

REVISION

OF

SYLLABUS

FOR

***PROFESSIONAL
EXAMINATIONS***

REVISION OF SYLLABUS FOR PROFESSIONAL EXAMINATIONS

The council of CISC(M)(GH) wishes to inform students of the institute and other stakeholders that the structure and context of the syllabus for the professional qualifying examinations have been revised. The syllabus takes effect from May 2015 examinations.

The revision is meant to:

- Ensure that CISC(M)(GH) syllabus context meets the needs of Ghanaian's and international standards, current global development in the procurement and supply chain management profession.
- Benchmark CISC(M)(GH) syllabus with international education standards
CISC(M)(GH) council wishes to assure students and other stakeholders that the transition arrangements adopted would ensure smooth candidate progression. The institute has also authorized the syllabus committee to conduct study materials and copies would be made available for sale at CISC(M)(GH) office by the end of July 2015. Students are therefore encourage to study the profession with all efforts.

For further enquiries contact: Tel. 0247652978, 0540698611 or email; info@ciscmgh.org

CERTIFICATE IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

This level is made up of candidates completing FIVE (5) courses. Upon successful completion candidate, the candidate will be awarded the coveted Certificate in Procurement and Supply Chain Management.

1.0 INTRODUCTION TO PROCUREMENT AND SUPPLY CHAIN MANAGEMENT.

MAIN AIM(S) OF THE UNIT

The aim of this course is to provide students with in-depth knowledge and understanding of procurement and supply chain management in areas such as; the concepts of procurement and supply chain management, the purchasing rights, preparation of specifications among others.

1.1 Scope of procurement and supply chain management.

- Various concepts of procurement and supply chain management
 - The different types of procurement and supply chain management definitions
 - The various rights of procurement
 - **The right quality:** quality as conformance to specification and fitness for purpose, the cost of getting quality, specifications and quality, approaches to managing supplier quality. The right quantity: determining the quantity required, factors influencing the choice of how much to buy, minimum order level and values. The right place: in bound transportation of goods to the delivery point, issues arising from international transportation. The right time: Internal, external and total lead-time and factors that influence lead-time, expediting, measuring supplier delivery performance. The right price: the difference types of cost, and where purchase price fits in, factors affecting prices or services.
- ✓ **The role of purchasing within an organization**
 - Determining purchasing policy and formulating the purchasing budget.
 - *Advising management on the implication of the implementation of the purchasing policy*
 - Advising other departments on all matters relating to supply of materials, sources of supply, costing, lead times and service.
- ✓ **Purchasing order cycle**

Origin of need and authority to purchase.

Determination and control of quality and quantity. Supply sourcing and enquiry procedure, tenders and quotations, lead-time, order inspection,

1.2 Classification of purchasing goods

Raw materials, finished goods, work-in-progress, components etc.

1.3 The relationship of purchasing with other internal functions

The interrelationship between procurement and other functions within the organization (marketing, stores, research and development, manufacturing, financing,)

Specifying Requirements Definition of specifications, Prescriptive and non-prescriptive specifications. Ideal characteristics of a specification. The buyer's role in preparing specifications. Common problems with specifications Different types' pf production and service. Specification: Brand name, sample, design/drawing, composition, performance/functional standards and standardization. Value engineering and value analysis. Taking account of legislative requirements and company policy in specifications.**Supplier appraisal**

When supplier appraisal should be carried out, Methods of supplier appraisal. Supplier appraisal criteria including: technical/quality, financial, commercial and environment appraisal. Evaluating suppliers' commitment. Evaluation of suppliers' capabilities. Sources of Information Identifying potential sources of supply. Sources for supplier evaluation

1.4 Buying Methods:

Comparative analysis of spot, period, quantity and open contract and small value purchases. Uses and limitations of competition and negotiation. Single and multiple sourcing. Competitive tenders and quotations. Comparative analysis of buying, hiring, and leasing, tendering methods (national competitive tendering, international competitive tendering)

1.5 Ethical Issues in Purchasing,

Conflicts of interest. Gifts and hospitality. Dealing with suppliers ethically. Designing systems and procedure to discourage unethical practices, handling bribery and corruption issues.

2.0 BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

MAIN AIM(S) OF THE UNIT

The course introduces the basic concept of various business ethics and the need for organisations to practice corporate social responsibility in today's business environment. It has been structured to equip the procurement professional on how to manage bribery and corruption issues while also portraying a better image of one's organisation in the external environment.

2.1 Introduction: Understanding the differences among individuals, Uniqueness and similarities between individuals, Idiographic approaches to the development and measurement of individuals, Emotional intelligence, Diversity in organizations, managing diversity

Organizational needs for structured sourcing processes, The relationship between process compliance and

the achievement of added value outcomes, Conflicts of interest, The need for documented policies and procedures for procurement, Organizational accountability and reporting for procurement roles and functions, The status of procurement and supply chain management within organizations, Codes of ethics in procurement.

