



# MANAGING THE PURCHASING DEPARTMENT EFFECTIVELY

**1 September 12 & 13, 2022 (Monday & Tuesday)**  
**8.45 am – 5.00 pm** **Remote Online Learning via Zoom**

**I**n this course, participants will learn the basics of procurement, including what a supply chain looks like, the purchasing cycle, essential tools and strategies for making the best purchasing relationships work, managing bids, and more....

Purchasing and procurement functions are about much more than bringing goods and services into an organization. They are the foundation of strong, collaborative relationships with suppliers. Since many companies' source products from around the globe more frequently than ever, a procurement manager needs strong capabilities. These skills cannot just be learned on the job: they need to be taught. As well, the value of procurement is now recognized as an integral part of cost control within the organization.



## .... OBJECTIVES....

- Best practices in key areas of organization, performance measurements
- Strategic Supply Management
- Knowledge of Continues Improvement Programs
- Methods of Price and Cost analysis
- How to Purchase Price Indexes
- Best practices in qualifying suppliers and improving relations
- Best practices in the procurement process, and supplier performance
- How to develop a purchasing strategic plan that will world class performance

## .... LEARNING OUTCOMES ....

- Attendees will gain an understanding of the contribution professional purchasing can make to an organisation.
- They will learn how to manage the enquiry process, negotiate prices, terms and conditions and make robust agreements with their suppliers.
- The importance of professional conduct in commercial relationships and the necessity of compliance with efficient procurement processes are also emphasised.
- Gain Knowledge of Enable improved performance from your existing suppliers through evaluation and performance measurement

## .... TRAINING METHODOLOGY....

This program places heavy emphasis on experimental learning and delivered through: Lecture, Role Play, Practical Exercise, Cases Studies, Video Presentation, Training Games and etc.

## .... WHO SHOULD ATTEND....

- This program would be a great benefit to Buyer, Procurement/ Purchasing & Materials Executives and Supervisors, Purchasing Clerks, Production Planning Executives, Store Executives, Inventory Control Executives
- Logistics, Customer Service, Administration, Finance managers /Executives /officers /Supervisors / Team Leaders Shipping clerks, and Clerical staff
- New Buyers or those appointed to the role in the past two or three years
- Managers responsible for buying departments who wish to understand the roles and activities of their team
- Engineering, Operational, Quality, and Maintenance personnel
- And all others who are involved in interfacing with contractors or suppliers in the acquisition of materials, equipment, parts, and services or anyone who wants to improve supplier performance
- Junior and managerial staff involved sales and marketing, freight forwarding, banking, shipping, export and import documentation

Enquiries – please contact **Ms Nicole / Ms Divya / Pn Eda / Ms Harvindar**  
 (05) 548 8660 (05) 548 8221 [fmmperak@fmm.org.my](mailto:fmmperak@fmm.org.my)

## .... COURSE CONTENTS....

### EFFECTIVE PURCHASING IN MODERN ORGANISATIONS:

- What is the role of Purchasing?
  - A company's purchasing department plays an important role in supply chain management decisions.
  - Purchasing is typically responsible for selecting suppliers, negotiating and administering long-term contracts, monitoring supplier performance, placing orders to suppliers, developing a responsive supplier base, and maintaining good supplier relations.
  - Since material costs may represent at least 50–60 percent of the cost of goods sold, purchasing significantly affects profitability

### IMPORTANT ELEMENT OF PURCHASING FUNCTIONS

- Purchasing Management
  - These departments provide a service that is the backbone of many manufacturing, retail, military and other industrial organizations.
  - Many individuals, even some who work for these companies, are unaware of what the purchasing department does, why it exists or what purposes it serves.

### THE PURCHASING CYCLE

- Best Practice Process
  - The buying cycle (also known as a purchase cycle) is the process a customer goes through when purchasing a product or service.
  - Customers move through a series of purchasing stages in the cycle as they educate themselves and move closer to making a final purchasing decision.

