



SCANDINAVIAN
PURCHASING
GROUP

THE SOURCING EXCELLENCE PROGRAM

An inspiring and challenging purchasing training program for you that want to take the next step in Category Management.

THE SOURCING EXCELLENCE PROGRAM

8 DAYS



The Sourcing Excellence Program is our program within Category Management. The program that helps you structure your purchasing categories, develop category strategies and implement them. We have a clear business focus throughout the program with the goal of finding improvements and lowering the costs and increase the profit of the product and service groups you are responsible for. We go from a purchasing process to a business process. We become business developers.

The Sourcing Excellence Program



Purpose and learning objectives:

- To lead and run their own purchasing category
- To work cross-functionally to maximize your business
- Gaining competence to give the most important business / need owners in the company a strategic and business value
- How to get maximum value from the supplier market
- To develop clear plans for lowering costs, increasing performance and creating value for the organization
- Creating category plans and strategies for selected product groups
- Getting tools to lead the category team

Training set-up

This is a practical program i.e. all participants can apply their new knowledge directly. The participants' own categories are used as work material throughout the program.

Between the modules, participants work on their category plans to implement the obtained knowledge from each module. As a red thread throughout the entire program runs the category strategy document. This is the document that the participants will report to the management team to get approved and receive a diploma from the program.

Before the management you should be able to:

- describe the value of working strategically with purchasing
- present the category strategies you created during the program
- show procedures for best cost outcomes
- show how decisions have been made with need owners
- present different analyzes before making decisions
- report what decisions are needed from the management
- present negotiation strategies
- present clear implementation strategies
- plan and lead negotiations



In module 1, we review the concept of Category Management. You will learn methods to maximise the value of your category, product group and your suppliers. We teach you to develop customised strategies and understand the possibilities of modern purchasing with Category Management. A balanced strategy between global and local sourcing and an introduction of modern working methods will enable you to deliver to your internal customers.

We give you the tools and takes you through the process in a practical way. After the program you have knowledge of how to manage your own groups or categories. We provide you with a method to identify, develop and maximise the value from your suppliers. You will get help to develop well adjusted strategies and activities towards different supplier groups.

The goal is to gain knowledge on how to define your own category strategy and understand the basics of the strategic work internally / locally / globally through your category teams as well as document, communicate and implement your category strategy.

Examples of content:

- The basic principles of “Category Management”
- Segmentation / spend analysis / opportunity matrix
- Stakeholder management
- Governance models
- To lead the category team in the matrix
- Strategy development
- Implementing the strategy
- Templates / dashboards
- Review of our “Category Management Toolbox”

Templates included:

- Pre study / purchasing analysis
- Category plans /strategies
- The dossier – the toolbox
- Internal sales and workshop material for category teams and stakeholders
- Executive summary
- One-page summary

In Module 1, we begin to build the participants' own category plan using the obtained templates as a basis. We look at the spend information that is relevant and build the category tree with main and sub categories. We map stakeholders and go through governance structures and formulate action plans. What potential exist regarding time and savings?



In this module we capture total costs along the value chain. How to identify critical cost parameters e.g. comparison of buying locally or buying in LCC countries. Every purchasing professional must be able to describe and calculate the difference in total costs, not just differences in unit prices. This means e.g. that the risks must be analysed and calculated. It is also important to understand what factors determine the cost of your goods and services.

Detailed costings have two main purposes; to provide a powerful foundation for negotiation and to provide a basis for cost-reduction efforts by revealing cost structures. In this module, we will go through a variety of tools to build and maintain product calculations. The tool provides the basis for a continuous cost tracking which offers incentives for price discussions with the supplier.

Examples of content:

- Total cost perspective and mapping of value chain cost drivers
- Offshoring - calculations to evaluate global vs. local sourcing
- Fact-based product cost analysis
- Identifying of cost drivers in products and services
- Cost indices - how they are structured and where we can find them?
- Working with value analysis
- Efficiency factors affecting costs
- Stock cost calculation

Templates included:

- Value chain mapping
- Cost analyses for products and services
- Index calculations
- Savings tracking
- Calculations of hard savings, soft savings and cost avoidance
- Templates to find savings in workshops with stakeholders
- Price and cost comparison templates

In Module 2, the participants will prepare cost calculation on their own products / services and see how the cost components are affected by volume, currency, customs, index and manufacturing location. They will also do a value chain mapping from supplier to customer to see where there are opportunities for improvement.



Sourcing and procurement are of strategic significance in most modern businesses with an increase of purchased or outsourced materials and services. This leads to increased interaction with suppliers or partners and in the global market these contacts becomes more important. The requirements for speed in communication increases and generates more complex supplier relationships.

