

Strategic Procurement & Contract Management Excellence

Leveraging on procurement as a key business contributor that impacts overall business performance via best practice strategies, cost reduction and supplier relationship management

Kuala Lumpur, Malaysia

24th & 25th February 2014

“Strategic planning is worthless – unless there is **first a strategic vision.”**

John Naisbitt

This event will empower delegates with crucial information in regards to effective and smart procurement management practices that can dramatically improve the bottom line of the entire organisation. Divulge into methods of practicing reliable, practical and safe contract management techniques that ensure your company is safeguarded against risks & disputes, and concordantly, ramp up positive relationships with suppliers to command the highest level of service, quality and performance to be delivered to you at all times.



Your expert course facilitator:

Mr. Andrew Downard Director
AD Supply Chain Group, Australia

Andrew Downard works with clients from industries such as automotive, logistics, health and agricultural production businesses to find improvement opportunities in their supply chain operations. Over the years, Andrew has served in numerous management roles in supply chain such as the Purchasing Manager at Nissan Australia where he was responsible for USD 0.5 billion in spend. Assisting the Australian government in making improvements for businesses in regional Victoria, he saved USD 0.8 billion for their supply chain operations. He also managed the supply chain for factories and distribution centres facilities across Malaysia, Thailand and China for an Asia Pacific division of Honeywell. Andrew possesses extensive experience in sourcing, supplier assessment and improvement in Asia where he has conducted business development activities in Saudi Arabia, Persian Gulf, India, Korea, China and in South East Asia

Andrew has penned several articles and research papers on topics such as Delivering Better Service, Lower Costs and Increasing Innovation Through ‘Vested Outsourcing’ and Measuring and Predicting Supply Chain Relationship Success which have been published in several books, magazines and conferences.

Some of Andrew’s clients include:

- Toyota
- BHP
- Rio Tinto
- Bega Cheese
- FASCO (Regal Beloit)
- Assa Abloy
- Australian Red Cross
- Mercy Health
- Linfox
- PTT Exploration and Production Public Company Limited (PTTEP)
- Schlumberger
- Universal Car (Saudi Arabia)
- Norstar (China)
- Coulson Tiles

marcus evans training courses are thoroughly researched and structured to provide intense and intimate practical training to your organisation. Our format:

- Detailed pre-course questionnaires
- An in-depth tailored programme to address market concerns
- Combinations of educational presentations and diverse case studies
- Comprehensive course documentation

Attend this Informative Event and Gain Practical Insights Into:

- **Understanding** new and improved comprehensive procurement strategies
- **Identifying** key areas of contract management excellence
- **Detecting** and eradicating potentially detrimental **contractual leakages**
- **Effectively** reducing company bottom line through improved cost effective techniques
- **Implementing** strategic Supplier Relationship and Vendor Management techniques
- **Applying** innovative, effective and integrated negotiation approaches
- **Elevating** cross function & collaboration of procurement functions
- **Establishing** sustainable & strategic partnerships with high potential **3rd world vendors**
- **Gaining** insight and staying abreast with latest and updated Incoterms
- **Leveraging** on technology to improve procurement process and functions

Testimonials about Mr. Andrew’s work:

“Andrew facilitated a supply chain risk management workshop for apics NSW during November 2012. The one day program was very well received and participants rated both Andrew’s subject knowledge and presentation skills very highly. Based on this feedback and a continued interest in the field of risk management within the supply chain discipline, apics has engaged Andrew to run further session in 2013.”

Linda Henry General Manager
ApicsAu (Australian Production & Inventory Control Society)

“Our team has been able to take the learning from this program and apply it immediately in the wider business.”

Lean Manager
Toll Autologistics

“The activities were a very important part of the day for me. I found them useful and will be beneficial in my role.”

Supply Chain Manager
FMP Group

“Very helpful, covered areas of supply chain management not previously exposed to such as supply chain risk management.”

Purchasing, Timken

Pre-course Questionnaire:

To ensure that you gain maximum benefit from this event, a detailed questionnaire will be sent to you to establish exactly what your training needs are. The completed forms will be analysed by the course trainer. As a result, we ensure the course is delivered at an appropriate level and that relevant issues will be addressed. The comprehensive course material will enable you to digest the subject matter in your own time.

