



# The Global Standard for Procurement and Supply

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Leading global excellence in procurement and supply

# Segment 2.3 Understanding Market Management in Procurement and Supply

**Level:** Operational

**Theme:** External Environment

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The different types of markets including economic and industrial sectors such as;</p> <ul style="list-style-type: none"><li>• Manufacturing</li><li>• Construction</li><li>• Retail</li><li>• Financial</li><li>• Agriculture</li><li>• Services</li></ul>	<p>Distinguish how an organisation, its suppliers and customers are served by different types of markets</p>
<p>The competitive forces that influence markets, including the bargaining power of suppliers and buyers, the availability of substitutes and threat of new entrants</p>	<p>Analyse the competitive forces and trends that influence markets that the organisation, and its suppliers and customers operate within in</p>
<p>How to identify supply chain disruptors that impact on markets and supply chains</p>	<p>Liaise with stakeholders to mitigate the impact of supply chain disruptors on the organisation, and its customers and suppliers</p>
<p>The breakdown between direct and indirect costs</p>	<p>Collate sources of information to estimate the breakdown of direct and indirect costs for goods and services and use the information to prepare budgets or to negotiate prices</p>

Knowledge: Will know and understand	Capabilities: Will be able to
<p>Types of published data that can provide information on costs and prices</p>	<p>Research market data and use it to estimate and negotiate current and future prices and costs for goods and services</p>
<p>Published reports and indices on markets</p>	<p>Use published sources of information to agree variations in pricing for purchased goods and services</p>
<p>National and international legislation that impacts on organisations such as:</p> <ul style="list-style-type: none"> <li>• Quality standards</li> <li>• Health and safety</li> <li>• Environmental standards</li> <li>• Employment law</li> </ul>	<p>Advise internal stakeholders on the impact of legislation when dealing with suppliers to an organisation</p>
<p>The implications of corporate social responsibility on organisations</p>	<p>Advise stakeholders on key aspects of corporate social responsibility of the organisation when dealing with suppliers, customers and other stakeholders</p>

## Related CIPS Knowledge Links

[Commodity Specific Knowledge - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Commodity-Specific-Knowledge/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Commodity-Specific-Knowledge/)

[Corporate Social Responsibility \(CSR\) - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Sustainability/Corporate-Social-Responsibility-CSR/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Sustainability/Corporate-Social-Responsibility-CSR/)

[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/)

[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/)

[Market Analysis - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Market-Analysis/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Market-Analysis/)

skills/Understand-Need---Market-and-options-assessment/Market-Analysis1/  
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/)