



# The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Leading global excellence in procurement and supply

# Segment 8.4 Managing Risks in Procurement and Supply

**Level:** Managerial

**Theme:** Metrics & Measurement

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The development of risk evaluation tools including risk assessments, registers and other tools and assessing contractual risks for procurements of goods or services</p>	<p>Create risk assessments, registers or other risk evaluation tools and agree actions to mitigate risks with suppliers and other stakeholders</p>
<p>Measuring risks in procurement and supply such as;</p> <ul style="list-style-type: none"><li>• Quality</li><li>• Cost</li><li>• Resilience</li><li>• Sustainability</li><li>• Achievement of timescales</li></ul>	<p>Compile risk assessments, registers or other risk evaluation tools for projects and agree actions with suppliers and other stakeholders to allocate or share risks to avoid claims, variations or disruption</p>
<p>Collating and analysing data and statistics on risks in procurement and supply and actions to mitigate their impact</p>	<p>Compile qualitative and quantitative data to measure risks in the procurement of goods or services and take actions to reduce the probability and impact of the risks</p>
<p>Monitoring and control in procurement and supply</p>	<p>Use monitoring and control processes or systems to manage risk in procurement and supply</p>

Knowledge: Will know and understand	Capabilities: Will be able to
The monitoring and control of sustainability in procurement and supply	Devise and monitor Key Performance Indicators (KPIs) for sustainability with suppliers and take appropriate actions to ensure delivery to agreed standards

Market factors that can impact on risks such as;

- Industry dynamics
- Competitiveness
- Pricing behaviour
- Technology drivers

Research and use data on market change to inform decision making and mitigate risk

## Related CIPS Knowledge Links

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

[Risk Analysis and Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/)

[Collaborative Working - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Efficiency/Collaborative-Working1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Efficiency/Collaborative-Working1/)

[Data Analysis/Business Intelligence - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Data-Analysis--Business-Intelligence/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Data-Analysis--Business-Intelligence/)

[Project and Programme Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Project--Programme-Management/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Project--Programme-Management/)

[Performance Analysis and Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Performance-Analysis-and-Management1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Performance-Analysis-and-Management1/)

[Total Quality Management \(TQM\) - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Continuous-Improvement/Total-Quality-Management-TQM/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Continuous-Improvement/Total-Quality-Management-TQM/)

[Sustainable and Ethical Procurement - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/)

[Setting KPI's - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Setting-KPIs/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Setting-KPIs/)

[Risk Analysis Management - Tools and Templates - http://www.cips.org/Knowledge/Tools-and-Templates-revised/Risk-Analysis--Management/Risk-Analysis--Management/](http://www.cips.org/Knowledge/Tools-and-Templates-revised/Risk-Analysis--Management/Risk-Analysis--Management/)

[Cross Border Risk - http://www.cips.org/dunandbradstreet](http://www.cips.org/dunandbradstreet)

[Sustainable and Ethical Procurement - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/](https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/)