



SCANDINAVIAN
PURCHASING
GROUP

THE SOURCING ACADEMY

This is the training for those who want to work as a professional buyer.

THE SOURCING ACADEMY

8 DAYS



The Sourcing Academy is our training in Sourcing Management. We have created this program based on the latest digital technologies and research in purchasing and sourcing. During the program, we will take you through the entire sourcing journey from internal requirements to development of the business of the product or service.

The Sourcing Academy Program



Our Sourcing Management Training

You are already working on making purchasing decisions today, but you want to get a holistic perspective on the entire purchasing process. You want to get methods, tools and practical tips on how to do better business. Through the Sourcing Academy Program, you gain these knowledge and insights into the different parts of purchasing, from purchasing technique to negotiation. You get a holistic perspective on the entire purchasing process, making you a safe, proactive and more professional buyer. You will learn how successful purchasing processes are organized and managed.

Purpose and learning objectives

The purpose of the program is to gain insight into how we create business benefits for the company through proactive purchasing by using the latest techniques.

Who should go?

New or "old" buyers, product developers, production managers or technicians who will drive / participate in any kind of purchasing project.

Program Structure

We have conducted Sourcing Academy at a large number of companies with very successful results, both in industry and the retail sector, all around the world. We adapt the set up to the client's business with the clients' own templates, tools, ethical documents, policies etc., so that we do not "invent" new templates or documents. It simplifies learning and behavior change. The program is implemented with several workshops that generate daily results.

To get a greater effect from the training efforts, we work with the following concepts: **preparation - implementation - follow-up.**

Preparation, before the program starts, the participant selects a product or service area to be used as practical examples during the entire program. During the **implementation** of the program, we work with the participants' own savings / sourcing projects as examples. The **follow-up**, which is done at home in the workplace where the participant is to report the savings project that the participant has created and delivered.



Being a buyer means having a good knowledge of the company's business, understanding its own role and what value we are set to create in both the short and long term. Our task is often to secure our business with reliable suppliers who can live up to the high goals we have on; product, price, delivery, sustainability and quality. Through an efficient purchasing process where we take full advantage of the opportunities of the global market and utilize all the digital opportunities that exist, we will live up to our internal and external customers' expectations.

In Module 1, we start the journey of the products and services we will procure. You will learn methods to maximize the value of the transactions you are responsible for. How do you create effective procurement processes for your internal clients? How do your strategies guide your purchasing efforts? Where should you start making money for the company? How do you work smart? How do you document this so that it becomes a learning process? Many questions, but you will also get a lot of answers and tips!

Examples of content:

- The company's business - the role of purchasing/responsibility?
- Business developer - to create value
- Category strategy vs. Purchasing strategy
- Spendanalysis - where is the potential?
- Market analysis - product/price/supplier
- How do we document the sourcing project and the deal? - learnings for the future
- Purchasing plan - to lead a purchasing project
- Which KPI's are relevant? - to set targets
- Review of the digital "Toolbox"

Templates included:

- Purchasing analysis
- purchasing plan - business plan
- The dossier - the tool box
- Internal sales-/workshop material for the purchasing team and stakeholders
- Project plans

We start to build the participants' own business plans. We look at what spend information is relevant and build the category tree with main and sub-categories to see where we have the best potential to succeed. We map stakeholders and go through the governance structure and formulate action plans. Where is the potential for creating better business time and to make some savings?



Understanding the total cost over the entire life cycle of the product or service is to understand what will drive cost development on the product / service over time. You may be measured on price trends but it is the total cost that is of greatest importance to the company. When a request goes out to a supplier, new or old, we set the rules and expectations for further discussions and a possible future. With a properly formulated inquiry, it is easier to evaluate the quotations that come from different suppliers.

We follow the entire cost chain that creates the price to the end customer. What does the total cost look like? Where is the efficiency potential and the potential for savings? Are we price setters or price takers? How should we formulate the inquiry so that we can easily choose which supplier to negotiate with? How should we evaluate the offers we receive? Each buyer must be able to describe and calculate differences in total costs.

Examples of content:

- Value Chain Mapping
- Value Chain Costing
- The calculation as a base - "should cost"-analysis
- Fact-based cost breakdown
- Understanding of cost drivers in products/ services/production
- Cost indexes - how are they constructed and where can we find them?
- Cost calculations - transport/warehouse/ distribution
- Inquiry/offer - RFI/RFQ/RFP
- What digital calculation- and quotation tools are available?

Templates included:

- Value chain mapping
- Product and service calculations
- Index calculations
- Calculations for: hard savings, soft savings and cost avoidance
- Templates for finding savings in workshops with stakeholders
- Price and cost comparison templates

In module 2, participants will produce cost estimates on their own products / services and see how the cost components are affected by; volume, currency, duties, indices and place of production. They will also do a value chain mapping from supplier to end customer to see where there are opportunities for improvement throughout the chain.



