These are the most popular topics explored in the basic 2 day *It Aint the Price; It’s the COST, Stupid* seminars

## Purchasing Training

### Strategies Central to Purchasing Management

**Total Cost of Ownership (TCO) the basis of professional Purchasing**
- How to identify, define and quantify the Total Cost of Ownership (TCO)
- TCO = the costs of Quality + Service + Delivery + Price (Price ≠ Cost)
- Break down the four elements of QSDP into measurable sub-elements
- How to use TCO (QSDP) as the basis of Certification and Evaluation programs.

**Supplier Certification**
- How to establish minimum standards for our suppliers
- Why we need to have Certification
- How to base standards on Costs
- How and why does it save money to reduce the supplier base?

**Supplier Evaluation**
- What are the 3 main benefits of Supplier Evaluation?
- How do we set up metrics to measure performance?
- How do we enforce these performance standards?
- How can we use them to justify decisions, reward or improve performance?

**Exercise: The Gaylord Principle**
We will devise a dollars and numbers model to evaluate supplier performance.

**How and why to conduct Cost Analysis**
- Find and eliminate unnecessary costs
- Obtain quantitative basis for Negotiation
- Comply with Robinson-Patman and UCC provisions

**How and why to conduct Price Analysis**
- Identifying pricing strategies of sellers
- Marketing and advertising strategies of sellers
- Adapting contract forms to price and cost strategies

**Strategic Alliances**
- Sole and Single
- Partnering
- Cost savings clauses
- Joint venture

**Exercise: Performance Metrics**
How to measure supplier performance based on Total Cost of Ownership. We will construct a simple model for measuring supplier performance that you can use at work.

**Practical Legalities in Buy/Sell Topics**

**Uniform Commercial Code (UCC) basics including**
- Goods versus services
- The 4 requirements of a P.O to avoid personal liability
- The 4 requirements of a contract
- The 4 forms of purchasing authority
- UCC listings (liens) and searches
- The 7 obligations of an agent
Terms and Conditions (T’s &C’s)
- Relationship to TCO
- Warranties. Rights and Remedies
- Battle of the Forms (Offeror and Offeree)

More important legal considerations
- Robinson-Patman (how a price below a suppliers cost can be illegal)
- Reciprocity
- Oral contracts
- Mirror image rule last shot principle

Ethics
- Legal versus ethical considerations (Ethical Behavior is the law!)
- Ethical practices and good faith
- Land mines to avoid
- Sample Ethics policies
- Answering the suppliers question “Where do I have to be?”

Rounding out the Professional Buyer

Soft Skills for the Workplace
- Selling to internal customers and management
- Training the internal customer
- Obtaining and keeping management buy-in
- Time Management and Empowerment

Professional Advancement
- Professional Societies
  - Institute for Supply Management ISM (formerly NAPM)
  - American Purchasing Society (APS)
  - American Production and Inventory Control Society (APICS)
- Certification as a C.P.M. in the ISM, CPP in the APS, and CPIM in APICS
- Relationship to earnings

Inventory and Logistics

Transportation terms and practices
- UCC terms
- INCO terms and the CISG (Convention for the International Sale of Goods)
- Delivery and risk of loss
- Inspection

Just In Time
- How do we define JIT?
- How to put bite in delivery clauses?
- How does JIT delivery affect our costs?
- Expedited delivery versus safety stock?

Transportation
- Transportation terms you must absolutely know about
- What are INCO terms and when should we use them?
- How does international transportation practice differ from domestic?
- When does risk of loss transfer to the buyer?

Inventory Metrics
- Fill Rates Accuracy
- Back Orders
- Stock Outs
- Inventory turns

“We will collaborate in the advance work to identify areas of greatest interest and need. (Initial Questionnaires and Pre-course Assessments accompany most engagements).

During training sessions, some topics explode in a burst of importance, so we’ll cover those in greater detail. All sessions are completely interactive and exercise driven.

— Bob Menard
Cost reduction techniques
• JIT (ASWO)
• Carrying costs
• Expedited delivery
• ABC’s and Pareto’s Principle

Inventory problems
• Obsolescence
• Shrinkage (Loss, theft, breakage)
• Spoilage
• EOQ

The Welcome to Purchasing Guide
• How it serves internal customers and suppliers
• How to construct one
• How it improves productivity

Procurement cards
• What are they?
• Why and how to use them
• How they cut costs for buyer and seller
• How they cut costs, save time, add productivity

Soft Skills for the Workplace
• Selling to internal customers and management
• Training the internal customer
• Obtaining and keeping management buy-in
• Time management and Empowerment

Electronic commerce
• Applications in Purchasing
• Reverse auctions
• E-shipping, receiving, invoicing and payment
• Potential for cost reduction

The Best Practices in Supplier Management
• Strategic Alliances (Partnering)
• Vendor Managed Inventory (VMI)
• Collaborative Planning, Forecasting & Replenishment (CPFR)
• 6 Sigma and statistical procedures

Supplier Finance
• Financial statements
• Credit investigation
• Ratio and trend analysis

Exercise: The Shaky Supplier Samba
There are many steps to this dance, but we can learn how to recognize all the moves. Other topics that you advise you'd like to hear about.

Sell for a dollar, earn a dime - Save the same dollar, earn ten dimes

Robert Menard
The Voice of the Customer

Call 214-513-8484
or visit www.RobertMenard.com