

# Fundamentals of Purchasing

## Objectives

- This module is part of the EIPM Certifying Courses Level 1. The module will introduce participants to the role of purchasing in the company and covers the fundamental purchasing process and tools.

## Target group

- The module is designed for new recruits in the purchasing department. Buyers with few weeks to less than 2 years experience in the purchasing function but with previous experiences in other functions. It is also suitable to provide a purchasing culture to Purchasing Assistants as well as to “Internal customers”.

## Duration and location

- 3 days on the Archamps Campus (France).

## Methods and tools

- Frequent Case studies, 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.

# Content

PHASE	CONTENT
<b>DAY 1</b>	<ul style="list-style-type: none"> <li>• Diagnosis of Purchasing Portfolio: Identify the main segments on which we will have to concentrate.</li> <li>• Buying Centre: how to identify the key stakeholders in the company and their needs in order to satisfy them and influence their future decisions</li> <li>• 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.</li> </ul> <p>Consolidation of needs and suppliers (supplier base optimisation) and standardisation as common best practices to obtain cost reduction.</p>
<b>DAY 2</b>	<ul style="list-style-type: none"> <li>• Prospecting potential supplier: participants will learn how to:               <ul style="list-style-type: none"> <li>○ define selection criteria for potential suppliers</li> <li>○ search potential suppliers</li> <li>○ pre-qualify potential suppliers using a specific Request for Information – participants will learn how to create one to their purchasing family</li> <li>○ visit suppliers – participants will learn how to prepare, to carry on and report a supplier visit</li> </ul> </li> <li>• Supplier selection: participants will learn how to:               <ul style="list-style-type: none"> <li>○ Prepare a Request for Quotation – participants will know what are the main content of a RFQ and develop one to their business</li> </ul> </li> <li>• 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.</li> </ul>
<b>DAY 3</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>