Choosing a supplier is one of your most important tasks as a buyer. With the right supplier, you secure deliveries / cost picture, develop products / services and create profitability for the company. We can shop around and test different suppliers, but it will take a lot of time and create expectations of those you contact. Working with supplier search and evaluation is a strategic task where the search must have a clear purpose to improve the supplier base we have today and secure future business.

During this module we go through the whole process and give tips and methods on how to act. From working with supplier requirements, finding, evaluating, developing and phase out suppliers. How will we tie up our relationship with our external party and what will the intended agreement look like? We go through the legal process so we don't make any unnecessary mistakes. What agreements are there between the parties and how will these be used throughout our relationship?

Examples of content:

- What is Supplier Relationship Management?
- Future demands on the supplier base
- Supplier assessment and supplier evaluation
- Financial supplier evaluation
- Risk Management
- Supplier categorization
- How do we work with supplier development?
- The legal process
- Various contract types; NDA/Lol/ Development agreements/Tools agreements
- Standard agreements /Incoterms

Templates included:

- Supplier assessment checklists
- Supplier scorecards
- Risk mitigation templates
- Financial calculations
- Different types of supplier positioning templates
- Different types of standard agreements
- NDA / Lol / Development agreements
- Tools agreement

We continue to build on our business plan with working methods for existing suppliers and methods for finding new ones. We work with supplier assessments to find the structure to evaluate our alternatives. We begin to think through the intended contract structure with frame agreement and which appendixes should be included.



Some think it's fun not to negotiate. Being a buyer means that the knowledge to negotiate is vital. The negotiation result reflects how well you have prepared the intended business deal and whether you have thought through the entire product or service life cycle, which challenges may come after signing the contract. It is always easier to discuss and agree on this before the problem arises than when it occurs. It is often a matter of creating a common plan between how we resolve any conflicts or how we develop our relationship.

During the previous modules, we have prepared for the upcoming business deal. Now it needs to land. How do we do it? In this module, we provide you with basic knowledge and training on how to handle different types of negotiation situations and suggestions on how to solve them. We go through techniques to prepare, execute and follow up negotiations. The focus is to give you the confidence to develop your business relationships in a professional way.

Examples of content:

- Negotiation strategy - what do we want to achieve?
- Negotiation process - how do we get there?
- Successful behaviours - how do we act?
- Argumentation technique - rhetoric
- Price negotiation technique - good to know
- Negotiation exercises - we practice
- Negotiated - what is agreed?
- Implementation/Follow up/Development
- Project review - how do we report?

Templates included:

- Preparation checklists
- Negotiation reports
- Mind-maps
- Negotiation strategies
- Project reports
- Savings reports
- Business-case presentations

Now the preparation is done before the negotiation with all the requirements to be included. We have selected the suppliers we want to negotiate with and invited them to negotiate. However, we must consider what negotiation strategy to use and how we plan to achieve our goals. Now it's time to sit down with the team and think about who's doing what. Once the negotiation is completed and we agree, the agreement should be signed and the deal sealed. Now the next part of the journey begins towards delivery. Have we secured everything?

MANAGEMENT REVIEW & IMPLEMENTATION



As a red thread throughout the entire program runs the "business case". We follow it from requirement specification to complete delivery. The sourcing project must be documented and reported to the purchasing management in order to obtain approval from the program and to get a diploma.

We have chosen to provide participants with ready-made templates that they work with during the program. We have created these templates so that the participants do not have to "invent" their own as the lack of these can often prevent the theory from becoming a practical delivery when you are back in your work. Instead, theory and practical application become easier to implement as the templates are ready to use.

The result is thus professional "ready made" procurement templates that the participants will use when they come to their work. We also prepare the participants during the program how to work on reports to get the best internal and external effect.

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

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

"We found a lot of new savings opportunities"

"We already booked training number 3"

GETINGE *



"The Category Management set up has generated over 100 millions in savings over four years"

Epiroc

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

Bergendahl's

"Good coaches at each module"

lekolar

bravida

"We saved 12 MSEK related to the program"

ELON GROUP

"Though and challenging to do the presentation before the management team"

Kinnarps

"Very efficient to train on our own categories"

e.on

Ballingslöv*

FISKARS



The Sourcing Academy has been implemented at a large number of companies nationally and internationally in various industries. The included modules are adapted to the requirements of the companies and form the basis of the program.

More trainings from Scandinavian Purchasing Group:

- Leadership in supply chain
- Excellence in planning
- Negotiation technique
- Industry 4.0
- SQA/SQE Academy
- In the mind of the buyer
- E-Sourcing
- part time buyer
- Sourcing Excellence Program
- Sales negotiation

Scandinavian Purchasing Group is a consulting company fully specialized in developing the purchasing and supply chain function of 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 - supporting managers and specialists in purchasing and supply chain. Our coaches and consultants are some of the foremost in their areas and we create engagement and motivation among the participants to develop.

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