



شركة ميرك العربية السعودية  
MEIRC Saudi Arabia

## Effective Purchasing, Tendering & Supplier Selection

### **Duration 5 Days**

### **Introduction**

A five day intensive programme aimed at developing / strengthening the understanding of the crucial role played by the supplier in delivering customer satisfaction through an effective supply chain.

Participants will learn how to evaluate the performance of both potential and current suppliers. Assess the factors that comprise and effective tender and conduct effective negotiations that bring long term value to the organization.

### **Who Should Attend**

- Purchasing professionals
- Those involved in defining the specification and evaluating supplier performance
- Those involved in preparing and analyzing bids
- Those with an involvement in supplier relationships
- Those whose role involves negotiation with outside agencies

### **Objectives**

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

- ↳ Identify and reduce procurement risk through development of a plan of action
- ↳ Enable improved performance from your existing suppliers through evaluation and performance measurement
- ↳ Understand and strengthen your supply chain
- ↳ Improve operating relationships within your organization
- ↳ Award contracts on the basis of measured performance / criteria
- ↳ Provide a working understanding of the Negotiation process

### **The Key Highlights of the Course**

- Planning
- Tendering
- Negotiation
- Supplier Management
- Measuring Performance
- Communication

### **Training Methodology**

Combines interactive presentations, case studies, participant activities and exercises to maximize the impact of the learning experience. Delegates will have ample time to consider the ideas and apply the skills discussed. The Seminar will cover both practical and theoretical aspects of Purchasing.



### **Organizational Impact**

#### **The organization will benefit by:**

- ↪ Raise the profile of purchasing within the company
- ↪ Improve the performance of established suppliers
- ↪ Deliver materials and services at reduced cost and increased value
- ↪ Retain money within the company through more productive negotiation
- ↪ Improve the professionalism of those within the purchasing function
- ↪ Drive improvement through identifying current problems and weaknesses

### **Personal Impact**

#### **As a result of this program the attendee will:**

- ↪ Understand the fundamental tools of effective purchasing
- ↪ Operate with increased confidence when dealing with suppliers
- ↪ Manage internal relationships more effectively
- ↪ Better deliver improved negotiated outcomes
- ↪ Use measurement as a key tool in driving supplier improvement
- ↪ Understand the key elements of a well-structured tender

### **Course Outline**

- 1. DAY 1: What is the Role of Purchasing in the Company**
  - 1.1. Introduction to Purchasing and its contribution to the organization
  - 1.2. What is the purpose of a business
  - 1.3. Dealing with the problem of being a “ go between “
  - 1.4. Purchasing process and cycle of procurement
  - 1.5. Positioning purchasing within the company
  - 1.6. Vision, Mission and Value of Purchasing
  - 1.7. Purchasing Structure
  - 1.8. Where to find performance improvement
- 2. DAY 2: Developing the Purchasing Strategy**
  - 2.1. How to reach the internal customer
  - 2.2. Developing Purchase agreements
  - 2.3. Importance of being involved in creating the specification
  - 2.4. Supplier selection methodology
  - 2.5. Criteria for pre-qualifying suppliers
  - 2.6. Integrating the supplier selection process
  - 2.7. Positioning your need and you value against the market
  - 2.8. The role of ISO 9000
- 3. DAY 3: Selecting the Right Supplier & Evaluating Performance**
  - 3.1. Conditioning the supplier to meet your requirement
  - 3.2. The total cost approach to purchasing
  - 3.3. Analyzing Cost
  - 3.4. Analyzing Value
  - 3.5. Hidden costs
  - 3.6. Life cycle costing
  - 3.7. Using Price indices



3.8. Performance evaluation

**4. DAY 4: Tendering and Analyzing The Bid**

- 4.1. Process needs
- 4.2. Types of tender
- 4.3. Electronic commerce / E Auctions
- 4.4. Evaluating a bid objectively
- 4.5. Terms and Conditions of contract
- 4.6. Standard contract clauses
- 4.7. Methods of Payment
- 4.8. Expediting the agreement
- 4.9. What if the contract fails to deliver – legal issues

**5. DAY 5: Negotiating the Contract and Preparing a Plan of Improvement Action for Purchasing**

- 5.1. Defining negotiation
- 5.2. Obstacles to effective negotiation
- 5.3. Different styles of negotiation
- 5.4. The tools of the process
- 5.5. Phases of a negotiation
- 5.6. What to do and what not to do
- 5.7. Focus on four key areas of world class performance
- 5.8. Evaluating performance gaps