Today it is quite obvious for most companies to create competitiveness for their own operations *with* the suppliers - not *despite* the suppliers, which has been the traditional view. Suppliers are an essential part of how to create customer value.

The purpose of this module is to provide knowledge of what is important in the assessment and selection of suppliers and give information on methods to use during the process. We show how to manage supplier relationships and monitor performance of suppliers to achieve the desired KPIs.

Examples of content:

- What is Supplier Relationship Management?
- Future demands on suppliers
- Supplier assessment and supplier evaluation
- Financial ratios
- Risk management
- Supplier development with SQA / SQE
- Which KPIs are relevant?
- How do you create good supplier days?

Templates included:

- Supplier assessment checklists
- Supplier scorecards
- Risk assessment templates
- Financial calculations
- Different types of supplier positioning templates
- Supplier strategy templates

We continue building our category plans / strategies for existing suppliers and developing methods to find new ones. We work with supplier positioning models to find the best ways to optimise strategies for supplier options. The options now start to be formalised into a category plan strategy.



To go from category strategy to negotiation strategy. In Module 4, we review which negotiation strategies are relevant to the category strategies that have been developed under previous modules. How should I realize these with my local sourcing teams and what support do the teams need to succeed?

In this module we complete the category strategies we formulated by selecting one of the imagined strategies and using negotiations to implement them. It is not always possible to create a competition between the existing suppliers by sending a request, get quotes and change supplier. The most common is that you have to work where you stand, i.e. working with the existing suppliers. There the ability to negotiate is a major component, maybe the most important for achieving the goals and strategies you have developed in your category strategy.

The module concentrates on your own negotiation profile that we are building on when to negotiate. We have you in focus as we/you evaluate your own performance in chosen negotiating exercises.

Examples of content:

- From category strategy to negotiation strategy
- Your own and the team's negotiation style
- Different types of negotiation strategies
- Negotiating from a weak position
- Problem solving negotiations
- How to support your team in negotiations
- How to build a "negotiation engine"
- Negotiation exercises

Templates included:

- Negotiation plans
- Preparation checklists
- Negotiation reports
- Mind-maps
- Negotiation strategies
- Savings reports
- Business-case presentation

The homework is now done with which plans and strategies that applies to each category. Now we need to convert these into solid negotiating plans and strategies for each category and supplier.

MANAGEMENT REVIEW & IMPLEMENTATION



As a red thread throughout the entire program runs the category strategy document. This is the document that the participants will report to the management team to get approved and receive a diploma from the program.

We have chosen to provide the participants with ready-made templates to work with during the program. We have created these templates so that the participants not have to "invent" their own, since the lack of these can prevent the theory to become a practical delivery when you're back at work. Instead, the theory and practical application become easy to implement since the templates are there ready to use.

The result is thus professional "finished" category plans to report and use when the participants come to their work, for different target groups with different complexity. We also prepare participants during program to how the work on the reports should be handled to get the best effect.

During the program, we often identify "quick-wins" savings, which means that the program is usually paid before it is finished.

A large number of companies have implemented this program internally with incredible impact on profitability.

"We found lots of new saving opportunities"

GETINGE *

"We already booked training number 3"

Epiroc



"The Category Management has generated over 100 millions in saving over four years"

"A must was to use our own business cases for the negotiation exercises"

"Good coaches at each module"

Bergendahl's

lekolar

bravida

"We saved 12 MSEK related to the program"

ELON GROUP

"Tough and challenging to do the presentation before the top management team"

Kinnarps

"Very efficient to train on our own categories"

e-on

Ballingslöv

FISKARS



The Sourcing Excellence Program has been implemented in a large number of companies nationally and internationally in various branches. The input modules are adapted to the business requirements and constitute the core of the program.

More training programs from Scandinavian Purchasing Group:

- Leadership in Supply Chain
- Purchase and Contract Law
- Negotiation Skills
- Excellence in planning
- Cost Management
- In the mind of the buyer?
- E-Sourcing
- Part Time Buyer
- Sourcing Academy
- Sales negotiation

Scandinavian Purchasing Group is a consulting company entirely specialized in developing purchasing and logistic functions in companies and organizations. We identify and develop people who are passionate about their task. We only do one thing and we do it all the time - support managers and specialists within purchasing and supply chain. Our coaches and consultants are some of the top in their fields and we create engagement and motivation among the participants.

Stockholm
Waterfront Building
Klarabergsviadukten 63
SE-101 23 Stockholm
+46 (0)8 21 40 90

Göteborg
World Trade Center
Mässans Gata 18
SE-402 24 Göteborg
+46 (0)31 16 21 00

Halmstad
Strandgatan 1
SE-302 50 Halmstad
+46 (0)35 10 90 50
info@purchasing.se

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