



The Global Standard for Procurement and Supply

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Leading global excellence in procurement and supply

Segment 4.5 Category Management

Level: Managerial

Theme: Spend Management

Knowledge: Will know and understand	Capabilities: Will be able to
The main categories of expenditure that will be subjected to category management activities	Develop hierarchies of categories for both direct and indirect expenditure that can be subjected to category management and strategic procurement activities
The main models for the adoption of category management	Evaluate and apply an appropriate methodology to improve category management by standardising processes and systems across the organisation
Data typically analysed to develop a category plan	Evaluate historical and forecasted data related to categories of spend to help formulate options and make recommendations to achieve the best value outcomes
The development of a sourcing plan for the category	Create a category management plan that uses 'lots' or methods to divide the category into a range of contracts to be awarded. Manage internal stakeholders to secure support for the approach

Knowledge: Will know and understand

Tools and techniques that are typically applied to map categories of direct and indirect expenditures such as;

- Matrices for portfolio analysis and supplier preferencing
- Supply chain mapping
- Porter's five Forces model
- Market share/market growth
- STEEPLED and SWOT
- Technology route maps

Capabilities: Will be able to

Evaluate and provide advice to stakeholders about categories of direct and indirect expenditure

Market factors that are typically assessed in the development of a category management plan including:

- Industry dynamics
- Competitiveness
- Pricing behaviour
- Technology drivers

Develop a category management plan by analysing market factors using early market engagement/dialogue when appropriate and making use of market data to inform decision making

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The soft and technical skills required for the implementation of a category management methodology</p> <p>Soft skills:</p> <ul style="list-style-type: none"> • Communication with stakeholders and suppliers • Influencing skills • Team working and cross-functional working • Acting as a change agent <p>Technical skills</p> <ul style="list-style-type: none"> • Financial management and cost analysis • Supply chain analysis • Supply base research • Sourcing processes • Risk management • Negotiation 	<p>Demonstrate effective use of soft and technical skills across the organisation, and with suppliers and other stakeholders, to achieve effective category management</p>

Related CIPS Knowledge Links

[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/)

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

[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/)

[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/)

[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/)

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

[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/)

[Supplier Positioning - http://www.cips.org/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Supplier-Positioning1/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Supplier-Positioning1/)

[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/)

[Category Management - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Category-Management/#tabs-2](https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Category-Management/#tabs-2)

[Tools and Templates - http://www.cips.org/en-gb/knowledge/tools-and-templates-revised/](http://www.cips.org/en-gb/knowledge/tools-and-templates-revised/)

[Category Management - http://www.cips.org/en/knowledge/procurement-topics-and-skills/strategy-policy/category-management-gep/](http://www.cips.org/en/knowledge/procurement-topics-and-skills/strategy-policy/category-management-gep/)