



International Diploma

in

Purchasing & Resourcing (Procurement) Management

This Program is specially designed to teach the skills and knowledge needed to become well-trained and successful purchasing and resourcing professional and manager.



Whether an enterprise is involved in manufacturing, distribution or providing a service, the function of purchasing or 'buying' is a job for trained professionals. Proficient purchasing can greatly increase the efficiency, competitiveness and profitability of a business; but unwise buying can seriously damage its operations, reputation and profits. This very practical Program covers the responsibilities and duties of professional buyers, and looks at the importance of policy, quality, supplier relationships and negotiations, and of personnel and planning issues in purchasing management.

Course Outline

Module 1: Introduction to Purchasing & Resourcing Management

General and introduction

The background:

barter

development of money

Traditional subordinate of the purchasing function

Contribution of profits made by efficient purchasing

Evolution of purchasing into a professional managerial activity

Strategic importance of purchasing to profitability

The purchasing function within the management hierarchy

The modern purchasing function

Products: goods and services

Categories of organizational buyers:

industrial buyers:

institutional buyers

trading or intermediate buyers:

Channels of distribution:

wholesale businesses

retail businesses

Scope and objectives of purchasing today:

catering for continuous operations

continuity of supply

economics of purchasing

co-operation and co-ordination

Organisation structure

Purchasing and logistics

The Principles of Management

Organizational objectives

Organizational policies:

planning and plans

forecasting

organising

co-ordination of activities

motivation of subordinates

Standards and performance

Purchasing & resourcing management – summary

Module 2 - Purchasing Objectives and Strategy

General and introduction
Business planning
Purchasing objectives
General objectives
Specific objectives
Purchasing strategy
Manufacturing for stock strategy
Manufacturing to order strategy
Just-in-time manufacture and purchasing
Forward buying strategy
Purchasing strategy within service industries
Formulation of purchasing strategy
Total quality management implications for purchasing
Partnership Sourcing in Purchasing
Customer satisfaction levels and cost of purchases
Influence of sources of supply on strategy
Seller's market
Buyer's market
Employee motivation in achieving objectives
Evaluation of purchasing strategy
Purchasing objectives and strategy – summary

Module 3 - Policy Formulation, Implementation and Control

General and introduction
Purchasing policy formulation:
typical market profile for a manufacturing business
evaluation of purchasing factors
Complexity of manufacture & production cycle times
Predictability of demand
Demand forecasting techniques:
average historical usage
moving average of demand
exponential smoothing of demand
Economic order quantities
Purchasing in the right quantities
internal influences on purchasing decisions
external influences on purchasing decisions
Forward buying - special materials
Quality approval of supplies
Budgetary considerations in purchasing and stocking
Statistical classification of stocks:
A category stocks
B category stocks
C category stocks
Risk analysis - cost of stocks vs cost of stock-outs
stock holding costs
cost of stock-outs
Monitoring and control of key costs
The role of purchasing within logistics management

Expertise needs in purchasing:
task needs
relationships needs
organisational development
new technology skills needs
Implementation of changes in purchasing policy
Who should implement purchasing policy
Control of purchasing policy
Policy formulation, implementation & control – summary

Module 4 - Organization, Responsibilities & Job Structures

General and introduction
Alternative organizational structures:
entrepreneurial structure
bureaucratic structure
matrix structure
Purchasing within the management hierarchy:
top management function
middle management function
clerical/administrative function
Centralisation and decentralisation:
centralised operation
decentralised operation
Organizational strengths and weaknesses:
vertical organizational structures
horizontal organizational structures
Organization and job structures:
job changes
job mergers
job rotation
vertical job changes
horizontal job changes
Job analysis in the purchasing unit
Job specifications in purchasing
Person specifications in purchasing
Primary and secondary roles
Organization and team working in purchasing:
benefits of team-oriented purchasing
contemporary team roles
Co-ordination with related functions
Organization, responsibilities and job structures – summary

Module 5 - Control Systems, Procedures and Records

General and introduction

How purchasing control systems work:

implementation, control and feedback cycles

control systems in purchasing

the basic purchasing process

Input information needs:

provisioning for standard products

provisioning for special products

sales forecasts and confirmed orders

master production schedules

product specifications

order priority ratings

current materials stock positions

current purchase orders

stock master files

net materials requirements

materials requirements planning

economic order quantities

Selection of preferred suppliers:

supplier appraisal

desk research on potential suppliers

field research on potential suppliers

schedule of preferred suppliers

Output information needs

Supplementary purchasing systems needs:

supplier enquiries and quotations

supplier price comparisons

consolidation of suppliers

Structure of a purchasing manual:

purchasing organisation

purchasing policy

purchasing processes

Control Systems, procedures and records – summary

Module 6 - Information Technology in Purchasing & Supply

General and introduction

Disadvantages of manual systems

Enhancing performance through new technology:

performance enhancing opportunities

Characteristics of computers

Hardware:

parts of a computer:

central processing unit

VDU keyboard and screen

printers

Software:
the programs:
tailor-made programs
applications packages
database packages
Overcoming the new technology “barrier”
a perspective on working with computers
some hints for working with computers
Development stages of computerisation:
specific applications
integrated systems
database systems
Database facilities needed in manufacturing
Aids to process computerisation
bar (Gantt) charts
network analysis charts
flow process charts
Computerised information and processing needs
Examples of computerised logistics applications
customer, product and order/enquiry details
stock and manufacturing or purchase order status
order action and confirmation
Impact of new technology on purchasing and suppliers
Information technology in purchasing & supply – summary