Monday 24th February 2014

Session One

An Introduction to Strategic Sourcing

Understand the concept of strategic sourcing and why this approach to obtaining the goods and services an organisation requires is superior to more traditional methods

- The challenges with traditional methods of purchasing and how Strategic Sourcing can address these issues
- Understanding how to use 'Spend mapping' to identify where an organisation's cash is going
- How to coalesce spend information into usable procurement categories that can have strategies for sourcing built around them
- Why market research and analysis is important to the development of appropriate sourcing strategies and obtaining the maximum benefit to the organisation
- Utilizing a supply chain mapping processes to analyse the capabilities and focus of existing and potential supply base to build competition and reduce risk

Exercise One: Develop a 'One Page Commodity Plan' for the participant's organisation using a standard format provided.

Session Two

Ensuring Sourcing Strategies Obtain Internal Alignment and Agreement

Making sure that the approach to sourcing the categories concerned aligns with the organisation's overall strategy and has the agreement of internal stakeholders

- How to obtain internal customer requirements and validate them into 'needs' and 'wants'
- Using the organisation's overall strategy to prioritise the requirements from the stakeholders into a hierarchy of demands for the category
- Why setting up a cross-functional steering group can both improve the strategy choice and increase compliance once implemented
- How to conduct a readiness 'self-assessment' to ensure the organisation is positioned to succeed in implementing the strategy
- Ensuring clear and regular communication to effectively build and maintain commitment to the sourcing strategy

Exercise Two: Conduct a draft 'Readiness Self-Assessment' on the participant's organisation. This assessment can be further developed on return to the participant's workplace

Session Three

Implementing and Executing a Viable, Effective and Efficient Procurement Strategy

Gain a comprehensive understanding of the different approaches that can be taken to implement a sourcing strategy that best suits the needs and targets of your organization

- Obtaining competitive proposals from identified supply bases via methods ranging from open request for tender to targeted approaches for expert suppliers
- Weigh and evaluate potential sources of supply and their proposals
- Developing appropriate negotiation strategies and methods to formalise the arrangements between the parties
- Choosing the best payment terms, shipping terms and contract terms to include and avoid in formalising the agreement and how to cater to the need for balance in contracts
- Understanding the need for a robust change and project management approach to introduce any new sourcing arrangement
- Leveraging on proven risk management methodology to mitigate and manage risk

Exercise Three: Conduct a "Risk Assessment" on the participants supply chain using the model provided. Again this initial assessment can be further developed on return to the participant's workplace.

Session Four

Best Practice Management Techniques of Procurement Contracts

Understand the need for negotiators to think like 'implementers' throughout the entire strategic sourcing process up to the crafting of the final agreement and into the operation of the contract

- Scrutinizing the stages of the contract management process from pre-contract activities through contract initiation to mid-term reviews and contract exit management
- How to implement the appropriate contract governance and performance management process to ensure the full value from the arrangement is obtained
- Implementing robust and effective dispute and conflict management processes to manage opportunism and stay out of the courts
- Planning and including agreements in the contract for mid-term review and re-negotiation
- How to include the expectation for ongoing and continuous improvement in the contract management process

Exercise Four: Undertake a 'Role Play' negotiation based on a dispute resolution problem

End of Day One

About your course facilitator:

Mr. Andrew Downard

Andrew Downard is currently serving as the Director of AD Supply Chain Group in Australia, which is his own consulting business, where he helps clients from a wide array of industries such as automotive, logistics, manufacturing, health and agricultural production businesses to find improvement opportunities in their supply chain operations.

