



The Global Standard for Procurement and Supply

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Leading global excellence in procurement and supply

Segment 7.6 Achieving Effective Supply Chain Management

Level: Managerial

Theme: Delivering Outcomes

| Knowledge: Will know and understand | Capabilities: Will be able to |
|--|--|
| <p>The sources of added value and value generation for organisations that can be achieved through effective supply chain management by improving:</p> <ul style="list-style-type: none">• Prices or total costs• Timescales• Quality• Innovation• Sustainability or other sources of added value | <p>Identify and practice ways of generating added value through effective supply chain management</p> |
| <p>The collaborative model of supply chain management through partnering and strategic relationship management</p> | <p>Work with suppliers and other stakeholders to achieve partnering and strategic relationship management to deliver value for the organisation and its supply chain</p> |
| <p>The competitive model of supply chain management</p> | <p>Evaluate circumstances for the application of competitive relationships to improve value in the supply chain</p> |
| <p>The importance of establishing insourcing and outsourcing arrangements for works, goods or services</p> | <p>Demonstrate added value to the organisation through the implementation of either insourcing or outsourcing of work or services</p> |

| Knowledge: Will know and understand | Capabilities: Will be able to |
|---|--|
| <p>The development of global procurement, off shoring, low cost country sourcing or onshoring, and how these can bring added value to the organisation and its supply chain</p> | <p>Demonstrate the added value to the organisation through the implementation of global procurement, off shoring, low-cost country sourcing or onshoring, and identify and mitigate any potential supply chain risks</p> |
| <p>The use of segmentation models to assess suppliers</p> | <p>Apply segmentation models to prioritise and differentiate approaches to supplier relationship management with different tiers or types of suppliers</p> |
| <p>The use of business cases and return on investment appraisals</p> | <p>Develop and apply robust business cases that seek to achieve positive returns on investment from the implementation of supplier relationship management</p> |
| <p>The use of supplier relationship management programmes to manage performance</p> | <p>Implement supplier relationship management to achieve added value outcomes for the organisation taking care to communicate performance and issues with stakeholders</p> |
| <p>The use of improvement plans in supplier relationship management</p> | <p>Ensure supplier relationship management processes are proactively executed to improve performance and service levels of suppliers</p> |

Related CIPS Knowledge Links

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

[Supplier Relationship Management \(SRM\) -](#)

<https://www.cips.org/knowledge/procurement-topics-and-skills/supplier-relationship-management/>

Collaborative Working - <https://www.cips.org/knowledge/procurement-topics-and-skills/efficiency/collaborative-working/>

Models - <http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Models-SC-sourcing--procurement-costs/>

Outsourcing/Offshoring and Insourcing - <http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Understand-Need---Market-and-options-assessment/Outsourcing--Offshoring-and-Insourcing/>

Global Supply Chains - <http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Global-Supply-Chains/>

Stakeholders - <http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/>

Sustainable and Ethical Procurement - <https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/>

Supplier Relationship / Management - <http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Supplier-Relationship--Management/#tabs-2>

Supplier Evaluation and Appraisal - <http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Supplier---bid---tender-evaluation/Supplier-Evaluation-and-Appraisal1/#tabs-2>