### SELECTING THE SUPPLIER

- Sources of Information for Finding Suppliers
  - Supplier selection is the process by which firms identify, evaluate, and contract with suppliers.
  - The supplier selection process deploys an enormous amount of a firm's financial resources and plays crucial role for the success of any organization.
  - The main objective of supplier selection process is to reduce purchase risk, maximize overall value to the purchaser, and develop closeness and long-term relationships between buyers and suppliers.

### THE TENDERING PROCESS

- Elements of a good procurement process
  - The tendering process is a structured process, in order to be fair and transparent; including a stringent selection process, expressions of interest from bidders, through to the request for tender and the evaluation process.
  - The tendering process can seem very complicated and time consuming, and it's understandable that this makes some companies choose to avoid tendering for all sector work.

### IS THE PRICE RIGHT?

- Price Justification
  - Price is important to marketers because it represents marketers' assessment of the value customers see in the product or service and are willing to pay for a product or service.
  - The other elements of the marketing mix (product, place and promotion ) may seem to be more glamorous than price, and thus get more attention, but determining the price of a product or service is actually one of the most important management decisions..

### ICC INCOTERMS® 2020

- Customs
  - Incoterms 2020 rules are the official terms published by the International Chamber of Commerce (ICC).
  - They are a voluntary, authoritative, globally-accepted, and adhered-to text for determining the responsibilities of buyers and sellers for the delivery of goods under sales contracts for international trade.

### QUALITY MANAGEMENT

- Defining Quality
  - Quality management is the act of overseeing all activities and tasks that must be accomplished to maintain a desired level of excellence.
  - This includes the determination of a quality policy, creating and implementing quality planning and assurance, and quality control and quality improvement.

## ETHICS IN PURCHASING

- Fair & Open Dealing?
  - Ethics' in purchasing and supply management can relate to a wide range of issues from supplier business procedures and practices to corruption.
  - The common areas relate to ethics and ethical behaviour in companies include fair-trade, ethical trading, ethical sourcing, social accountability, social auditing, corporate social responsibility, corporate citizenship, codes of conduct and reputation assurance

## INTRODUCTION TO NEGOTIATION

- Negotiation Strategies
  - Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.
  - In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent).
  - However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

## INTRODUCTION TO LEGAL ASPECTS

- Background to the Law Affecting Purchasing
  - Legal aspects in the context of this page include both restrictions enforced by law and by regulation.
  - These restrictions cover a wide variety of aspects, as shown in the table below.

However, there is little legal consideration currently given to security aspects, apart from natural disaster and regional emergency management plans, which relate more to the hierarchy of authority in such instances, etc.

- The legal aspects vary between countries and the overview given on this page can therefore only be generic.
- Some aspects may not apply to your location or be embedded in different structures. Also, law and regulations can be subject to change.

## BEST PRACTICES IN PURCHASING

- Purchasing Skills Sets
  - This course will lay the foundation of good purchasing practices while at the same time touch base on tying the purchasing function into strategy and long-term supplier relationships.
  - Key focus of the course will not only be on traditional purchasing practises for eg cost models, setting up supplier kpis but also on establishing a framework for conducting purchasing exercises as well as creating insights on value creation.
  - You should today be a buyer or new manager who has been working within procurement or purchasing whether direct or indirect categories.
- You should see yourself as an individual who has been focusing on reducing costs and leveraging volumes but also now seen the opportunity of capturing value.

## .... TRAINER....

**MR SHRI SHANMUGANATHAN A/L P. PANCHNATHAN**, who is a HRDF accredited corporate trainer, commenced his career in Corporate organization to non-Government organization and has since developed over 20 training programmes for the local needs. He has trained a number of prominent companies such as Boustead Heavy Industry, Sarawak Energy, Lafarge, FELCRA, Petronas and much more. He has an undergraduate degree from the Chartered Institute of Logistics Transport, U.K (CILT-UK), and a Masters Degree from International University and is currently pursuing his DBA. Prior to becoming a full-time trainer in 2004, he served as various positions in corporate companies, government subsidies link and International nonprofit organization. He started his carrier from a buyer with the corporate industry when thru the ladder of progress where his last position was a consultant with a trading house.