Over the years, Andrew has served in numerous management roles in supply chain with experiences ranging from roles such as Original Equipment Purchasing Manager at Nissan Australia where he was responsible for USD 0.5 billion in spend on new vehicle components, to assisting the Australian government with programs including one that saved businesses in regional Victoria over USD 0.8 million by making improvements in their supply chain operations. He was also responsible for the Asia Pacific supply chain for a division of Honeywell where his responsibility covered the management of supply chain for factories and distribution centres facilities across Malaysia, Thailand and China. Andrew also possesses extensive experience in sourcing, supplier assessment and improvement in Asia where he has conducted business development activities in Saudi Arabia, Persian Gulf, India, Korea, China and South East Asia. He was also the Project Manager for the TSNR programme which was managed on behalf of the Institute of Supply Chain & Logistics of Victoria University that won the "2011 Freight & Logistics Award" at the 22nd Annual Freight Industry Awards.

Andrew is also an avid writer who has penned several articles and research papers on topics such as Delivering Better Service, Lower Costs and Increasing Innovation Through 'Vested Outsourcing', Getting to Vested: Changing the Rules, Measuring and Predicting Supply Chain Relationship Success and Supply Chain Management is Collaborative Change which has been published in several books, magazines and conferences.

Andrew holds a Masters Degree from Monash University in Marketing and a Bachelor's Degree in Economics / Marketing from Swinburne University. He is currently undertaking a PhD by research at Victoria University into the subject of measuring supply chain relationships. He is a past committee member with the Logistics Association of Australia (LAA), a faculty member at the Strategic Management Institute and is an accredited facilitator with Mindshop International.

Programme Schedule

Day One & Day Two

| | |
|------|---|
| 0830 | Morning coffee & registration |
| 0900 | Course begins |
| 1030 | Morning refreshments and networking break |
| 1100 | Course commences |
| 1245 | Networking luncheon |
| 1400 | Course commences |
| 1530 | Afternoon refreshments and networking break |
| 1600 | Course re-commences |
| 1730 | Course concludes |

Who should attend:

This workshop will benefit CPOs, VPs, Directors, General Managers, Heads and Managers of:

- Purchasing
- Procurement
- Sourcing
- Logistics operations
- Supply Chain
- Material
- Inventory
- Distribution
- Outsourcing
- Stock control
- Import & export

From the full spectrum of industries including but not limited to:

- FMCG
- Retail
- F&B
- Manufacturing
- Heavy industries
- Logistics / Freight
- Pharmaceutical
- Automotive
- Energy
- Industrial Equipments / Products
- Textiles
- Electronics / Electrical / Household Appliances

Tuesday 25th February 2014

Session One

Supplier Relationship Management (SRM) Strategies to Improve ROI

Grasp the importance of leveraging on good and effective relationships with suppliers, instead of an adversarial approach, to help generate more innovation and value for both parties

- Importance of early involvement and persuasion of suppliers in a strategic sourcing process
- Identify the potential derivable value of collaborating with suppliers
- Balance the requirements of both customer and supplier in the business arrangement
- Importance of measuring, maintaining and improving supply chain relationships
- Utilise the 'touch point mapping' process to improve the level of engagement between customer and supplier

Exercise Five: Conduct a 'Touchpoint Mapping' process on the participant's most important trading partner (supplier or customer)

Session Two

Cost Management and Improvement

Identify and remove the drivers of cost to permanently mitigate their deprecating financial impact instead of cost cutting measures that are inevitably eroded over time

- Gain exposure to cost managing approaches such as Value Analysis, Kaizen, 6Sigma and Lean
- How target and goal setting contributes to cost management success and the pitfalls of inadequate analysis in setting those goals
- The difference between innovation and continuous improvement and what both have to contribute
- Why contract 'leakage' occurs and how to ensure the full benefit of an agreement is obtained
- How to identify and respond to opportunistic behaviour by suppliers on cost, including design or requirement changes, sandbagging and shirking

Exercise Six: Conduct a review of the various benefits and challenges with different cost management techniques and their fit to the participant's organisation using a 'Decision Matrix' tool

Session Three

Leveraging on I.T. and Business Systems Support to Improve the Procurement Process

Learn how to enhance the undertaking of strategic sourcing and contract management activities via capable I.T. and Business Systems coupled with clear thinking and analytical practices