2.2 *Different economic and industrial sectors*

Economic classifications including public and private sectors, charities, not for profit and third sector

Industrial classifications and sectors such as manufacturing, retail, construction, financial, agriculture and service

Codes of ethics in procurement

Objectives of public sector organizations such as improving services, communities and corporate social responsibility

Regulations that impact on procurement and supply chain operations

Need for competition, public accountability and value for money

Defining contractual performance measures or KPIs

The use of service level agreements

Typical KPI measures to assess quality performance, timeliness, cost management, resources and delivery

Main terms in contracts for indemnities and liabilities, sub-contracting, insurances, guarantees and liquidated damages

Terms that apply to labour standards and ethical sourcing

2.3 *Analyze the main risks that can impact on supply chains*

- Definition of risks, hazards, exposure and risk appetite
 - Positive and negative consequences of risk
 - Direct and indirect losses
 - Internal and external sources of risk
 - Categories of risk: financial, strategic, operational and hazard
 - Risks from the wider environment: STEEPLE - social, technological (failure including cyber risks and crime), economic, environmental, political, legislative and ethical (labour standards and sourcing aspects)
 - The risk management cycle

2.4 *Analyse the main methods for eliminating corruption and fraud in supply chains*

- The nature of fraud in organisations and supply chains, why fraud takes place and different types of fraud
 - The nature of bribery and corruption in organisations and supply chains
 - The different types of corruption
 - Legislation affecting bribery and corruption
 - Corporate governance including corporate accountability to stakeholders
 - The Sarbanes-Oxley regulations

- Conducting impact assessments of CSR/ sustainability factors
- Conducting supply chain and value chain analysis
- Analysing supplier perceptions

3.0 ELEMENT OF BUSINESS COMMUNICATION

MAIN AIM(S) OF THE UNIT:

To prepare students to address business communication situations encountered in their careers through the writing of memoranda, letters, reports, resumes, electronic messages; manuals with terms, mechanisms and instructions; process analysis; proposals; web portfolios; delivering oral presentations, in order to develop interpersonal skills and to foster critical thinking and problem solving skills through the writing of effective communication for assigned business scenarios / situations.

3.1 *The process of communication:* The objectives of communication, the meaning of words, non-verbal communication, the context or situation, Barriers to communication, Why? Who? Where? When, What? How? Planning the message, Summary how to communicate

3.2 *Speaking effectively:* Basic speaking skills, Qualities to aim for when speaking, summary good speaking

- **Listening:** Listening the neglected skill, Reasons for improving listening, Are you a good listener? Ten aids to good listening, Summary good listening
 - **Human interaction and non-verbal communication:** Meta-communication and paralanguage, the language of silence, the language of time, body language or kinesics, The underlying psychology: NLP, EI and TA, Conflict between verbal and non-verbal communication, Summary the importance of paralanguage in human interaction
 - **Talking on the telephone:** Telephone problems, Basic telephone rules, Switchboard operators, Making a call, Gathering information by telephone, Answering the telephone, Voicemail, Mobile phone manners, Summary good telephoning
 - **Interviewing:** Interviewing weaknesses, what is an interview? The purposes of the interview, Types of interview information, How to plan an interview, Structuring the interview, How to question and probe, Summary Interviewing
 - **Being interviewed for a job:** Preparing the organization, Preparing know yourself, At the interview, Tips to remember, Summary being interviewed for a job
 - **Communicating in groups:** Advantages of groups, Disadvantages of groups, Factors affecting group effectiveness, Summary making groups and committees work

3.3 *Running and taking part in meetings*

Chairing meetings, Decision-making methods, Responsibilities of participants, Duties of officers and members, the agenda, the minutes, Videoconferencing and audio-conferencing, Formal procedure

- **Giving a talk:** Techniques of public speaking, Preparation, Developing the material, Opening the talk, Closing the talk, Visual aids, Use of notes, Practicing the talk, Room and platform layout, Delivery of the talk, Summary being a good speaker

