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# Course: Purchasing Techniques, Negotiating & Cost Reduction

Code	City	Hotel	Start	End	Price	Language - Hours
612	Madrid (Spain)	Hotel Meeting Room	2024-12-30	2025-01-03	5450 €	En - 25

## The Course

In the world today it is not unusual for more than 50% of an organization's revenue to be spent on goods and services — everything from raw materials to overnight mail. So, when the goal is to increase earnings by lowering costs, World-class organizations look closely at their purchasing strategies. Success in purchasing is dependent not only on an awareness of the potential opportunities, but more importantly, and the focus of this seminar, is the knowledgeable implementation of the methods, processes, and techniques that should be utilized in order to become a leader in obtaining real supply management savings.

## The Goals

**Upon completion of this seminar, participants will know:**

- How to be on the road to world class in cost reductions
- Processes for data mining and developing strategic plans
- Methods of cost improvement
- Process for developing purchase price index
- Procedure for reporting cost improvements
- Cost Reduction vs. Cost Avoidance
- How to evaluate supplier prices
- Reducing low value activities
- Best practices in qualifying suppliers



- The importance of planning in successful negotiations
- Approaches in negotiations
- Standards of ethics
- The importance of rating and valuing the issues in a negotiation
- Negotiating important issues in various contract clauses
- Important elements of final preparation

## **The Delegates**

- Contracts, Purchasing, and Procurement personnel
- Engineering, Operational, Project, and Maintenance personnel
- And all others who are involved in the planning, evaluation, preparation and management of purchasing, tenders, and contracts that cover 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.

## **The Process**

This seminar will combine a variety of instructional methods including lecture by an experienced practitioner and consultant, exercises and role playing, and group discussions covering current practices and their relationship to the implementation of new concepts.

## **The Benefits**

**Attendees will gain by participation in this program as a result of:**

- Increased skill sets in finding savings opportunities.
- Greater ability to lead continuous improvement programs.
- A greater sense of confidence and professionalism.
- Greater ability to obtain desired outcomes in negotiations.



- Increased recognition by the organization due to improved performance.

## **The Results**

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

- Higher productivity of personnel involved in procurement activities.
- Reduced total cost of ownership for purchased materials, equipment, and services.
- Improved productivity of the entire organization by better on time delivery of high quality goods and services.
- Having the advantage in negotiations as a result of their employees being better prepared and trained than the employees of the other side.
- Improved supplier performance and relations.
- Greater strategic focus of those involved in supply management.

## **The Core Competencies**

### **Attendees will gain in the following competencies as a result of the program:**

- Developing spend profiles
- How to prioritize their time for maximum benefit
- Finding costing reduction opportunities
- Evaluating prices
- Understanding supplier pricing structures
- Developing purchasing strategic plans
- Planning for negotiations
- Defining issues
- Understanding Total Cost of Ownership
- Conducting negotiations

## **The Programme Content**



## **Day One : Continuous Improvement in Cost and Productivity**

- The Need For Change
- How Do Other Functions View Purchasing
- A Purchasing Savings Model
- Total Cost Of Ownership Models
- Continuous Improvement Skill Sets
- Cost Reduction Initiatives
- Cost Savings Reporting Procedure
- Data Mining
- Establishing A Strategic Focus With The ABC Analysis
- Modern Methods Of Analyzing The Spend

## **Day Two : Defining Cost Reduction Opportunities**

- User Group Brainstorming Sessions
- Developing Company Purchase Price Index And Comparing To External Indexes
- Understanding Of Supply Marketplace And How Suppliers Price
- Benchmarking
- Process Mapping To Eliminate Low Value Activities
- Developing Purchasing Material/Services Strategic Plans
- Resisting Price Increases
- You Will Never Be Better Than Your Suppliers
- Supplier Performance Measurement
- Cost Saving Methods

## **Day Three : Methods of Price Evaluation**

- Price Justification
- Model For Selecting Analysis Methods
- Methods Of Price Analysis
- Competition



- Historical Prices
- How Much Profit Is Fair
- Methods Of Cost Analysis
- Breaking Down The Elements Of Cost
- Developing “Should Cost”

## **Day Four : Successful Negotiations**

- Our Responsibilities As Agents
- Negotiation Skill Sets
- Steps In Negotiation Preparation
- Methods Of Persuasion
- What Does Win/Win Really Mean?
- Determining The Issues
- Defining Issues For Specific Contract Provisions
- Payment Terms
- Progress Payments
- Warranties
- Spare Parts
- Rating & Valuing Issues
- Standards Of Ethics In Purchasing And Contracting Conduct

## **Day Five : Determining Strengths and Weaknesses**

- Evaluating Your Position
- Know Your BATNA
- Analyzing The Other Side
- Negotiation Objectives Diagram
- Negotiations Planning Forms
- Prepare The Negotiation Team
- Tips For The Actual Negotiation
- Participants will negotiate model cases and discuss the results to provide an



opportunity for hands on experience



**The Scandinavian Academy for Training and Development employs modern methods in training and skills development, enhancing the efficiency of human resource development. We follow these practices:**

• **Theoretical Lectures:**

- We deliver knowledge through advanced presentations such as PowerPoint and visual materials, including videos and short films.

• **Scientific Assessment:**

- We evaluate trainees skills before and after the course to ensure their progress.

• **Brainstorming and Interaction:**

- We encourage active participation through brainstorming sessions and applying concepts through role play.

• **Practical Cases:**

- We provide practical cases that align with the scientific content and the participants specific needs.

• **Examinations:**

- Tests are conducted at the end of the program to assess knowledge retention.

• **Educational Materials:**

- We provide both printed and digital scientific and practical materials to participants.

• **Attendance and Final Result Reports:**

- We prepare detailed attendance reports for participants and offer a comprehensive program evaluation.

• **Professionals and Experts:**

- The programs scientific content is prepared by the best professors and trainers in various fields.

• **Professional Completion Certificate:**

- Participants receive a professional completion certificate issued by the Scandinavian Academy for Training and Development in the Kingdom of Sweden, with the option for international authentication.

• **Program Timings:**

- Training programs are held from 10:00 AM to 2:00 PM and include coffee break sessions during lectures.