



The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Segment 2.7 Strategy in the Organisation and its Supply Chain

Level: Advanced Professional

Theme: External Environment

Knowledge: Will know and understand	Capabilities: Will be able to
The levels of strategy in organisations - corporate, business unit and functional	Contribute to the development and implementation of business and corporate strategies through added value procurement and supply chain management
The layers of the business environment and the impact on the development of strategy	Advise colleagues and other stakeholders on the impact of the business environment on the organisation and its supply chains
The challenges that impact different industries and sectors and the trends in the macro-environment	Evaluate the challenges faced by the organisation and its supply chains taking actions to mitigate risks and to develop opportunities
The impact of changing markets, market volatility and supply chain disruptors on supply chains	Develop approaches to mitigate the impact of changing markets on supply chains and take actions to exploit market opportunities
Cycles of competition and competitive strategies	Critically assess pricing and competitive behaviour undertaken by organisations in the supply chain and take actions to improve or protect the organisation's interests

Knowledge: Will know and understand**Capabilities: Will be able to**

The segmentation of markets

Develop and implement the alignment of market segmentation undertaken by the organisation with its customers and suppliers

Modelling for the creation of strategic directions

Critically assess the divergence of strategies undertaken by organisations in a supply chain and advise senior managers on strategies that can be adopted by the organisation

Approaches to strategy evaluation

Recommend strategic choices to improve the organisation's short and long term performance

Drivers of globalisation and international strategies

Evaluate opportunities to deploy favourable global strategies

The innovation-entrepreneurship framework and the contributions of supply chain

Evaluate the value added activities of the organisation's supply chains and take actions to increase value

Methods of pursuing strategies such as:

- Organic development
- Strategic alliances
- Mergers and acquisitions
- Offshoring/onshoring
- Out-sourcing/in-sourcing
- Make vs Buy analysis

Critically assess the developments in strategies adopted by suppliers and advise senior managers on strategy options

Knowledge: Will know and understand

Capabilities: Will be able to

The protection of intellectual property in the supply chain

Advise colleagues, suppliers, other stakeholders on issues affecting the supply chain relating to the development and retention of intellectual property rights

The impact of mergers and acquisitions on supply chains

Evaluate the effect of mergers and acquisitions on the organisation and its supply chains and develop plans to maximise benefits and minimise disruption

The use of business continuity planning to assess financial impact and other risks to mitigate supply chain interruption

Assess suppliers' business continuity plans to mitigate the financial impact and other risks that might be caused by disruption to the organisation's supply chains

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/)

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

[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/)

[Intellectual Property \(IP\) - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Intellectual-Property-IP/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Intellectual-Property-IP/)

[Market Analysis - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Market-Analysis1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Market-Analysis1/)

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

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

[Offshoring-and-Insourcing/](#)

[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/)

[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/)

Segment 2.8 Finance in the Organisation and its Supply Chain

Level: Advanced Professional

Theme: External Environment

Knowledge: Will know and understand	Capabilities: Will be able to
Sources of short term and long term finance	Critically assess the financing options used by the organisation and its supply chain and suggest actions to mitigate financial risks
The analysis and interpretation of financial statements	Monitor the impact of the supply chain on the financial stability of the organisation and mitigate financial risks
The management of working capital	Critically assess the impact of the supply chain on the organisation's working capital and liaise with senior managers to work to ensure financial liquidity to mitigate financial risks
The use of spot, forward and derivative instruments in foreign exchange for managing the volatility of currencies and commodities in supply chains	Evaluate and implement the use of appropriate instruments to manage the volatility of commodities and currencies in supply chains
The sources of finance and the cost of capital and capital structure of an organisation	Monitor the impact of the sources of finance and cost of capital on the supply chain, taking decisions that will support the organisation's cash flow objectives

Knowledge: Will know and understand**Capabilities: Will be able to**

Dividend policies and shareholder value

Assess the impact of dividends and shareholder value on the financial performance of key suppliers or customers

Mergers, takeovers and the valuation of shares

Advise senior managers on the impact of mergers or takeovers on the supply chain and on the organisation

The implications of company location on corporate taxation

Advise senior managers of the impact of company location and corporate taxation and how this affects the organisation or its supply chains

Analysis of funding options such as equity, joint ventures, seed funding and outright acquisition

Develop or contribute to business cases and advise senior management on supply chain investment decisions to secure supplier innovation/intellectual property/delivery capacity

The use of open book costing and adjustments

Create policies and processes to understand cost through the use of open book costing, making adjustments for relevant categories of supply

The impact of procurement and supply operations on the organisation's cash position and working capital

Advise appropriate stakeholders on the implications of the organisation's cash position and working capital through procurement and supply operations

Related CIPS Knowledge Links

[Business Case Development - http://www.cips.org/Knowledge/Procurement-topics-and-](http://www.cips.org/Knowledge/Procurement-topics-and-)

[skills/Strategy-policy/Business-Case-Development/](#)

[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/)

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

[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/)

[Intellectual Property \(IP\) - http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Intellectual-Property-IP/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Intellectual-Property-IP/)

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

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

[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/)