

Introduction:

In today's competitive business environment, leaders in contract and procurement functions are expected to excel in world-class buying and contract practices. This comprehensive procurement and contract management course is designed to equip contract and purchasing leadership with leading strategies, concepts, and techniques necessary for achieving high performance. The course aims to inspire and guide participants toward successful implementation of these practices within their organizations.

Given that a significant portion of every organization's operating costs is allocated to external goods and services, recognizing Contracts and Purchasing as core competencies is essential for any organization striving to reduce expenditures while enhancing operations. This course provides valuable insights into best practices in contracts and purchasing, enabling participants to benchmark their current position and take steps to create the greatest total value for their organization.

The course dives deep into procurement contract management, covering the intricacies of developing, negotiating, and managing procurement contracts. From obtaining a procurement and contract management certificate to mastering contract management, this course offers an in-depth look at the various facets of purchasing contract management.

Targeted Groups:

- Contract Administrators, Contract Professionals, and Project Coordinators
- Specifiers, Buyers, Purchasing Professionals, and Procurement Officers
- Contracts Managers
- Project Managers
- Procurement Managers
- Purchasing Managers

Course Objectives:

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

- Understand the essential elements of a sound contract management process.
- Learn methods for evaluating tenders effectively.
- Review various contract strategies and structures.
- Examine key commercial contract clauses.

- Understand the core components of a contract.
 - Use contract checklists to ensure all necessary aspects are covered.
 - Develop effective purchasing organizations.
 - Create strategic purchasing plans based on best practices in procurement and contract management.
 - Develop spend profiles and perform analysis to inform procurement strategies.
 - Learn how to report key performance indicators (KPIs) for purchasing activities.
 - Identify the most valuable competencies for contract and purchasing professionals.
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Targeted Competencies:

- Strategic planning in procurement and contract management
 - Contract selection, drafting, and execution
 - Coordination with and management of legal counsel
 - Commercial management practices
 - Risk assessment and mitigation strategies
 - Negotiation and dispute resolution skills
 - Contract management and control
 - Pricing evaluation and contract drafting
 - Economic price adjustment clauses
 - Spend analysis for continuous improvement
 - Cost containment strategies
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Course Content:

Unit 1: What Are Contracts, and How Are They Created?

- The need for contractual relationships in business
- Essentials for creating a valid contract, including ingredients and formalities
- Authority and agency in contracts
- Understanding the tender process and alternative sourcing methods
- Ensuring enforceability of contracts, with a focus on international contexts

Unit 2: The Structure of Contracts

- The form and structure of agreements
- The hierarchy of terms and conditions in contracts
- Exploring different contractual structures, traditional and modern
- Risk and title (ownership) in international trade and when it transfers
- The importance of notices and formalities in contract execution
- Determining governing law and jurisdiction for contracts

Unit 3: Collateral Documents

- Securing performance obligations through collateral documents
- Understanding bonds, guarantees, and parent company guarantees
- The role of letters of intent, comfort letters, and awareness letters
- The significance of insurance policies in contract risk management
- Assessing the need for financial security and protection

Unit 4: Change and Variation

- Modifying contract documents and understanding the differences between assignment and novation
- The role of variation clauses and how they address scope changes
- Defining and addressing claims in contracts
- Managing delays, disruptions, and force majeure situations in contracts

Unit 5: Resolving Disputes

- Methods for avoiding disputes through clear contract drafting
- Recognizing disputes early and implementing resolution strategies
- Using negotiation clauses to encourage negotiation before escalation
- Dispute resolution mechanisms: litigation, arbitration, mediation, and other alternative methods
- Best practices in conflict management and resolving disputes

Unit 6: The First Steps to Becoming World Class

- Understanding the four stages to achieving world-class procurement
- An honest assessment of current purchasing practices
- Developing strategic sourcing plans and implementing ABC analysis for spend profiling
- Defining new roles and skill sets required for future purchasing teams

Unit 7: Evaluating Your Operation

- What defines best practices in procurement
- Conducting a purchasing gap analysis
- Creating a vision and mission for the purchasing department
- Developing a strategic plan for the purchasing function
- Establishing and tracking Key Performance Indicators (KPIs) for procurement performance

Unit 8: Continuous Improvement and How to Achieve It

- Implementing cost reduction initiatives
- Identifying and containing costs in the supply chain
- Breaking down supplier costs and resisting price increases
- Supplier classification systems and performance metrics
- Applying supplier performance data to make informed purchasing decisions
- Utilizing process mapping to eliminate low-value activities in procurement
- Exploring the benefits of e-procurement

Unit 9: Improving the Image of Procurement

- The role of global sourcing in procurement strategy
- Comparing international labor rates and assessing their impact
- Maintaining a customer-focused approach in procurement
- Addressing corruption and fraud prevention in procurement
- Enhancing procurement professionalism and staying current in the field

This course is designed to equip professionals with the necessary skills to excel in procurement and contract management. By mastering the strategies, tools, and best practices covered, participants will be well-prepared to enhance their organization's procurement processes, optimize contract management, and effectively resolve disputes, contributing to the overall success of their business.