



The Global Standard for Procurement and Supply

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Leading global excellence in procurement and supply

Segment 7.1 Delivering Value in Procurement and Supply

Level: Tactical

Theme: Delivering Outcomes

Knowledge: Will know and understand	Capabilities: Will be able to
<p>The 5 rights of procurement and supply:</p> <ul style="list-style-type: none">• Price/ cost• Quality• Time• Quantity• Place	<p>Apply the 5 rights of procurement and supply to any required goods or services</p>
<p>How to create value in procurement and supply</p>	<p>Identify opportunities for purchasing goods and services that create value outcomes</p>
<p>How to create savings and improve efficiencies through negotiation with suppliers</p>	<p>Create savings and improve efficiencies through negotiations with suppliers</p>
<p>The use of budgets and budget monitoring in procurement and supply</p>	<p>Assist budget holders to capture savings that contribute to reductions in budgets</p>
<p>The use of targets in procurement and supply</p>	<p>Analyse and work towards improvements in value objectives</p>

Knowledge: Will know and understand

Contract management systems in procurement and supply

Capabilities: Will be able to

Operate and support the implementation of contract management systems, taking actions for controlling variations from planned performance

Related CIPS Knowledge Links

[Cost Reduction - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Cost-Reduction/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Cost-Reduction/)

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

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

[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/)

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

[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/)

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

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

Segment 7.2 Effective Expediting in Procurement and Supply

Level: Tactical

Theme: Delivering Outcomes

Knowledge: Will know and understand	Capabilities: Will be able to
The importance of assessing the costs of inventories and the costs of stock outs	Monitor levels of inventory and take actions to mitigate oversupply and minimise the risk of stock outs
The importance of undertaking expediting of deliveries of goods or services	Undertake expediting as a planned process to ensure the timely deliveries of goods or services purchased from suppliers
The use of problem solving techniques in expediting deliveries of products or services	Diagnose the causes of scheduling difficulties and take preventative actions to avoid their reoccurrence
The need for planning milestones and activities	Identify targets for the scheduling of deliveries of goods or services, taking into account feedback from suppliers and other stakeholders
The need for tracking deliveries and documentation	Take action to track deliveries and check relevant data and documentation
The use of forecasting to achieve timely deliveries of supplies	Use historical data to calculate forecasts of demand that can be communicated to suppliers and other stakeholders

Knowledge: Will know and understand	Capabilities: Will be able to
Payment to suppliers and the importance of cash flow for the organisation and suppliers	Track any variations from planned payments and take remedial actions to mitigate disruptions caused by difficulties with cash flow

Related CIPS Knowledge Links

[Stock Control - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Operations-Management/Stock-Control1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Operations-Management/Stock-Control1/)

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

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

[Supply Chain Network Design SCND - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Operations-Management/Supply-Chain-Network-Design-SCND/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Operations-Management/Supply-Chain-Network-Design-SCND/)

[Operations Management Warehousing - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Operations-Management/Warehousing1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Operations-Management/Warehousing1/)

[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/)

[Supplier Relationship Management SRM - https://www.cips.org/knowledge/procurement-topics-and-skills/supplier-relationship-management/](https://www.cips.org/knowledge/procurement-topics-and-skills/supplier-relationship-management/)

[Terms & Conditions and the Developing of Contracts - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Terms-and-Conditions-and-the-Developing-of-Contracts/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Developing-and-managing-contracts/Terms-and-Conditions-and-the-Developing-of-Contracts/)

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

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

[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 7.3 Achieving Competitive Pricing in Procurement and Supply

Level: Tactical

Theme: Delivering Outcomes

Knowledge: Will know and understand	Capabilities: Will be able to
The use of competition to obtain quotations on prices	Promote the use of competitive pricing with suppliers through monitoring prices and obtaining quotations when appropriate
The comparison of quoted prices to historical data	Compare historical prices with newly quoted prices, evaluate the reasons for any significant discrepancies and take appropriate actions to secure competitive pricing
The link between costs, prices, margins and mark ups	Analyse available data and indices on the costs, prices, margins and mark ups of submitted prices in order to negotiate competitive prices
The use of open-book costing and adjustments	Evaluate data supplied through open-book arrangements and take actions to remedy any queries or discrepancies
The role of negotiation to improve prices	Negotiate with suppliers to reduce prices, whilst retaining or improving other aspects of value such as quality, availability and sustainability

Knowledge: Will know and understand

The value of estimating whole-life costs

Capabilities: Will be able to

Analyse the whole-life costs of purchased goods or services and take actions to reduce or avoid ongoing costs

Related CIPS Knowledge Links

[Supplier Evaluation and Appraisal - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/)

[Sourcing and Tendering - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Sourcing-and-Tendering/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Sourcing-and-Tendering/)

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

[Whole Life Costing - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Whole-Life-Costing/](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Whole-Life-Costing/)

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

[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/)

[Risk Analysis and Management - White Papers - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/#tabs-2](https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/#tabs-2)

[Financial Analysis and Reporting for Purchasers - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Financial-Analysis-and-Reporting-for-Purchasers/#tabs-2](http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/People-and-skills/Financial-Analysis-and-Reporting-for-Purchasers/#tabs-2)

[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/)