

## **Workshop on Strategic Sourcing & Procurement**

Industry is awash with a plethora of acronyms, jargon, and other terms that tend to become a major part of our communications. As Supply Managers, we are no exception. Every day we hear words such as sourcing, e-tizing, RFI, RFQ, RFP, bandwidth, bang for the buck, banner year, bean counter, beat the bushes, beef up, behind the eight ball, bottom line, best practices, deep dives, due diligence, game plan, low hanging fruit, operationalize, optimize, think outside the box, partnering, price point, sacred cow, value add, etcetera. However, what do all these words do to help us meet our company's business goals? How do we optimize our supplier base? How do we ensure that we are dynamically pursuing opportunities that ensure we are providing professional services that result in a definitive value to the bottom-line of our business? The answer to these questions lies in the incorporation of a thorough Strategic sourcing process within our Supply Chain activities.

This workshop will give supply managers an overview of each of seven steps in a strategic sourcing process with an emphasis on 1) **profiling the supply stream**, 2) **selecting a sourcing strategy**, and 3) **generating the supplier portfolio, including trade financing, negotiable instrument, logistics, and insurance**.

The workshop will give a general overview of each of the seven steps in a strategic sourcing process and provide an understanding of synergies, methods and resources that will empower the supply manager to successfully navigate for health bottom line.

### **Course outline:**

1. Seven Steps Strategic Sourcing process.
  2. The Evolution of purchasing professionalism
1. **Profile the supply stream**
    - a) Identify internal stakeholders
    - b) Alignment of objectives between Supply Chain and stakeholders
    - c) Development of understanding of the commodity and how it fits into the overall goals of the business
    - d) Research of market trends, industry, and supply markets.
    - e) Delivery requirements
    - f) Evaluation of spend history and projected spends.
    - g) Service level and performance measures required.
    - h) Composite specification of requirements for commodity.
    - i) Continuing and collaborative efforts with internal clients including applicable departments (such as engineering, marketing, accounting, etc.)

## **II. Select the sourcing strategy**

- a) *Assessment of your company's bargaining position*
- b) *Evaluation of your supplier's bargaining position*
- c) *Establish benchmarks for appropriate factors such as risk mitigation, service, performance, delivery, cost, etc.*
- d) *Evaluate appropriate sourcing strategies*
- e) *Select the appropriate sourcing strategy*

## **III. Develop the supplier profiles and capabilities.**

- a) *Identify supplier profile and criteria required*
- b) *Research and identify potential, qualified suppliers*
- c) *Develop listing of potential suppliers*
- d) *Conduct Request for Information (RFI) to further refine supplier profiles*
- e) *Evaluate RFI and further screen the supplier base to identify suppliers that meet the predetermined profile and criteria for the initiative*

## **IV. Select the implementation path**

- a) *Profile schedule of required events*
- b) *Evaluate sourcing strategy – such as competitive RFX or single source negotiations*
- c) *Review the supplier's bargaining position based on the selected sourcing strategy*
- d) *Evaluate steps that may be required if adjustments to the sourcing strategy are required*
- e) *Review and finalize the business position on pricing, contract terms, risk mitigation, warranty, etc*
- f) *Collaborate with stakeholder to identify elements for transition once a supplier has been selected*
- g) *Establish the composition of a transition team and develop a written supplier transition plan*

## **V. Negotiate and select suppliers**

- a) *Develop specific negotiating plans and strategies that will be evaluated in the selection process including, but not limited to, the following:*
  - i. *Issues.*
  - ii. *Objectives (pricing, warranty, delivery, risk, etc.).*
  - iii. *Negotiating team composition.*
  - iv. *Negotiations strategies.*
- b) *Collaboratively develop the required proposal documents (RFX) including scope, pricing, and contract terms and conditions for the specific initiative.*
- c) *Conduct the RFX or, if sole sourced, enter into negotiations*
- d) *Provide stakeholders with overview of agreement negotiations to ensure consensus*

- e) *Evaluate proposals until agreement is reached*
- f) *Finalize the formal agreement with the supplier*
- g) *Document lessons learned*

**VI. Transition the supplier**

- a) *Transition team collaborates with supplier to review the supplier transition plan*
- b) *Incorporate adjustments to the transition plan as required*
- c) *Establish benchmarks with supplier and monitor the transition process*

**VII. Manage and improve the supply stream.**

- a) *Periodically review supplier's performance with stakeholders*
  - b) *Review benchmark and spend data*
  - c) *Assess any changes in technology or market conditions that affect the commodity*
  - d) *Consider conditions that could lead to another evaluation of the commodity*
3. *Purchasing process*
  4. *Purchasing planning and sourcing*
  5. *Price and cost consideration*
  6. *Understanding of negotiable instrument*
  7. *Documentary credit*
  8. *Trade financing products*
  9. *Insurance package*

**Who should attend?**

*Supply Chain Management Heads, Procurement and Sourcing Heads, Purchase Managers, Supply Managers, and Strategic Planner, etc*

**Registration Fees:**

*Rs. 12,500 per participant\* (inclusive of handouts, refreshment and certificate)*

*\*10% discount for more than two individuals from the same organization*

*\*\*15% discount for five or more individuals from the same organization*

**Venue:**

*Center for Executive Education, Institute of Business Administration, City Campus, Garden/Kayani Shaheed Road, Karachi*

**Dates:**

*March 13, 2010 (Saturday)*

**Timing**

*09:00 am-06:00 pm*

*For more information, please visit our website [www.iba.edu.pk](http://www.iba.edu.pk) or*

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## ***Trainer's Profiles***

### **Mohammed Hanif**

Currently working as Director Strategic Development with Getz Pharma, a country's leading pharmaceutical company ranking as number 5th in the country, with a wide range of product portfolio and having distribution and marketing set-up in more than 25 countries of the world.



He has over 35 years experience of working with world renowned chemical, pharmaceutical, logistics and cargo division of Lufthansa Airline within Pakistan and abroad. During the employment period he has an extensive experience of working in the different capacity to look after Finance, Treasury, ERP, Supply Chain, ERM, Strategic and Project development, business process management on operation and strategic sphere and cadre.

Professionally he is a fellow member of the Institute of Cost and Management Accountant of Pakistan. He is also Vice President of the council M Phi in Supply Chain Management, , Fellow member of Institute of Supply Management (USA) and also Chartered member of Charter Institute of logistics and transport. Have a recognized and approved 15 thesis in the field of Business Process Outsourcing, Business Process Engineering, SCOR, and Supply Chain Management dynamics, Leverage Financing, Employees Stock Options, SCM Risk and Enterprise Risk Management. His PhD thesis on Enterprise Management is being examined for doctorate.

Have attended many vocational and professional training programs around the world. He is also educationist and employed as honorary Chairman of Supply Chain Management stream by the country largest private university. Have presented many papers and have conducted various workshop and training program locally and also in Asian pacific countries on ERP, BPR, SCM, EVA, Project financing, ProVision, TTM, Corporate Finance, Financial Management. Enterprise Management and ERM, On World Trade Organization, and TRIPS he has worked on South Asia Region within his previous job and has worked out various policies related to logistics and transport with the Indian and Chinese counter part. He also received the best presentation award on WTO in 2005 by the WTO organization.