

Purchasing Management and Cost Saving Techniques

Why Attend

- Managing the purchasing department of the 21st Century is not an easy task. Today's global economy makes the purchasing function increasingly complicated. In this course, we will explore how to manage the various suppliers that may be located thousands of kilometers from your plant while achieving real cost savings. Furthermore, we will discover how the purchasing department fits in the overall function of the supply chain operation. Lastly, we will cover how the purchasing department should be managed properly to achieve all of its Key Performance Indicators (KPIs).

Course Methodology

- This course uses a mixture of interactive learning tools such as round table discussions, role playing, case studies, individual and team exercises.

Course Objectives

By the end of the course, participants will be able to:

- Define the strategic role of the purchasing department
- Perform accurate supplier evaluation
- Develop effective negotiation strategies with all suppliers
- Explain the importance of value analysis to purchasing
- Evaluate the performance of the department using proper Key Performance Indicators (KPIs)
- Improve the efficiency of the purchasing department

Target Audience

- Buyers, senior buyers, purchasing supervisors, purchasing managers and all other personnel who need to understand the purchasing function.

Target Competencies

- Strategic purchasing operations
- Item value analysis
- Departmental management
- Negotiation
- Purchasing ethics
- Supplier evaluation

The strategic function of purchasing

- The link between the purchasing function and organizational strategy
- Creating a purchasing mission statement
- Matching the purchasing mission with the company's mission
- Writing the department's objectives
- Balancing quality, service and price
- Things purchasing should strive for
- Type O purchasing manager
- Type S purchasing manager

Supplier evaluation and negotiation

- Negotiating with suppliers
- Power in negotiation
- Planning for negotiation
- The 13 powers of negotiation
- Achieving the right agreements with suppliers
- Factors used to evaluate suppliers on total performance
- Ways of promoting good supplier relations
- Creating suppliers as good partners
- Choosing the right suppliers

Value analysis

- 16 key strategic questions to ask
- Applying the 16 strategic questions
- How these 16 questions will reduce total cost
- Optimizing purchasing productivity
- Adding value as a purchasing manager
- The 21st century purchasing manager
- From pushing papers to strategic thinking



Managing and evaluating the department performance

- Centralization versus decentralization
- Reasons for departmental performance appraisal
- Managing other buyers
- Management by objectives
- Continuous development for the buyers
- Key Performance Indicators for purchasing
- Choosing the right KPIs for purchasing
- The right number of departmental KPIs

Improving purchasing efficiency

- Evaluating service to end users
- Conducting the right surveys
- Communicating better with end users
- Ethical behavior with suppliers
- Ethical behavior with end users
- Ethical behavior within the department
- Purchasing policies and procedures
- Training the staff

