



The Global Standard for Procurement and Supply

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Segment 1.1 Understanding the Role of Procurement and Supply

Level: Tactical

Theme: Position & Influence

Knowledge: Will know and understand	Capabilities: Will be able to
The different terms that relate to procurement and supply, supply chain management and logistics management	Explain the roles of procurement and supply, supply chain management and logistics to colleagues and across the organisation
The roles of procurement and value of procurement and supply in organisations	Explain the roles and value of procurement and supply to colleagues across the organisation
The impact of procurement activity on costs, efficiency and profitability across the organisation	Demonstrate the contribution of effective procurement in improving profitability, savings and efficiencies for the organisation
The typical proportion of costs accounted for by the procurement of goods and services	Demonstrate and create the typical proportion of costs and budgets accounted for by the procurement of goods and services to colleagues and across the organisation

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The 5 rights that relate to procurement and supply</p> <ul style="list-style-type: none"> • Price/cost • Quality • Time • Quantity • Place 	<p>Explain how the 5 rights apply to commercial transactions or agreements</p>
<p>Internal and external customers and their priorities for procurement and supply</p>	<p>Identify the different internal and external customers and recognise the priorities for procurement and supply of different customer groups</p>
<p>The main internal and external stakeholders in procurement and supply and how they influence procurement and supply activities</p>	<p>Identify the stakeholders that can influence the work of procurement and supply</p>
<p>The different objectives of a procurement and supply function</p>	<p>Promote commitment amongst colleagues and stakeholders to achieve the objectives sought by a procurement and supply function</p>
<p>Policies and procedures for procurement and supply activities</p>	<p>Promote the organisation's procurement and supply policies and procedures to stakeholders</p>

The tiers of a supply chain

Different types of procurement, such as:

- Capital and revenue purchases procurement
- Products, services and construction works
- Direct and indirect
- Outsourcing and insourcing

Identify and assess the different organisations that are involved in the organisation's supply chain. Advise internal stakeholders on the different types of procurement typically contracted for by the organisation

Related CIPS Knowledge Links

[Benchmarking - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Continuous-Improvement/Benchmarking1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Continuous-Improvement/Benchmarking1/)

[Business Process Re-engineering \(BPR\) - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Continuous-Improvement/Business-Process-Re-engineering-BPR/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Continuous-Improvement/Business-Process-Re-engineering-BPR/)

[Category Management - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Category-Management/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Category-Management/)

[Collaborative Working - https://www.cips.org/knowledge/procurement-topics-and-skills/efficiency/collaborative-working/](https://www.cips.org/knowledge/procurement-topics-and-skills/efficiency/collaborative-working/)

[Financial Analysis and Reporting for Purchasers - http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Financial-Analysis-and-Reporting-for-Purchasers/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Financial-Analysis-and-Reporting-for-Purchasers/)

[Global Supply Chains - http://www.cips.org/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Global-Supply-Chains/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Global-Supply-Chains/)

[Influencing Skills - http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Influencing-Skills/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Influencing-Skills/)

[Leadership and Promotion of Procurement and Supply Management - http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Leadership-and-Promotion-of-Procurement-and-Supply-Management1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/People-and-skills/Leadership-and-Promotion-of-Procurement-and-Supply-Management1/)

[Logistics - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Operations-Management/Logistics1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Operations-Management/Logistics1/)

[Models \(SC/Sourcing/Procurement/Costs\) - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Models-SC-sourcing--procurement-costs/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Models-SC-sourcing--procurement-costs/)

[Procurement Policy Development - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-policy-development1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-policy-development1/)

[Procurement Strategy Development - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-Strategy-Development1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-Strategy-Development1/)

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

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

[Value Generation - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Efficiency/Value-Generation1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Efficiency/Value-Generation1/)

[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/)

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

Segment 1.2 Apply Procedures that Regulate Procurement and Supply

Level: Tactical

Theme: Position & Influence

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The documentation typically used in procurement and supply:</p> <ul style="list-style-type: none">• Requisitions• Orders• Delivery notes• Invoices• Other documents	<p>Advise colleagues across the organisation about the documentation used in procurement and supply. Maintain documents relating to procurement and supply across the organisation</p>
<p>The use of documented policies and procedures for the work of procurement and supply, including:</p> <ul style="list-style-type: none">• The responsibilities for procurement• Regulations relating to competition• Levels of delegated authority• Responsibilities for the stages of the sourcing process• Invoice clearance and payment	<p>Take appropriate action to ensure internal customers and stakeholders comply with procedures</p>
<p>The need for authorisation in the administration of requisitions, orders and invoices</p>	<p>Work to ensure that internal stakeholders obtain authorisation for the commitments to requisitions, orders and invoices</p>

Knowledge: Will know and understand

Capabilities: Will be able to

The need for effective communication with suppliers and customers, verbally and in writing, to clarify and confirm understanding of requirements

Use clear and effective verbal and written communication methods when dealing with suppliers and customers

The use of technology to effectively and efficiently communicate with internal and external stakeholders

Use technology to communicate effectively and efficiently with internal and external stakeholders

How to ensure requisitions, orders and invoices are a clear and accurate record of requirements, to help communication with stakeholders

Work to ensure that requisitions, orders and invoices and other documentation relating to procurement and supply are clear and accurate

The use and importance of ethical codes in procurement and supply

Encourage the behaviour and actions of colleagues and other stakeholders to be in keeping with ethical codes for procurement and supply

The principles of corporate governance that apply to procurement and supply

Explain the main principles of corporate governance that apply to the organisation's procurement and supply function

Related CIPS Knowledge Links

[Diligent Procurement - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Diligent-Procurement/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Diligent-Procurement/)

[Fraud and Transparency - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Fraud-and-Transparency/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Fraud-and-Transparency/)

[Legislation - http://www.cips.org/Knowledge/Procurement-topics-and-skills/External-Environment/Legislation1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/External-Environment/Legislation1/)

[Purchase Order Cycle/Process - http://www.cips.org/Knowledge/Procurement-topics-](http://www.cips.org/Knowledge/Procurement-topics-)

[and-skills/Developing-and-managing-contracts/Purchase-Order-Cycle--Process/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Purchase-Order-Cycle--Process/)
[Procurement Policy Development - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-policy-development1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Strategy-policy/Procurement-policy-development1/)
[Risk Analysis and Management - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/)
[Sourcing - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Sourcing1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Sourcing1/)
[Specification Development - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Setting-KPIs/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Setting-KPIs/)
[Sustainable and Ethical Procurement - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/)