BLACKBIRD FOR TRAINING

Strategic Purchasing & Supply Management

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PARTNER



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Introduction

In today’s fast-paced business environment, the development and implementation of well-crafted strategies for acquiring goods, parts, equipment, and services is a crucial challenge for any organization aiming to reduce operational costs while improving quality and productivity. This course focuses on key concepts such as Strategic Cost/Price Analysis, Value Analysis, and Total Cost of Ownership TCO, shifting today's supply management focus from tactical operations to a strategic approach necessary to implement processes and methods that ensure world-class performance.

Course Objectives

By the end of this course, participants will:

- Explore the elements of cost in the supplier's price.
- Understand the impact of global labor rates on pricing.
- Learn how to develop a purchasing coding system.
- Understand how volume affects price.
- Discover supplier pricing models.
- Explore issues related to supplier/contractor overhead expenses.
- Gain experience in developing a purchase price index.
- Learn how to get more time to focus on strategic issues.
- Develop skills in negotiation planning and strategies.
- Understand methods of price and cost analysis.
- Apply the concepts of value analysis.
- Learn to develop a “Should Cost” model.
- Explore the types of TCO systems.
- Learn the process of implementing TCO analysis.



Course Outlines

Day 1: Setting the Strategic Direction

- Defining the supply management mission and vision.
- Stages to world-class supply management.
- How to change and become more strategic.
- Supply management skill sets.
- Developing spend analysis.
- Creating time to be strategic.
- ABC Pareto analysis.
- Material/Services purchasing code development.

Day 2: How Do You Know You Got a Good Price

- Supplier pricing models and how to choose the best one.
- Defining cost and price analysis.
- Differences between cost and price analysis.
- Selection tools for pricing models.
- Methods of price analysis.
- Historical analysis.
- Working with producer price indexes.
- Developing the organization’s purchase price index.

Day 3: Getting a Better Price by Analyzing Costs

- Methods of cost analysis.
- Major elements of cost.
- Understanding the importance of supplier overhead costs.
- Sources of cost information.
- Developing "Should Costs".
- How to request supplier cost information.
- Challenges in analyzing supplier cost breakdowns.

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

- Global industrial labor rates and their impact on pricing.
- Working with currency exchange rates.
- Cost volume profit analysis.
- Fixed and variable costs: definitions and calculations.
- Use of cost-volume relationships.
- Defining value analysis and its application.
- The test for value checklist.
- Supplier value checklist.



Day 5: Total Cost of Ownership TCO Concepts

- Change in supply management and its effect.
- Definitions of TCO.
- Objectives of TCO.
- Barriers to TCO implementation.
- Process flow diagrams.
- Approaches to TCO.
- Dollar model.
- Value model.
- Total cost modeling of the supply chain.
- Implementing TCO analysis.

Why Attend This Course: Wins & Losses!

- Gain in-depth understanding of supply chain management and how it influences strategic purchasing.
- Learn how to apply Strategic Cost/Price Analysis and Value Analysis to improve purchasing decisions and reduce costs.
- Enhance your ability to negotiate strategically, using the purchase price index and understanding supplier pricing models.
- Build your skills in analyzing cost breakdowns and applying TCO analysis to reduce expenses and improve overall supply chain efficiency.
- Improve your understanding of global supply chain management and the factors influencing international labor rates.

Conclusion

This course offers a valuable opportunity for professionals in supply chain management to enhance their strategic purchasing skills and gain practical insights into cost and price analysis, value analysis, and TCO. By understanding these essential concepts, you will be better equipped to drive operational efficiency, negotiate effectively, and make informed purchasing decisions. Implementing the strategies taught in this course will enable you to enhance your organization's supply chain management practices, reduce costs, and boost quality, ultimately achieving a world-class performance.

