About the Programme

For many companies, an innovative service supply chain offering is key to maintain their competitive edge. Managing successful supply chains in extreme markets has become the greatest challenge for most of the organisations. Therefore, Organisations that focus on improving their supply chain performance achieve much better financial and operational results than their peers do.

Supply chain management (SCM) is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. In the last decade itself a stunning number of senior executives have identified SCM as critical to their companies’ competitive and financial performance.

During the workshop, we provide decision makers of the organisations an in-depth study to develop and run supply chains in the most effective & efficient manner, and to negotiate better with their supply chain stakeholders to deliver higher value to the organisation.

This programme will give you negotiation tools, strategies and insights to enhance supply chain cost and performance results.
In this workshop, participants will learn how to package behavioral and data based negotiation skills together towards achieving the lowest total costs solutions. Participants will be given the opportunity to analyze and assess the true components of total cost, and learn the skills required to use this information to build a solid negotiation plan using a variety of cost model approaches that deliver lowest total cost solutions.

Special focus will be placed on supply chain management solutions that are innovative, immediately implementable, and reduce and remove costs from the supply chain. The core concepts and methodologies for building cost models will be reviewed in a case study at the end of the course.

Outline

I. The Art and Science of Negotiations – core components
   - Data based negotiation practices defined
   - Behavioral based negotiation practices defined
   - Supply Chain Management TCO practices

II. Total Cost Analysis – in depth analysis
   - Defining various cost components
   - Acquisition cost vs total cost – examples and key issues
   - The contract as a means of allocating risk and how to manage and minimize total cost exposure
   - Defining and managing direct savings, indirect/soft savings, and cost avoidance
   - Review of financial cost factors and types in analysis
   - Benchmarking – when to use, how to use, where to obtain
   - Supplier Cost Models – effective development and utilization
   - Total Cost Modeling – capturing parameters, developing and using effectively

III. Supply Chain Management & TCO
   - Managing supply chain costs
   - Removing costs vs reducing costs from the supply chain
   - Value engineering
   - Business models for implementation

IV. Setting negotiation objectives
   - Opening & Bottom Line Positions in Negotiations – data based methodology

V. In class case study from Harvard University on Negotiations and report out

VI. Call to Action: Top things attendees should do differently after this course
Participants will learn supplier management practices that start from the purpose and business reason that drove the original demand and the skills to use this as the driving force that defines everything else. All of these processes and methodologies will be shifted from the traditional design and focus to a new paradigm that ensures that the supplier is delivering and achieving **PERFORMANCE RESULTS** and not just providing goods or services.

The supplier will also be put in a position of greater accountability, whereby purchasing would be in a less time consuming reviewing and approving capacity.

The assertion will be made that following the supplier management practices as outlined here will result in a roadmap for improved overall results, more strategic focus, reduced overall TCO, negotiation skills for performance results and a more successful and fulfilling career in purchasing.

### Outline

#### I. Supplier management definition and where it starts – either 80% time is invested in the front end or the back end of the procurement cycle
- Shift in mindset #1: Buying PERFORMANCE RESULTS, not resources, and how this changes everything in supplier management
- Shift in mindset #2: spending more focus up front, to save time and produce far improved TCO on the back end
- Why allowing end users to rush through the procurement process will result in endless problems after the supplier has their money
- Motivating end users to want to spend more time on the front end of the procurement process, for the benefit of back end performance results and cost and time savings.
- Establishing a mission for the purchase and focusing not on what the end user wants to buy, but what they want to achieve
- Establishing key cross-functional objectives for the purchase, with associated success metrics that are used to managed the end to end.

#### II. Solicitation > Selection > Negotiation > Contract > Supplier Performance continuum
- How to teach end users to write their SOW and Specs completely different – avoiding situation where supplier is doing exactly what was requested, but the end user still isn't happy
- How to negotiate for performance results
- The contract as a living tool to manage supplier performance through adversity & prosperity
- Embedding contract expectations to ensure expectations, prevention of excursion, & remedy of excursion
- Establishing results based (not resources based) metrics in the contract
- Methodologies to monitor, measure, provide feedback, and drive continuous improvement
- Balanced score card development and making supplier accountable for performance AND tracking
- Supplier business reviews – what, where, who, when, why, and how
- Key 'gotchas’ in supplier management

#### III. In class case study from Harvard University on Performance Results & Negotiations, and report out

#### IV. Call to Action – Things to do differently after this seminar
Faculty

Prof. Omid Ghamami

President & Chief Consultant — Purchasing Advantage
CEO & Chairman of the Board — Center for Purchasing and Supply Chain Management Excellence

He is an Author, Speaker, Consultant and Trainer. He was responsible in managing Intel’s global purchasing operations over $1B in annual expenditures. He was also responsible for the negotiation planning, execution, & training processes for the entire $16B global procurement operation at Intel.

Prof. Omid has trained all 50 Chief Purchasing Officers of the United States on how to achieve breakthrough TCO results against their $3.2 Trillion budget and has been invited to present at Harvard University’s world famous Supply Chain Management program.

Prof. Omid is President & Chief Consultant at Purchasing Advantage, a purchasing and supply chain management consulting and training solutions provider. Since 1995, he has performed consulting, training, and executive coaching for thousands of procurement executives and professionals from 21 different countries in 5 continents on topics related to the entire spectrum of purchasing, supply chain management, purchasing contract law, negotiations, and supplier management.

Prof. Omid is also CEO and Chairman of the Board of the Center for Purchasing and Supply Chain Management Excellence, the premier purchasing & supply chain management certification institute in the world, delivering the CPSCM™ Certification

Testimonials

“Executive leaders - reach out to Omid to advise your business and teams. He stands in a league of his own atop the top global procurement experts who can architect true leadership approach to Supplier Sourcing and Supplier Development - not just the standard "Commodity Strategies". He has developed the insight and know how to transform and enable businesses to achieve a World Class approach. I have personally worked with Omid and from my experience I can attest that he has real life experiences to share that open up innovative business thought processes. Omid as an advisor is a great investment into any business and the returns will be in multiples.”

- Tim Shiple, Global VP of Supply Chain Operations, Google -

Dates: 22 & 23 October, 2018 | Investment: LKR 130,000 + 2% NBT
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