

American Management Association's Fundamentals of Purchasing for the New Buyer

Learning Objectives

- Develop More Effective Relationships to Source, Qualify, Solicit, and Assess Your Supplier Base
- Increase the Buyer's Contribution to the Organization's Bottom Line and Enhance Customer Satisfaction
- Use Methods and Techniques to Enhance Material and Product Flow
- Recognize the Ethical and Legal Practices Involved in Purchasing
- Develop a Purchasing Negotiation Strategy
- Assess Risk and Competitive Advantage

The Buyer's Role in Today's Purchasing Organization

- Explain How Purchasing Adds Value
- Define the Supply Chain and the Buyer's Role in Purchasing and Supply Management
- Describe the Purchasing Cycle
- Discuss the Importance of Cross-Functional Teams and Purchasing

Managing the Supplier Base and Relationships

- Obtain Sufficient Purchase Description or Specification Information from Internal Customers
- Rate Aspects of a Supplier's Capabilities
- Analyze a Financial Statement from a Hypothetical Supplier
- Define How Acceptable Sources of Food Supply Are Found in the Marketplace
- Identify Key Principles of Soliciting, Qualifying, and Preselecting Suppliers
- Examine Key Aspects Associated with Supplier Performance

Managing Effective Procurement Decisions: Applying Price, Cost Value

- Assess Competitive Market Pricing and the Application of Discounts
- Analyze Costs to Calculate a Target Cost to Negotiate More Effectively with Suppliers
- Define an Internal Cost Estimate and a Supplier's Cost Breakdown Structure
- Explain Learning Curves, Life Cycle Costing, and Value Analysis
- Define Leasing, Renting, and Outsourcing
- Describe How Identifying Total Cost of Ownership Fosters Better Buying Decisions

Tools for Enhancing Material and Product Flow

- Explain How ABC Analysis Is Used to Make Informed Purchasing Decisions
- Summarize the Techniques Used to Make Informed Decisions on Inventory
- Describe How Inbound Freight Control Is Used to Improve the Total Value Provided to a Firm By a Supplier
- Describe the Most Common INCOTERMS and Their Meaning for International Sourcing
- Discuss How Global Sourcing Requires Additional Knowledge to Understand Supplier Selection, Payment, and Risk Implications

Understanding Specialized Purchasing Instruments and Contracting Methods

- Identify the Basic Parts of a Contract and a Contract Planning Checklist
- Differentiate Between the Types of Purchasing Contracts and Agreements
- Discuss Usage of Purchasing/Procurement Credit Cards and Appropriate Policies for Their Implementation
- Describe the Service Contracting Process and Guidelines for Service Contract Supplier Selection, Agreement Provisions, and Administration
- Apply E-Procurement Principles to the Purchasing Cycle

Professional Practices

- Explain the Difference Between Ethical and Legal Purchasing Practices
- Describe 12 Questionable Purchasing Practices
- Discuss the Legal Framework That Affects Purchasing
- Explain Elements of a Breach of Contract That Remedies the Breach
- Describe Three Kinds of Warranties—Statutory, Implied and Express
- Discuss Key Points of the Convention for International Sales of Goods
- Recognize Key Issues About Contract Law and How Contracts Are Formed
- Determine the Importance of the Uniform Commercial Code

Negotiating Skills for the Buyer

- Define the Nature and Scope of Negotiations in Purchasing
- Differentiate Between Strategy and Tactics in Negotiations
- Define Win-Win, Objective Setting, Deadline, and Authority Level
- List the Crucial Elements of Negotiation
- Prepare and Plan for Negotiations
- Apply Some Negotiation Strategies, Tactics, and Counteroffers