



*Training Course:
Purchasing Techniques, Negotiating & Cost
Reduction*

*28 October - 1 November 2024
Kigali (Rwanda)*

Training Course: Purchasing Techniques, Negotiating & Cost Reduction

Training Course code: PC4010 From: 28 October - 1 November 2024 Venue: Kigali (Rwanda) - Training Course Fees: 5950 € Euro

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 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

Registration form on the Training Course: Purchasing Techniques, Negotiating & Cost Reduction

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