain Management

Each module is structured and can be taken as a stand-alone course; however, delegates will maximise their benefits by taking Module 1 and 2 back-to-back as a two-week seminar.

## Objectives

Participants attending the program will:

- Review the meaning of strategic procurement
- Be given examples of best practices in procurement and the supply chain
- Review how to obtain best pricing
- Be taught how to develop spend analysis
- Develop a functional and cross functional view of the supply chain

- See that better working with all of the supply chain players pays
- Consider Key Performance Indicators (KPI's)

### **Conference Methodology**

Participants will increase competencies through a variety of instructional methods including lecture by experienced practitioners and consultants, exercises, review published articles, and group discussions covering current practices and their relationship to the implementation of new concepts. Additional use will be made of case studies, videos and delegates will receive a comprehensive course manual enabling practical application and reinforcement

### **Organisational Impact**

The organisation will benefit by:

- Higher productivity of personnel involved in procurement activities
- Better outcomes in transactions with contractors and suppliers
- Reduced total cost of materials & services
- Better integration between internal functions
- Improved contractor/supplier performance
- Succeed in improving operations

### **Personal Impact**

Attendees will gain by participation in this program as a result of:

- Increased skill sets
- A greater ability to lead, plan, and manage the procurement and supply chain process
- A greater sense of professionalism and being able to contribute to the organisation
- Increased recognition from the organization due to improved personal performance
- Be able to understand, recall and apply improvements after the seminar for work based application
- Applying best in class practices

### **SEMINAR OUTLINE Seeing Procurement as a Dynamic, Interactive System**

- The System Approach vs. the traditional Functional Approach
- What is the goal of Procurement?
- Developing the Strategic Procurement Plan
- An overview of the procurement process
- Procurement as part of the Supply Chain

### **Developing the Strategic Procurement Decisions**

- Make/buy decision

- Vertical integration
- Alliances and partnerships
- Inter-company trade
- Reciprocity and counter trade
- Supplier strategy
- The coordination strategy
- The Purchasing organisation

### **Implementing the Tactical Procurement Decisions**

- Supplier involvement
- Value analysis
- Quality Assurance
- Supplier selection
- Supplier rating and ranking
- Contract management
- IT systems and e-Procurement
- Policies and procedures
- Staffing the Procurement Department

### **Dealing with Operational Procurement Decisions**

- Selecting the most appropriate ordering process
- Addressing quality issues
- Follow up
- Overdue orders
- Expediting
- The payment process
- Reducing the cost of procurement: small value purchase orders

### **Contingency Procurement Decisions**

- The different contingency situations
- Contingency management

### **Procurement Performance Measurement**

- Spend analysis
- Total cost of ownership
- Supplier performance measurement

## **Module II**

### **Logistics and Supply Chain Management**

#### **Understanding What Logistics and the Supply Chain Are About**

- Definitions of logistics and Supply Chain management
- The interrelations and connections of Buying, Making, Moving, and Selling activities
- History and the development
- Understanding the Supply Chain dynamics
- Supply Chain Operations Reference Models (SCOR)
- The Theory of Constraints (TOC)

## Key Aspects and Rules of Supply Chain Management

- The cost/service balance
- Customer service principles
- Internal organizational structures
- Inventory principles
- Lead times throughout the supply chain
- Adding value
- Production options/changes
- Trade off opportunities

## The Benefits of Adopting a Supply Chain Approach And Appreciating The Changes Needed To Traditional Ways

- Understanding the sub functional conflicts
- Benefits within and between functions
- Taking a supply chain view of total acquisition costs
- Accepting that competitive advantage comes from the Supply Chain
- Looking at demand amplifications, and the "Forester" effect
- Appreciating the effects of uncertainty and unresponsiveness
- Seeing how we currently manage the supply chain
- Changing the way we manage the Supply Chain for greater effectiveness

## Strategic Approaches And Impacts To Supplier/Customer Relationships

- Practical effects on lot sizes/order quantities
- Reducing costs
- Sharing developments and collaborating
- Eliminating internal and external barriers
- Interfacing versus integrating relationships
- Segmentation and product formatting
- Business strategies and the supply chain
- Supply chain planning
- Gaining competitive advantage
- Considering outsourcing
- Using postponement and consolidation logistics
- Examining demand planning
- Approaches of Quick Response (QR), Vendor Managed Inventory (VMI) and Collaborative Planning and Forecast Requirements (CPFR)
- The Lean Supply Chain

## Making Supply Chain Improvements and Implementing a Logistics/Supply Chain Management Approach

- Manufacturing and retailer case studies
- The major lessons and key aspects from experience
- Oil and Gas in the UK experiences
- Key questions to be answered
- The changes needed with suppliers and customers
- The changes need to internal organisation and management practices
- Potential action needed
- The 'doing nothing' future, with 'lessons from experience'
- Guarding against futures of higher stock levels and competition gains

- Breaking down traditional silo/closed management
- A 5 step approach to Logistics and Supplier Development
- The Supply Chain Rules (Encore); the rules to give competitive advantage from effective Supply Chain Management