**MR SHRI SHAN** has over 20 years of Procurement and Purchasing, Logistics, Warehouse and Inventory, and Supply Chain Management experience, involving domestic and international activities, for a broad range of manufacturing and service businesses. He has extensive experience in training in the area of Purchasing and Supply Management, Logistics Operations, Warehouse Operations, the management of procurement functions, Supply Chain Management, global sourcing of materials and components, reducing cost of purchased materials and services, and negotiation of complex transactions and contracts. He has given presentations on numerous Supply Chain Management topics and other related topics to the International Federation Purchasing and Supply Management (IFPSM), major universities, and numerous in-house seminars for industrial & services clients in the Malaysia. He was selected to present seminars at the AFRO-ASIAN' Entrepreneurs' Program International Conferences and Asian World Summit's Supply Chain & Logistics Excellence and Shan was selected as IFPSM's Senior Consultant.

### .... COURSE DETAILS....

Date **September 12 & 13, 2022 (Monday & Tuesday)**  
Time **8.45am - 5.00pm**  
Platform **Remote Online Learning via Zoom**  
Medium of Instruction **English**  
CPD: **14 hours**  
Fees **Members RM689.00/pax**  
**Non-Members RM848.00/pax**  
*(Fees inclusive of Service Tax at 6%, Downloadable Course Materials and Certificate of Attendance)*

- ❖ *Download and install ZOOM app on your laptop/desktop before the programme*
- ❖ *Good Internet / Wi-Fi connectivity*
- ❖ *Access Links will be provided upon confirmation of the programme*

### .... ADMINISTRATIVE DETAILS....

#### HRD CORP CLAIMABLE COURSE DETAILS

- Training Provider: **FMM Institute Perak**
- MyCoID : **475427W\_PERAK**
- HRD Corp Programme No: **Provided upon confirmation**

#### DISCLAIMER

The FMM Institute reserves the right to change the facilitator, date and to vary / cancel the course should unavoidable circumstances arise. All efforts will be taken to inform participants of the changes.

#### REGISTRATION

- Upon **Faxing/Mailing** the completed **Registration Form** to FMM Institute, you are **deemed** to have read and **accepted** the terms and conditions. The **course** would also be **deemed** as **confirmed** unless informed otherwise.
- Will be based on First-Come-First served basis.

#### PAYMENT

- **Cheques** made in favour of "FMM Institute" should be forwarded to FMM Institute Perak.
- For **SBL-KHAS Scheme**, an **Attendance of 100% is a must**, in any case, **employers will be billed in full**.
- FMM Institute SST Registration No. **W10-1901-32000105**

#### CANCELLATION

- Must be in Writing with Reasons
- 7 days before the course – No payment charged
- 3 – 6 days before the course - 50% payment charged
- < 3 days before the course – Full payment charged
- Participants who did not turn-up will be charged full payment
- Replacements can be accepted at no additional cost

~ Registration Form ~

## MANAGING THE PURCHASING DEPARTMENT EFFECTIVELY

**Closing Date:  
SEPTEMBER 5, 2022**

FMM Institute  
No 1, Lorong Raja DiHilir, 30350 Ipoh, Perak

Fax: 05-5488221

Dear Sir / Madam, please register the following participant(s) for the above programme.

1.	Name	Designation	
	NRIC	HP No	
		Email	
	Name	Designation	
2.	NRIC	HP No	
		Email	
	Name	Designation	
	NRIC	HP No	
3.		Email	

*(Please attach a separate list if space is insufficient)*

We hereby confirmed that *(Please tick (✓) in appropriate box):-*

- We **will be claiming under SBL-Khas Scheme** and full payment would made to FMM Institute in the event that no disbursement from HRDF under any circumstances
- We will **NOT BE CLAIMING under SBL-Khas Scheme**. Enclosed cheque/bank draft No \_\_\_\_\_ for RM \_\_\_\_\_ being payment for \_\_\_\_\_ participant(s) made in favour of the "FMM Institute".

Submitted by:

Name:	Designation:	
Company:	Tel:	Fax:
Address:		
Email:	FMM Membership No	