



Arabian Institute For Training

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# Strategic Sourcing The Optimum Approach to Buying

## INTRODUCTION

- Best-in-class companies recognize strategic sourcing as a value creator and consider it to be integral to their overall strategies for growth. To become a world-class procurement organization in the 21st century, a company requires various competencies that will enable it to effect strategic sourcing and transfer value throughout the supply chain from supplier to customer.
- Strategic sourcing is far more than a simple allocation of business to suppliers by the purchasing function. It is a multi-functional activity that produces a plan of action for several years. Successful sourcing strategies are built on a rigorous analysis of the buy, the supply industry, and the fundamental drivers of value.
- This training seminar will feature:
  - Strategic Sourcing: Critical Elements & Keys to Success
  - Strategic Sourcing as compared with Tactical or Transactional Sourcing
  - The Importance of Strategic Sourcing
  - The Transition Process from Tactical to Strategic Sourcing
  - Where e-Procurement Fits with Strategic Sourcing

## OBJECTIVES

By the end of this training seminar, participants will be able to:

- Develop a strategic sourcing strategy that achieves tangible results
- Implement the strategic sourcing strategy to maximize total cost savings
- Assess and prioritize opportunities for savings
- Establish processes to manage performance of the strategic sourcing contract
- Apply best practices and lessons learned in strategic sourcing efforts

## TRAINING METHODOLOGY

- This Strategic Sourcing training seminar will utilise a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. This training seminar will combine variety of instructional methods including lecture by a world-class subject matter expert in procurement and supply chain strategy. This is a highly interactive and competitive Strategic Sourcing training programme where the participants will work and compete in team exercises, group discussions covering current practices and their relationship to the implementation of new concepts.
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## ORGANISATIONAL IMPACT

- Develop critical supply strategies
- Understand the need for change to more strategic and innovative approaches
- An understanding of how to delineate between what is considered “tactical” and what is genuinely “strategic” when sourcing
- Evaluate how the strategies in place are delivering quantifiable value to the organization
- Define the end-to-end sourcing process and explore the relation of value to each of those areas
- Understand the 7 Phases of the Strategic Sourcing Process

## PERSONAL IMPACT

- Implement the strategic sourcing strategy to maximize total cost savings, value, vendor access, and socioeconomic participation
- Understand the actual requirements of why a service or product is being procured
- Confidence to develop strategy that will inform the approach to the supply market, factoring in the external environment and internal issues
- The tools with which to develop a sourcing process that factors in complexity around supply market and the relevant category
- Apply best practices and lessons learned in strategic sourcing efforts

## WHO SHOULD ATTEND?

- This Strategic Sourcing training seminar is designed for procurement professionals who need to understand the strategic sourcing process in order to participate on a strategic sourcing acquisition team.

**This training seminar is suitable to a wide range of professionals but will greatly benefit:**

- Procurement Officers
  - Contracting Officers
  - Supply Chain Professionals
  - Program Managers
  - Those who are involved in the planning, evaluation, preparation and management of purchasing, tenders, contracts that cover the acquisition of materials, equipment, and services
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## Course Outline

### Defining and Implementing Effective Sourcing Strategies

- Definition of Sourcing Strategy
- Defining Procurement Excellence
- Tactical vs. Strategic Sourcing
- Strategic Sourcing Benefits
- Industry and Strategic Sourcing
- The Strategic Sourcing Process

### Strategy Development and Commodity Management

- Develop a Strategic Sourcing Plan
- Evaluate and Prioritize Commodities
- Analyze The Supply Market
- Develop a Commodity Strategy
- Develop The Acquisition Strategy
- Develop a Transition Plan

### Sourcing Path Selection (Competition or Collaborative Supplier Development)

- Selection of Implementation Path
- Identification of Preferred Supplier(s)
- Supplier Development and The Strategic Sourcing Process
- Supplier Development Constraints
- Negotiation Strategy – Competitive vs. Collaborative
- Proposal Solicitation and Evaluation

### Leveraging Supply Management Tools and Techniques to Improve Performance

- Procurement Analysis and Classification
  - Strategic Cost Management
  - Principles of Cost and Value Management
  - Understanding the Total Cost of Ownership
  - Purchasing Analysis Tools and Techniques
  - Performance Measurement and Evaluation
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## Supplier Performance Management, Quality Management, and Supply Base Integration

- The Importance of Supplier Performance Management
- Developing and Maintaining Long-term Supplier Relationships
- Performance Measurement and Evaluation
- Quality Management for Strategic Sourcing
- Supply Base Integration and Development
- Pursuing Global Supply Management Excellence



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