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# Course: Strategic Purchasing and Supply Management

Code	City	hotel	Start	End	price	Language - Hours
108	Al Baha	Hotel Meeting	2025-10-19	2025-10-23	10950 SR	En - 25

## Course Description

The development and implementation of carefully crafted strategies for the acquisition of all goods, parts, equipment, and services has become a critical issue in all organizations wishing to reduce operating cost while improving quality and productivity. This program explores key concepts of Strategic Cost/Price Analysis, Value Analysis, and Total Cost of Ownership that will move today's supply management organization from its typical tactical focus to the strategic focus needed to successfully implement the processes and methods needed to reach world-class performance.

## The Goals

- Explore the Elements of Cost In Supplier's Price
- Differences in International Labor Rates
- Understand how to Develop a "Purchasing Coding System"
- Learn How Volumes Should Impact Price
- Discover Supplier's Different Pricing Models
- Explore Issues of Supplier/Contractor Overhead Expenses
- Experience the Development of A Purchase Price Index
- Obtaining Suppliers Price Breakdowns
- Learn how to Get More Time to Work on Strategic Issues
- Develop Skills in Negotiation Planning and Strategies
- Understand Methods of Price and Cost Analysis
- Apply Concepts of Value Analysis



- Development of “Should Cost”
- Types of TCO Systems
- Approach to Implementing TCO Analysis

## **The Benefits**

Attendees will gain by participation in this program through mastering skills in analyzing and understanding supplier's cost and, as a result, will realize a greater ability to develop professionally and progress toward advancement. Additionally participants will receive increased recognition by their organization due to their improved performance in leading, planning, and managing continuous improvement programs.

## **The Results**

The organization will benefit by having better pricing and reduced total cost of ownership for purchased materials, parts, equipment, and services as well as a greater strategic focus of those involved in supply management. This program offers many take-a-ways that will provide continuous improvement and higher productivity of personnel involved in purchasing and contracting activities. By gaining a better understanding of supplier's pricing and cost, participants will be able to better accomplish the organization's business strategies and objectives to gain maximum value for all money spent for all categories of procurement and contracting.

## **The Core Competencies**

- Supplier Pricing Models
- Supply Management Mission and Vision
- Cost Analysis
- Use of Price Indexes
- Price Analysis



- Preparation for Negotiation
- Strategic Approaches in Supply Management
- Developing what the Price Should be
- Spend Analysis
- Price/Volume Analysis
- Value Analysis
- Total Cost of Ownership

## **The Programme Content**

### **Setting the Strategic Direction**

- Defining the Supply Management Mission and Vision
- Stages to World Class Supply Management
- Change and Becoming More Strategic
- Supply Management Skill Sets
- Developing the Spend Analysis
- Creating Time to be Strategic
- The ABC (Pareto) Analysis
- Material/Services Purchasing Code Development

### **How Do You Know That you Obtained a Good Price**

- Supplier Pricing Models
- Defining Cost and Price Analysis
- Difference Between Cost and Price Analysis
- Selection Tool
- Methods of Price Analysis
- Historical Analysis
- Working with Producer Price Indexes
- Developing the Organization's Purchase Price Index
- Estimating Cost Relationships



## **Getting a Better Price by Analyzing Cost**

- Methods of Cost Analysis
- Major Elements of Cost
- What and How Important Are Supplier Overheads
- Sources of Cost Information
- Developing “Should Costs”
- Requesting Supplier Cost Info
- Issues In Analyzing Supplier Cost Breakdown

## **Using Price Volume, International Labor, and Value Analysis**

- Global Industrial Labor Rates
- Working With Currency Exchange Rates
- Cost Volume Profit Analysis
- Fixed and Variable Costs Defined
- Use of Cost Volume Relationships
- Calculating Fixed and Variable Cost Algebraically
- Defining Value Analysis?
- The Test for Value List
- The Supplier Value Check List

## **Total Cost of Ownership (TCO) Concepts**

- Change in Supply Management
- Definitions of TCO
- Objectives of TCO
- Barriers to TCO
- Process Flow Diagrams
- Approaches to TCO
- Dollar Model



- Value Model
- Total Cost Modeling of the Supply Chain
- Implementing TCO



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.