The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Leading global excellence in procurement and supply
### Segment 8.2 Measuring Operational Performance of the Procurement and Supply Function

**Level:** Operational  
**Theme:** Metrics & Measurement

<table>
<thead>
<tr>
<th>Knowledge: Will know and understand</th>
<th>Capabilities: Will be able to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for money criteria such as pricing/costs, delivered quality, timescales, quantities and location requirements</td>
<td>Apply value for money criteria to the procurement of goods and services in sourcing processes and performance measurement taking account of market trends</td>
</tr>
<tr>
<td>Measuring the achievement of quality, timescales, quantities and place considerations for procurement from external suppliers</td>
<td>Evaluate data on the achievement of quality, timescales, quantities and place considerations for procurement from external suppliers and take actions to improve performance</td>
</tr>
<tr>
<td>Delivering customer service and stakeholder satisfaction for procurement and supply and ways of improving it</td>
<td>Evaluate customer service and stakeholder satisfaction for procurement and supply and take actions to improve performance</td>
</tr>
<tr>
<td>Measuring cycle times for the sourcing process</td>
<td>Evaluate the timescales for sourcing processes analysing the causes of any delays and take actions to reduce timescales when appropriate</td>
</tr>
<tr>
<td>Knowledge: Will know and understand</td>
<td>Capabilities: Will be able to</td>
</tr>
<tr>
<td>-------------------------------------</td>
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<tr>
<td>Assessing the performance and control of budgets</td>
<td>Analyse departmental budgets and evaluate the reasons for variances between forecasted and actual expenditures and take actions to mitigate future variances</td>
</tr>
<tr>
<td>The use of social media in obtaining feedback on performance</td>
<td>Monitor relevant social media to gauge feedback from customers and suppliers and take actions to deal with feedback</td>
</tr>
</tbody>
</table>

**Related CIPS Knowledge Links**

## Segment 8.3 Measuring the Performance of Contracts

**Level:** Operational

**Theme:** Metrics & Measurement

<table>
<thead>
<tr>
<th>Knowledge: Will know and understand</th>
<th>Capabilities: Will be able to</th>
</tr>
</thead>
<tbody>
<tr>
<td>The main types of risks in the performance of contracts such as internal, market economic, legal and ethical sourcing and performance based risks</td>
<td>Formulate SMART targets for supplier performance and agree their application with suppliers and other stakeholders</td>
</tr>
<tr>
<td>Defining contractual performance measures of key performance indicators (KPIs) to assess quality performance, cost management, resources and delivery</td>
<td>Define and agree processes to monitor contractual KPIs to assess quality performance, cost management, resources and delivery with suppliers and stakeholders</td>
</tr>
<tr>
<td>Analysing outcomes from a negotiation process with suppliers of goods and services</td>
<td>Compare planned outcomes for negotiations with suppliers with actual outcomes and evaluate the reasons for any differences</td>
</tr>
<tr>
<td>Assessing contractual risks</td>
<td>Liaise with suppliers and other stakeholders to complete risk registers and agree actions to mitigate risks</td>
</tr>
<tr>
<td>The use of data that relate to the performance and under performance of contracts</td>
<td>Collate and evaluate data on the performance of contracts and take actions to remedy or prevent under performance</td>
</tr>
</tbody>
</table>
Knowledge: Will know and understand

The use of audits to verify performance and costs

Capabilities: Will be able to

Conduct audits with suppliers to verify performance and costs and take action to remedy any queries on information and data gained

Related CIPS Knowledge Links


Stakeholders - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/


