

Course Name: Purchasing Techniques, Negotiating & Cost Reduction

Reference Code: Supp 104

About the course:

This training course will feature:

- How to be world class in cost reductions
- Processes for developing purchase price index
- How to evaluate supplier prices
- The importance of planning in successful negotiations
- Approaches in negotiations

Course Objective:

By the end of this training course, participants will be able to:

- Examine the key features in spend profiles
- Evaluating costing reduction opportunities
- Understanding supplier pricing structures
- Apply purchasing strategic plans
- Develop common approaches in planning for negotiations

Who Should attend?.

This training course is suitable to a wide range of professionals but will greatly benefit:

- Contracts, Purchasing and Procurement Personnel
- Engineering, Operational, Project and Maintenance Personnel
- Those who are involved in the planning, evaluation, preparation and management of purchasing, tenders, contracts that cover the acquisition of materials, equipment, and services

Kingdom of Saudi Arabia

101 Business Tower, 8th Floor
Al Jubail 35513, Bldg# 9278 ,KSA
Tel.: +966 13 361 5552

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Khobar Gate Tower
King Fahad Street , Khobar 31952
Tel.: 00966133308334

Course Methodology:

This training course is designed to be a hands-on, stimulating experience. The training course is highly interactive with many discussion and practice sessions.

- ☐ Relevant computer simulations and videos .
- ☐ Copies of all presentation material.
- ☐ Variety of Learning Methods.
- ☐ Pre-test and final test.
- ☐ Case Study
- ☐ Training Groups.
- ☐ Presentation.
- ☐ Lectures

Course Outline:

Day One: Continuous Improvement in Cost and Productivity

- How do other functions view purchasing
- A Purchasing Savings Model
- Total Cost of Ownership Models
- Cost Reduction Initiatives
- Establishing a Strategic Focus with Pareto Analysis on Cost
- Modern Methods of Analyzing the Spend

Day Two: Defining Cost Reduction Opportunities

- Developing Company Purchase Price Index and Comparing to External Indexes
- Understanding of Supply Marketplace and how Suppliers Price
- Benchmarking best practices in Cost Reduction

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- Resisting Price Increases
- Supplier Performance Measurement
- Cost Saving Methods

Day Three: Methods of Price Evaluation

- Price Justification
- Methods of Price Analysis
- The Competition that leads to price reduction and evaluation
- Methods of Cost Analysis
- Breaking down the Elements of Cost
- Developing "Should Cost"

Day Four: Successful Negotiations

- [Negotiation Skill Sets](#)
- Steps in Negotiation Preparation
- Methods of Persuasion
- What Does Win/Win Really Mean?
- Determining the Issues
- Rating & Valuing Issues

Day Five: Determining Strengths and Weaknesses

- Know Your Better Alternatives to Negotiated Agreements (BATNA)
- Analyzing The Other Side
- Negotiation Objectives Diagram
- Prepare the Negotiation Team
- Tips for the Actual Negotiation
- Participants will negotiate model cases & discuss the results to provide an opportunity for hands on experience

Time: 08:00 AM -03:00 PM **Numbers of hours:** 35 Hours

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