

# Category Management in Procurement

## INTRODUCTION

- Procurement is one of the most important functions for successful organisations, whether it is selecting and applying the appropriate category methodologies to ensure value for money or monitoring high quality delivery by suppliers which requires collaboration across all functions and a strong contractual underpinning of the supplier relationship. Category management is a strategic approach that focuses on the majority of an organisation's spend on goods and services with third party suppliers.

This training course is designed to:

- Explore the practices seen as leading to world class performance in procurement, and supply chain management
- Enable participants to develop appropriate sourcing and supplier category management plans
- Help delegates to develop action plans for implementation within their organisation to improve total value for their organisation

## PROGRAMME OBJECTIVES

This training course aims to enable participants to:

- Be more effective in managing procurement
- Develop appropriate strategies for delivering value
- Use appropriate category management methodologies for managing suppliers
- Be able to use tendering, negotiation and other techniques
- Enhance value obtained from suppliers
- How to measure and improve the performance of the Procurement function

## WHO SHOULD ATTEND?

This intensive 5-day Category Management in Procurement training course is suitable for personnel who work across the business including from:

- Projects
- Tenders and Contracts
- Procurement
- Finance
- Those new to the procurement function, preparing for a major project, or experienced managers looking for a refresher will also benefit from this Category Management Procurement training course.

## TRAINING METHODOLOGY

- The Category Management in Procurement training course will combine conventional teaching with a high level of participation; including an interactive approach to involving participants in discussion of topics; exercises; and encouraging participants to bring their own experiences forward for discussion and debate.

## PROGRAMME SUMMARY

- The Category Management in Procurement training course covers the category management process that focuses on the vast majority of an organisation's spend on goods and services with third party suppliers. The intention is to develop general skills with application to a wide range of procurement situations, and to allow participants to have an awareness of practices in other regions and other industries which may add value to their own situations.

## PROGRAMME OUTLINE

### The Basis of Procurement Management

- Principles of Good Procurement within the Supply Chain
- Understanding the Supply Chain
- Requirements and Specifications
- Supply Segmentation
- Price, cost and value
- Principles of Good Management
- Strategy, vision
- Objectives of Procurement Management
- Organisational structure

## Introducing Category Management

- Category Management explained
- The relevance of Category Management today
- The culture of buying cheap
- Unlocking value from the Supply Chain
- Segmenting the spend, identifying the categories
- Identifying the benefits of Category Management

## The Principles and Stages of Category Management

- Supplier Management and Development
- Supplier Evaluation
- Partnerships and alliances
- Supplier Development
- Local supplier development
- Understanding the supplier's pricing approach
- Developing sources of leverage
- Supplier preferencing

## Managing Suppliers

- Managing Partnerships
- Appropriate opportunities for partnering and alliances
- Structure of partnerships
- Duration and end of partnership arrangements
- Managing non-critical suppliers
- Negotiation
- Managing Service Suppliers
- Service Level Agreements
- Supplier non-conformance and corrective actions

## How to Make Category Management Happen

- Ensuring Senior Management Buy-In
- Measuring the Benefits of Category Management
- Communicating within and without the organisation
- Future implications for procurement
- The Global Marketplace
- Corporate Social Responsibility