

# Fundamentals of Purchasing

## Learning Goals

Following this module, participants will be able to:

- Segment his Portfolio and define his priorities.
- Structure his communication with his stakeholders and translate needs into quantifiable, measurable objectives.
- Implement an objective, transparent supplier selection process.
- Integrate cost drivers into his roadmap through the use of Functional Definition, TCO and Cost Breakdown tools.

## Target group

- Buyers looking to acquire a broader perspective on Purchasing.
- Newcomers to the profession.
- Employees moving from other functions into purchasing.
- Employees in regular contact with suppliers.
- The course can also provide a purchasing culture to Purchasing Assistants as well as to "Internal customers".

## Methods and tools

Numerous case studies, workshops and discussions are organised in order to facilitate exchange between participants and the EIPM experts. The workshops are a key approach to practice the tools presented, using participants' own environments.

## Credit for



## DAY 1

- Diagnosis of Purchasing Portfolio: Identify the main segments on which we will prioritise.
- Buying Centre: how to identify the key stakeholders in the company and their needs in order to satisfy them and influence their future decisions to the common interest of the company and the individual stakeholder.
- 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.
- Consolidation of needs and suppliers (supplier base optimisation) and standardisation as common best practices to obtain cost reduction.

## DAY 2

Prospecting potential supplier: Participants will learn how to:

- Define selection criteria for potential suppliers.
- Search potential suppliers.
- Pre-qualify potential suppliers using a specific request for information - Participants will learn how to create one for their purchasing families.
- Visit suppliers - Participants will learn how to prepare, to carry out and report on a supplier visit.

Supplier selection: participants will learn how to:

- Prepare a Request for Quotation - Participants will learn what the main contents of a RFQ are and how to develop one for their business.
- 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.

## DAY 3

- 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 adapted to their own purchasing needs, how to obtain detailed information from suppliers and analyse it for future negotiations.
- Total cost of ownership: Participants will learn how to build a TCO model adapted to their specific needs in order to select suppliers or to identify cost improvement opportunities.



*This module can also be taken on an independent basis.*