



# **Strategic Purchasing and Cost Reduction Techniques Training Course**

**Ref: #PSC7529**



## **Course Introduction / Overview:**

This comprehensive training course is designed to transform the procurement function from a tactical purchasing unit into a strategic value-generating powerhouse. In today's competitive global market, effective purchasing and cost management are critical drivers of profitability and organizational success. This program delves deep into the principles and practices of modern strategic purchasing, moving beyond simple price negotiation to encompass total cost of ownership, value analysis, and sophisticated cost reduction methodologies. Participants will explore the influential work of procurement strategist Peter Kraljic, particularly his portfolio purchasing model detailed in the Harvard Business Review, which provides a framework for differentiating sourcing strategies based on risk and profit impact. The curriculum, expertly curated by BIG BEN Training Center, integrates advanced techniques for supplier relationship management, risk mitigation, and sustainable sourcing. This course equips professionals with the analytical skills and strategic foresight needed to optimize spend, secure the supply chain, and contribute directly to the bottom line, ensuring they become indispensable assets to their organizations.

## **Target Audience / This training course is suitable for:**



- Purchasing Managers and Directors.
- Procurement Specialists and Officers.
- Supply Chain Managers and Analysts.
- Contract Managers and Administrators.
- Sourcing Managers.
- Finance Managers involved in procurement decisions.
- Operations Managers.
- Project Managers.
- Anyone aspiring to a career in procurement or supply chain management.

### **Target Sectors and Industries:**

- Manufacturing and Industrial Production.
- Retail and Consumer Goods.
- Construction and Engineering.
- Healthcare and Pharmaceuticals.
- Oil and Gas.
- Information Technology and Telecommunications.
- Logistics and Transportation.
- Governmental bodies and public sector organizations.
- Hospitality and Service Industries.

### **Target Organizations Departments:**



- Procurement and Purchasing Department.
- Supply Chain Management Department.
- Finance and Accounts Department.
- Operations Department.
- Project Management Office.
- Contracts and Legal Department.
- Logistics and Warehousing.
- Strategic Planning Department.

## **Course Offerings:**

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

- Develop and implement a strategic purchasing plan aligned with corporate goals.
- Master advanced cost reduction techniques beyond traditional price negotiation.
- Conduct comprehensive spend analysis to identify cost-saving opportunities.
- Apply the Total Cost of Ownership (TCO) model for better sourcing decisions.
- Segment suppliers and develop tailored supplier relationship management (SRM) strategies.
- Enhance negotiation skills through proven tactics and strategies.
- Effectively manage procurement risks and ensure supply chain continuity.
- Integrate sustainability and ethical considerations into the sourcing process.
- Leverage technology and e-procurement tools to improve efficiency.

## **Course Methodology:**



The training methodology at BIG BEN Training Center is designed to be highly interactive, engaging, and practical, ensuring that participants can immediately apply the learned concepts in their professional roles. We believe in an experiential learning approach that moves beyond theoretical lectures. The course incorporates a dynamic blend of expert-led presentations, real-world case study analyses, and interactive group discussions where participants can share experiences and benchmark practices. A significant portion of the training is dedicated to hands-on workshops and simulation exercises, such as mock negotiations and cost-modeling activities, which provide a safe environment to practice and refine new skills. Participants will work in teams on practical projects, fostering collaboration and problem-solving abilities. Continuous feedback from the instructor and peers is a core component of the learning process. This immersive and multifaceted approach ensures a deep understanding of strategic purchasing and cost reduction, empowering attendees with the confidence and competence to drive tangible results and create sustainable value for their organizations.

## **Course Agenda (Course Units):**

### **Unit One: The Foundations of Strategic Purchasing**

- The evolution from tactical purchasing to strategic procurement.
- The strategic procurement cycle and its key stages.
- Aligning procurement objectives with overall business strategy.
- Understanding the role of procurement in value creation.
- Key performance indicators (KPIs) for the procurement function.
- Stakeholder management and internal collaboration.
- Introduction to procurement ethics and professional conduct.



## **Unit Two: Advanced Cost Analysis and Reduction Techniques**

- Conducting a comprehensive spend analysis.
- Introduction to the Total Cost of Ownership (TCO) framework.
- Price analysis versus cost analysis.
- Value Analysis and Value Engineering (VA/VE) principles.
- Developing cost models for key categories.
- Identifying and eliminating non-value-added costs in the supply chain.
- Techniques for cost containment and avoidance.

## **Unit Three: Strategic Sourcing and Supplier Management**

- The strategic sourcing process from A to Z.
- Market analysis and supplier identification.
- Applying the Kraljic Matrix for category segmentation.
- Developing robust supplier evaluation and selection criteria.
- Building a framework for Supplier Relationship Management (SRM).
- Supplier performance measurement and development.
- Collaborative strategies for supplier innovation.

## **Unit Four: Excellence in Negotiation and Contract Management**

- Fundamentals of principled negotiation.
- Preparing for a successful procurement negotiation.
- Advanced negotiation tactics and countermeasures.
- Managing difficult negotiation scenarios.
- Key elements of a robust supply contract.
- Contract lifecycle management and administration.
- Mitigating risks through effective contract terms and conditions.

## **Unit Five: Modern Procurement: Risk, Sustainability, and Technology**



- Identifying and assessing supply chain risks.
- Developing risk mitigation and contingency plans.
- Introduction to sustainable and ethical procurement.
- Integrating sustainability criteria into the sourcing process.
- The role of technology in modern procurement.
- Overview of e-sourcing, e-auctions, and e-procurement systems.
- The future of procurement: digitalization and analytics.

## **FAQ:**

### **Qualifications required for registering to this course?**

There are no requirements.

### **How long is each daily session, and what is the total number of training hours for the course?**

This training course spans five days, with daily sessions ranging between 4 to 5 hours, including breaks and interactive activities, bringing the total duration to 20 - 25 training hours.

### **Something to think about:**

How can a procurement function effectively balance the competing priorities of aggressive cost reduction, supply chain risk mitigation, and long-term supplier innovation?

### **What unique qualities does this course offer compared to other courses?**



This course distinguishes itself by adopting a holistic and strategic perspective on procurement, moving far beyond the conventional focus on tactical cost-cutting. While many programs teach price negotiation, this training course immerses participants in a comprehensive value-creation framework. It uniquely integrates advanced analytical techniques like Total Cost of Ownership (TCO) and Value Engineering with the critical, yet often overlooked, pillars of modern procurement: strategic supplier relationship management, proactive risk mitigation, and sustainable sourcing. The curriculum is built around practical application, using real-world case studies and interactive simulations to bridge the gap between theory and practice. Rather than just presenting tools, we focus on cultivating a strategic mindset, enabling participants to analyze complex sourcing scenarios, build resilient supply chains, and position the procurement function as a core contributor to organizational innovation and competitive advantage. The emphasis on aligning procurement with broader corporate strategy ensures that graduates are not just skilled buyers, but strategic business partners.