- Sourcing systems that include strategic category management and 'go to market' tools
- How 'on-line auction' processes work and their advantages and disadvantages
- Why some organisations choose to 'outsource' their sourcing processes
- The value of supply chain visibility and how I.T. systems can provide this
- What are the benefits of 'best of breed' versus fully integrated systems in managing strategic sourcing and contract management processes

Exercise Seven: Develop a systems 'wish list' to meet the participants Strategic Sourcing I.T. system needs and match this against potential offerings

Session Four

Regional and Special Concerns in Strategic Sourcing and Contract Management

Carefully managing and bringing the raft of new contract and risk management concerns into an acceptable range when involved with Low Cost Country (LCC) sourcing

- Specific country or regional considerations and the types of responses required
- The importance of selecting the right payment terms, methods and Incoterms (2010) to protect the organisation
- Simple ground rules to apply when commencing dealing in any new region
- How to manage business relationships across different cultures

Exercise Eight: Workshop 'Roundtable' discussion on specific issues and proposed solutions from workshop leader and other participants

Closing Session: Questions and answers

End of Day Two

marcus evans would like to thank everyone who has helped with the research and organisation of this event, particularly the trainer, who has kindly committed and supported the event.

Why you cannot miss this event:

There has been a steady increase in the focus on strategic procurement functions across various, if not all, industries. Procurement departments within companies have garnered themselves pivotal roles in determining the success of global firms in ways that old-fashioned purchasing managers would never have thought to be possible. The highly competitive global environment, limited supplies of critical commodities and inevitably steady rise in prices have done more than enough to draw increased attention towards procurement functions and the means in which it can help mitigate these challenges.

The propagating nature of the business environment has done nothing but amplify the very essence of procurement functions – the drafting, managing, negotiating and finalizing of procurement contracts. Contracts are essentially the heartbeat of the procurement function and they have the power to make or break profit margins. This runs hand in hand with the general aspirations of any procurement specialist which are, but not limited to, reducing lead time, increasing quality of services and performance and last but not least keeping procurement costs at a bare minimal. In order to achieve this, there has to be a collaborative effort by means of a viable Vendor & Supplier Relationship Management strategy.

As such, this event will focus on a holistic approach through best practice methods and will address the business challenges that organisations today are faced with. There will also be highlights on the technicalities of procurement via vendors from emerging developing nations as viable means for high potential procurement opportunities. Vital areas of interests such as cross function streamlining of processes, procurement strategies, bottom line improvement methods and updates on incoterms will also be covered in this comprehensive two day event.

Key issues that will be dealt with:

- Comprehensive understanding of numerous viable procurement strategies
- Finalizing the stipulation of terms & conditions in contracts
- Leveraging company concerns against vendor concerns
- Dealing with sub-par quality of products & service performance of vendors
- Vendor quoting and negotiation strategies
- Methods to tie up contracts in line with company rules & regulations
- Understanding the fine prints just as well as the general terms
- Exposure to the crucial pit falls of procurement
- Practising maximum cost effectiveness for improved bottom line
- Dealing with importation challenges and the crossover of contract terms across international procurement
- Understanding the Do's & Don'ts when liaising with vendors from developing nations
- Keeping abreast with updates on incoterms and international regulations

Benefits that will be derived:

- Comprehensive understanding of best practice methods
- More effective & efficient procurement strategies
- Putting together contracts that safeguard your financial interests
- Implementation of cost improvement strategies to improve bottom line
- Improve communications and relationship with vendors
- Discussing relevant technological solutions as viable tools of process enhancement

Teaching method that will be implemented:

- Live group instruction, cases, examples, group work, open discussions
- Concepts and methodologies are explained using real-world examples and industry best practices derived from years of hands on experience
- Participants are encouraged to ask questions.
- All participants receive a comprehensive binder containing copies of the presentation slides, handouts and other course materials
- User friendly slide deck which summarises the concept, methodology and principles in a simplest possible manner

Professional In-House Courses:

If you have a number of delegates with similar training needs, then you may wish to consider having an In-House Training solution delivered locally on-site. Course can be tailored to specific requirements.

Please contact **Max Underhill** on +603 2723 6680 or email maxu@marcusevanskl.com to discuss further possibilities.

Workshop Structure Mindmap

