

CERTIFICATION – LEVEL 1 PROFESSIONAL BUYER

Objectives

The Certification Level 1 for Professional Buyers is targeted to provide the fundamentals purchasing process and tools to buyers with 2 years' experience and mostly local purchasing responsibilities.

Analyzing a portfolio and setting up an improvement action plan

Most new buyers in purchasing face the challenge to propose improvement action plans to their newly appointed portfolio with some challenging targets on Total Cost, Quality, Delivery and Innovation. Participants will learn to use a **methodology to diagnose a purchasing portfolio and set up an action plan for improvement**.

Some of the aspects covered are:

- Preparing a quantitative analysis of a portfolio (annual spend, supplier base, invoices/orders, supplier performance...)
- Understanding the current purchasing process in order to identify improvement actions

The following **purchasing best practices** will be extensively discussed and workshops will be used to support the learning process:

- **Buying Centre:** how to identify the key people in the company and their needs in order to satisfy them and influence their future decisions
- **Functional definition of requirements:** how to challenge internal customer needs using a structured approach to identify the “right need” in terms of functions desired and not solutions.
- **Cost breakdown analysis:** use price breakdown analysis to prepare negotiation with suppliers and discuss improvement actions – participants will learn how to build a cost breakdown structure to their own purchasing needs, how to obtain detailed information from suppliers and analyse them for future negotiations
- **Total cost of ownership:** participants will learn how to build a TCO model adapted to their specific need in order to select suppliers or to identify cost improvement opportunities.
- **Consolidation of needs and suppliers (supplier base reduction) and standardisation** as common best practices to obtain cost reduction.

Strategic management of a purchasing portfolio

Participants will cover each step of strategic management of a portfolio process. Participants will have the opportunity to apply the tools presented to their own portfolio:

We will cover the following tools:

- **Segmentation** of a purchasing portfolio: learn how to differentiate different segments within a purchasing portfolio
- Market analysis: learn to identify the **market information required to support a purchasing decision**, where to find the information and how to structure it.
- **Define a purchasing strategy per segment** using a structured approach
- Prospecting potential supplier: participants will learn how to:
 - * define **selection criteria** for potential suppliers
 - * **search potential suppliers**
 - * **pre-qualify potential suppliers** using a specific Request for Information—participants will learn how to create one to their purchasing family
 - * **visit suppliers** – participants will learn how **to prepare, to carry on and report a supplier visit**
- Supplier selection: participants will learn how to:
 - * **Prepare a Request for Quotation** – participants will know what the main content of a RFQ are and develop one to their business
 - * Implement a supplier selection process—participants will learn how **to formalise a selection grid** and how to implement it through active involvement of the buying centre.
 - * **Assess the financial health of suppliers**—participants will learn which are the basic financial ratios to observe, how to **interpret Dun & Bradstreet reports** and when to ask for specialised support
- Contracting suppliers:
 - * Understand the **basics of purchasing contracts**: assess the key points in a contract—participants will learn **what is a contract** and its different parts, what to negotiate and know when to ask for expert support

Contracting and implementation

Participants will be acquainted to **internal and external negotiation process and techniques**.

Participants will learn:

- to enhance their **influencing skills**
- **to prepare a negotiation roadmap and strategy**
- to identify their personal **strengths in negotiation** and set up an improvement plan to their weakness

What to do after the contracting phase? **Contract deployment** will be discussed with specific attention to **supplier performance measurement and development**.

As new buyers participants will also need a good understanding of the different **e-tools available to purchasing**. They will be able to identify the different types of services proposed and their value added and limits.

It is important to note that the training method is a very dynamic mix of short concept presentation, integrating examples and case studies to illustrate the main tools. Frequent workshops and discussions will be organised in order to exchange experience between participants and the EIPM experts. The workshops are a key approach to practice the tools presented, using participants own examples and portfolios.

E-learning sessions are part of the training preparation. Participants will be asked to attend the E-learning modules available in the EIPM extranet prior to each module. This is an important tool to be better prepared to the face-to-face training sessions.