

# Procurement Best Practices

## INTRODUCTION

- The Procurement function has developed from a simple administrative function to a fully fledged strategic business unit. No longer is it sufficient to simply turn requisitions into orders and then await the delivery of the goods or services. It is therefore imperative for Procurement to constantly deliver value to the organisation by delivering products and services that contributes to the well-being of the organisation.

In order to do this, Best Practices have to be implemented on four levels:

- Strategic
- Tactical
- Operational
- Contingency
- This Procurement Best Practices training seminar will address the necessary conditions at all four levels for those delegates who want to implement high-performing Procurement functions.



## OBJECTIVES

Participants attending this training seminar will:

- Understand the evolution in Procurement
- Discuss the inputs, outputs and processes of the system
- Develop meaningful performance measurements
- Learn the necessary conditions to be taken on all four levels

## TRAINING METHODOLOGY

- Participants will increase competencies through a variety of instructional methods including lecture by an experienced practitioner and consultant, exercises, review published articles, and group discussions covering current practices and their relationship to the implementation of new concepts.

## ORGANISATIONAL IMPACT

- The ability to deliver real value in a shorter time
- Reduce the number of non-value adding activities
- Improved relations between personnel, customers and suppliers
- Reduction in total cost of ownership
- Improved supplier performance

## PERSONAL IMPACT

Attendees will gain by participating in this training seminar as a result of:

- Increased skill sets in all phases of strategic procurement
- Greater ability to lead, plan, and manage the procurement process
- A greater sense of professionalism and being able to contribute to the organisation's strategic objectives
- Increased Knowledge about Key Performance Indicators
- Increased recognition by the organization due to improved performance

## WHO SHOULD ATTEND?

- Contracts, Purchasing, and Procurement Personnel
- Project, Engineering, Operational, and Maintenance, Personnel who are involved in the planning, and execution of purchases and contracts
- All involved in the acquisition of materials, equipment, and services and who are in organizations whose leadership want high levels of competency in those involved in these activities

## Course 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

## 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