Module 7 - Human Resources in the Supply Chain

General and introduction
Management of human resources:
centralised human resources functions
devolved human resources functions
Relationships with other corporate functions
Relationships with external contacts
Manpower planning
Self-regulating manpower control
Effective recruitment:
recruitment strategy and policy
the process of recruitment and selection
interview assessment sheets and records
use of psychometric evaluation
Quality assurance in recruitment
Training and Development
Assessing training and development needs
Training and learning priorities
Training and performance management:
performance appraisal
performance management
linking with training and development action

Alternative training and development processes:
high investment processes
medium investment processes
low investment processes
Project centred development
Human resources in the supply chain – summary

Module 8 - Management Style, Motivation and Control

General and introduction
The concept Of management
Changes In management attitudes:
scientific management
contemporary attitudes
Contributors to contemporary attitudes:
Mayo -the human relations movement
Maslow - hierarchy of human needs
Herzberg - motivation hygiene theory
McGregor - Theory X and Theory Y
Appraisal of managerial styles:
task-oriented (T/O)
relationships oriented (R/O)
effective managerial styles
situational managerial style
Reddin - effective and ineffective forms
Managerial styles in purchasing
Setting up a motivational audit
Dealing with employee grievances:
grievance procedure
job content grievances
pay grievances
Dealing with employee disputes:
disputes procedure
Handling employee relations problems:
disciplinary procedure
Use of human resources decision models
Developing appropriate pay structures
the job evaluation process
Management style, motivation and control – summary

Module 9 - Sourcing Processes and Supplier Relationships

General and introduction

Principles of sourcing:

sourcing objectives

attributes of good suppliers

different types of sourcing

sourcing decisions

Purchasing and production

Make or buy decisions:

capital decisions

direct comparison decisions

Purchasing and materials management

Materials requirements planning:

MRP applications

objectives of MRP

Pricing considerations:

pricing analysis

pricing structures

the pricing pyramid

price-quality strategy

Supplier relationships:

traditional relationships

external reciprocity

internal reciprocity

intra-business trading

contemporary relationships

Supplier relationships in JIT manufacture

Benefits and disadvantages of JIT

Special developments within purchasing:

partnership sourcing methodology

partnership sourcing; for and against

Sourcing processes and supplier relationships – summary

Module 10 - Quality Management in the Purchasing Function

General and introduction

Importance of quality management in purchasing

Definition of quality

Specifications

Traditional and contemporary quality concepts

Quality policy in purchasing

Contribution of purchasing to quality

Elements of quality management:

quality control

quality assurance

quality approval

Specification of quality standards:

performance specifications

conformance specifications

Total quality management - introduction:
TQM processes
TQM related concepts
Barriers to quality competitiveness
Quality costs
implementation costs
maintenance costs
Quality costs versus customer satisfaction
Setting quality priorities
Quality auditing procedure
Quality management in the purchasing function – summary

Module 11 - Negotiating and Bargaining in the Supply Chain

General and introduction
Background to negotiation:
purpose of negotiation
definition of negotiation
Whether negotiation is necessary
When negotiation is necessary:
resolving disagreement
Situations which require negotiation
Scope of negotiations
Stages of negotiation:
conduct of a negotiation
Strategy and tactics in negotiation:
negotiating strategy
negotiating tactics
Poor and good negotiation
Performance inhibitors in negotiation
Body language signals
Win-win philosophy in negotiation:
range of potential achievements
Effective commercial bargaining
Ranking your negotiating strengths
Personal effectiveness in negotiations
Authority and negotiating performance:
response difficulties
Ethical and professional practice
Negotiating and bargaining in the supply chain – summary

Module 12 - Further Purchasing Techniques and Practices

General and introduction

Support tools and services in purchasing:

logistics database support

support through just-in-time systems

support through team-working

Supplier tendering procedures:

competitive tendering policy

tender documentation

compulsory competitive tendering

evaluation of competitive tenders

Supplier performance databases:

typical fragmented data sources

computerised performance databases

periodic review of the supply database

Electronic trading in purchasing

Purchasing hints and tips:

buying power

co-ordinated approach to purchasing

drafting purchasing specifications

finding suitable suppliers

negotiations with suppliers

supplier relations

Further purchasing techniques and practices – summary

