

ADVANCE PROCUREMENT STRATEGIC & PROCUREMENT COST REDUCTION TECHNIQUES

DATE: 27-28 May / 25-26 September 2024
13-14 February 2025

FEE: RM1,550

DURATION: 2 Days

HRD CORP SCHEME:
HRD Corp Claimable Courses

PROGRAM OVERVIEW

A Comprehensive and Practical Programme aimed at Reducing Costs and Increasing Bottom line (Profit) in Business Operation through the Procurement Function.

LEARNING OUTCOMES

Upon completion of this program, participants will be able to:

- Understand how to analyse and when does cost reduction analysis methods work
- Refine your procurement method / policy to achieve the profit center status
- Analyse and select the best cost reduction techniques / methods
- Achieve greater savings through guarding against over pricing
- Maintain optimum inventory levels through JIT, Consignment methods of purchasing
- Turn your procurement department into a profit center
- Focus your cost reduction efforts in the right areas by the right methods & techniques

METHODOLOGY

- Real life examples, exercises, case studies, discussions and presentations by participants will be used during the workshop to stimulate learning and to make workshop interactive and exciting.

WHO SHOULD ATTEND

- Mid/Senior Manager
- First Level Manager
- Executives/ Supervisory

FACILITATOR

Dr Pathepen Elumalay

Dr. Pathepen hails from a manufacturing background, having served a Multinational Manufacturing company for 22 years before moving to Telecommunication, Oil & Gas and Leisure industry. In total, he has clocked in 27 years working experience, with 26 years of training & lecturing under his belt. Throughout his corporate life, he had worked in various departments from Production & Materials Planning and Logistics, Finance, Costing, Marketing & Sales, Warehouse/Stores, Shipping, Purchasing and Materials Management. He carries with him wealth of knowledge and experience in the field of Supply Chain & Logistics Management and is a highly sought-after trainer in this field.



PROGRAM CONTENT

Module 1

Definition of Purchasing / Procurement

- The Roles and Responsibilities of Purchasing
- What is strategic Procurement
 - Operational strategies
 - Financial strategies
 - Marketing strategies
 - Benefits of strategic sourcing

Module 2

Procurement Overview

- Key objectives
 - Support operational requirements.
 - Manage the procurement process and the supply base efficiently and effectively.
 - Develop strong relationships with other functional groups.
 - Support organizational goals and objectives.
- Procurement process
 - Identify opportunities
 - Undertake strategic analysis
 - Undertake strategic analysis and create a strategic sourcing plan

Module 3

The 5 “RIGHTS” of Procurement

- Right quality
- Right quantity
- Right time
- Right source
- Right price

Module 4

Procurement Profitability and added value

- Importance of procurement
- The evolution of purchasing.
- Purchasing and Change.
- Purchasing as a factor in profitability is likely to be critical where...?
- Purchasing will be less critical though still important where...?
- Strategic decision relating to supply are based on the best available information
- Vertical or horizontal integration
- Identification critical materials/components for detailed study
- Promoting profitable purchasing by researching possible supply source
- Building long term collaboration with suppliers
- Enhancing working capital of enterprise
- Improving administrative procedures of procurement function
- Improving/increasing competency of procurement staffs

Module 5

Lean Supply

- Electronic commerce
- Time compression
- The 7 waste

Module 6

Buyers' and Sellers' Strengths and Weaknesses Matrix

- SWOT analysis
- Kraljic matrix

Module 7

Cost reduction techniques

- Definition & aims
- Issues in cost reduction and the advantages
- Procurement cost reduction process
- Procurement cost reduction action plan
 - i. Spend analysis & spend cube
 - ii. Some data gathering guidelines
 - iii. Cost & spend analysis
 - iv. Cost review
 - v. Procurement prioritization
 - vi. Cross functional teams
 - vii. Strategy development
 - viii. Procurement budgetary control
 - ix. Elements of cost reduction programme
 - x. ABC / Pareto analysis
 - xi. Procurement cost reduction performance evaluation

Module 8

Analysing prices and costs

- Cost- based pricing
- Demand-based pricing
- Is supplier's price is correct, when buying different quantities

Module 9

Areas of cost reduction

- ABC / Pareto Cost reduction analysis
- Direct materials cost reduction
- Indirect materials cost reduction
- Service cost reduction



PROGRAM SCHEDULE

Day 1

9:00am - 10:30am	:	Module 1
10:30am - 10:45am	:	Coffee Break
10:45am - 1:00pm	:	Module 2 & 3
1:00pm - 2:00pm	:	Lunch
2:00pm - 3:30pm	:	Module 4
3:30pm - 3:45pm	:	Coffee Break
3:45pm - 5:30pm	:	Module 5
		End of the day

Day 2

9:00am - 10:30am	:	Module 6
10:30am - 10:45am	:	Coffee Break
10:45am - 1:00pm	:	Module 7
1:00pm - 2:00pm	:	Lunch
2:00pm - 3:30pm	:	Module 8
3:30pm - 3:45pm	:	Coffee Break
3:45pm - 5:30pm	:	Module 9
		End of the day

