

Scandinavian Academy
Training Center

Mobile | 00966536473335 : Mobile | 00966112695229 : Phone : 00966552365295
Email | info.en@scandinavianacademy.co Web site:https://scandinavianacademy.co/en :
Riyadh - Al Khaleej District - Sheikh Abdul Aziz Bin Abdul Rahman Bin Bishr Street - 13223 - Office No. 5 | P.O.BOX : 13224

Course: Purchasing Techniques, Negotiating & Cost Reduction

Code	City	hotel	Start	End	price	Language - Hours
PI-612SA	Jeddah	Hotel Meeting Room	2027-06-06	2027-06-10	9950 SR	En - 25

The Course

In the world today it is not unusual for more than 50% of an organization’s revenue to be spent on goods and services — everything from raw materials to overnight mail. So, when the goal is to increase earnings by lowering costs, World-class organizations look closely at their purchasing strategies. Success in purchasing is dependent not only on an awareness of the potential opportunities, but more importantly, and the focus of this seminar, is the knowledgeable implementation of the methods, processes, and techniques that should be utilized in order to become a leader in obtaining real supply management savings.

The Goals

Upon completion of this seminar, participants will know:

- How to be on the road to world class in cost reductions
- Processes for data mining and developing strategic plans
- Methods of cost improvement
- Process for developing purchase price index
- Procedure for reporting cost improvements
- Cost Reduction vs. Cost Avoidance
- How to evaluate supplier prices
- Reducing low value activities
- Best practices in qualifying suppliers
- The importance of planning in successful negotiations

- Approaches in negotiations
- Standards of ethics
- The importance of rating and valuing the issues in a negotiation
- Negotiating important issues in various contract clauses
- Important elements of final preparation

The Delegates

- Contracts, Purchasing, and Procurement personnel
- Engineering, Operational, Project, and Maintenance personnel
- And all others who are involved in the planning, evaluation, preparation and management of purchasing, tenders, and contracts that cover the acquisition of materials, equipment, and services, and who are in organizations whose leadership want high levels of competency in those involved in these activities.

The Process

This seminar will combine a variety of instructional methods including lecture by an experienced practitioner and consultant, exercises and role playing, and group discussions covering current practices and their relationship to the implementation of new concepts.

The Benefits

Attendees will gain by participation in this program as a result of:

- Increased skill sets in finding savings opportunities.
- Greater ability to lead continuous improvement programs.
- A greater sense of confidence and professionalism.
- Greater ability to obtain desired outcomes in negotiations.
- Increased recognition by the organization due to improved performance.

The Results

The organization will benefit by:

- Higher productivity of personnel involved in procurement activities.
- Reduced total cost of ownership for purchased materials, equipment, and services.
- Improved productivity of the entire organization by better on time delivery of high quality goods and services.
- Having the advantage in negotiations as a result of their employees being better prepared and trained than the employees of the other side.
- Improved supplier performance and relations.
- Greater strategic focus of those involved in supply management.

The Core Competencies

Attendees will gain in the following competencies as a result of the program:

- Developing spend profiles
- How to prioritize their time for maximum benefit
- Finding costing reduction opportunities
- Evaluating prices
- Understanding supplier pricing structures
- Developing purchasing strategic plans
- Planning for negotiations
- Defining issues
- Understanding Total Cost of Ownership
- Conducting negotiations

The Programme Content

Day One : Continuous Improvement in Cost and Productivity

- The Need For Change
- How Do Other Functions View Purchasing
- A Purchasing Savings Model
- Total Cost Of Ownership Models
- Continuous Improvement Skill Sets
- Cost Reduction Initiatives
- Cost Savings Reporting Procedure
- Data Mining
- Establishing A Strategic Focus With The ABC Analysis
- Modern Methods Of Analyzing The Spend

Day Two : Defining Cost Reduction Opportunities

- User Group Brainstorming Sessions
- Developing Company Purchase Price Index And Comparing To External Indexes
- Understanding Of Supply Marketplace And How Suppliers Price
- Benchmarking
- Process Mapping To Eliminate Low Value Activities
- Developing Purchasing Material/Services Strategic Plans
- Resisting Price Increases
- You Will Never Be Better Than Your Suppliers
- Supplier Performance Measurement
- Cost Saving Methods

Day Three : Methods of Price Evaluation

- Price Justification
- Model For Selecting Analysis Methods
- Methods Of Price Analysis
- Competition
- Historical Prices
- How Much Profit Is Fair
- Methods Of Cost Analysis

- Breaking Down The Elements Of Cost
- Developing “Should Cost”

Day Four : Successful Negotiations

- Our Responsibilities As Agents
- Negotiation Skill Sets
- Steps In Negotiation Preparation
- Methods Of Persuasion
- What Does Win/Win Really Mean?
- Determining The Issues
- Defining Issues For Specific Contract Provisions
- Payment Terms
- Progress Payments
- Warranties
- Spare Parts
- Rating & Valuing Issues
- Standards Of Ethics In Purchasing And Contracting Conduct

Day Five : Determining Strengths and Weaknesses

- Evaluating Your Position
- Know Your BATNA
- Analyzing The Other Side
- Negotiation Objectives Diagram
- Negotiations Planning Forms
- Prepare The Negotiation Team
- Tips For The Actual Negotiation
- Participants will negotiate model cases and discuss the results to provide an opportunity for hands on experience

The Scandinavian Academy for Training Center adopts the latest scientific and professional methodologies in training and human resource development, aiming to enhance the efficiency of individuals and organizations. Training programs are delivered through a comprehensive approach that includes:

- Theoretical lectures supported by PowerPoint presentations and visual materials (videos and short films).
- Scientific evaluation of participants before and after the program to measure progress and knowledge acquisition.
- Brainstorming sessions and practical role-playing to simulate real-life scenarios.
- Case studies tailored to align with the training content and participants work nature.
- Assessment tests conducted at the end of the program to evaluate the achievement of training objectives.

Each participant receives the training material (both theoretical and practical) in printed form and saved on a CD or flash drive. Detailed reports, including attendance records, final results, and overall program evaluations, are also provided.

Training materials are prepared professionally by a team of experts and specialists in various fields. At the end of the program, participants are awarded a professional attendance certificate, signed and accredited by the Scandinavian Academy for Training Center.

Program Timings: 9:00 AM to 2:00 PM

The program includes:

- A daily buffet provided during the sessions to ensure participants comfort.
- A closing ceremony on the final day to distribute certificates and celebrate participants achievements.
- **Note: All prices are exclusive of 15% Value Added Tax (VAT).**

Our Success Partners

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المملكة العربية السعودية - الرياض - حي الخليج - شارع الشيخ عبد العزيز بن عبد الرحمن بن بشر - 13223 - مكتب رقم 5
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