- **Using visual aids:** General principles, Whiteboards, Flip charts, Build-up visuals, Physical objects, Models and experiments, Overhead projector, Data projector, Slide projector, Videos, Closed circuit television and video, Points to remember about visual aids, Video and DVD hire and purchase, Summary being in control of visual aids
- **Faster reading:** How do you read? The physical process of reading, Ways of increasing your vocabulary, Summary faster reading
- **Better reading:** Determine reading priorities, Scanning, Skimming, SQ3R method of reading, Summary better reading
- **Writing business letters:** Why good letter-writing matters, Backing up the phone call or meeting, Planning a letter, Layout and style, The structure of a letter, Dictating, Standard letters, Summary writing business letters
- **Applying for a job:** What sort of job do you want? What is available and what are they looking for? The application itself, Job-hunting on the Internet, Summary applying for a job
- **Writing reports:** What is a report? Types of report, essentials of a good report, what is the purpose of the report? Fundamental structure, Format, layout, headings and numbering, Long formal reports, House style, How to get started, Setting your objective, Researching and assembling the material, Organising the material and planning the report, Writing the first draft, Editing the report, Producing the report, Summary report writing
- **Memos, messages, forms and questionnaires:** Memos, E-mail, Fax, Postcards and reply cards, Text messaging, Forms and questionnaires, Summary other writing tasks
- **Visual communication:** When to use charts and graphs, Presentation of statistical data, presenting continuous information, Presenting discrete or non-continuous information, Presenting non-statistical information effectively

3.4 Getting to grips with grammar

Why does grammar matter? What is grammar? How good is your English? The parts of speech in brief, the framework of English, The architecture of the sentence

- **Common problems with English**

Subjectverb agreement, Problems with verbs, Problems with adjectives, Problems with adverbs, Problems with pronouns, Problems with prepositions and conjunctions, Problems with ellipsis, Problems with negatives, Revision of grammar.

4.0 QUANTITATIVE STUDIES

MAIN AIM(S) OF THE UNIT

This course introduces the basic concept of quantitative approaches to decision making. It emphasizes the application of a wide variety of quantitative techniques to the solution of business and economic problems. CISC Mission and Vision are founded upon the Declaration of Human Rights which specifies Education as a human right. CISC is doing its part by making learning materials, college courses, and academic research Publicly Accessible. This Quantitative Techniques syllabus is open to the public as part of CISC

4.1 Data Presentation and Collection: Frequency Distribution, Frequency Tables, Discrete or Continuous Data, Histograms, Frequency Polygon, Frequency Curve, Cumulative Frequency Curves, Bar Charts and Pie Charts, Lorenz Curve

- **Central Location and Dispersion:** Notation, Measures of Central Location, Normal and Skewed Distribution, Measures of Dispersion, Coefficient of Variation
 - **Regression and Correlation:** Regression Analysis, Correlation, Spearman's Coefficient of Rank Correlation, Multiple Regression
 - **Time Series and Forecasting:** Time Series Analysis, Moving Average, Finding the Trend, Finding and Eliminating the Seasonal Variation, Forecasting: Time Series, Forecasting: Exponential Smoothing
 - **Probability:** Probability Calculations, Mutually Exclusive Events: OR Rule, Venn Diagrams: Events Not Mutually Exclusive, Independent Events: and Rule, Conditional Probability, Decision Trees, Expected Value Permutations and Combinations
 - **Probability Distributions:** Normal Distribution, Standard Normal Distribution, Binomial Distribution, Poisson distribution
 - **Sampling and Tests of Hypotheses:** Types of Sample, Distribution of Sample Means, Central Limit Theorem, Confidence Intervals, Tests of Hypotheses: Principles, Tests of Hypotheses: Practice, Student Distribution

4.2 Index Numbers: Constructing an Index Number, Weighted Aggregate Index Numbers, the Laspeyres (Base-Weighted) Price Index, The Paasche (Current-Weighted) Price Index, The Laspeyres (Base-Weighted) Quantity Index, The Paasche (Current-Weighted) Quantity Index, Changing the Base Year, Price and Quantity Relative Index Numbers, The Retail Price Index (RPI)

4.3 Time Value of Money: Simple and Compound Interest, Discounting and Present Value, Investment Appraisal, Depreciation, Annuities and Other Financial Instruments

4.4 Calculus and Business Applications: Differentiation, Turning Points, Rules for Differentiation, Applications of Differentiation, Partial Differentiation, Integration, Linear Programming, Solving the Linear Program: Maximization, Solving the Linear Program: Minimization, Break-Even Analysis

5.0 LOGISTICS AND INVENTORY MANAGEMENT

MAIN AIM(S) OF THE COURSE

This course introduces the concepts of logistics and inventory management. In the modern global marketplace, companies need to be efficient in relation to the movement of supplies and delivery of the final products. The course explores issues in relation to logistics including value, managing lead time and techniques including just-in-time, and incorporating the role of technology in this process. It also provides in-depth analysis of formal stores operations within an organizational setting.

5.1 Logistics & inventory: Definitions, forms of logistical activities, role of the logistics function, stores

responsibilities, Position of Stores within the Purchasing & Supply Organization, Relationships with other Departments: Materials Management, Logistics among others.

5.2 *Serving the customer:* Customer service, Customer service as a link between logistics and marketing, Customer service & customer retention, Setting customer service priorities

5.3 *Logistics Costs and managing logistics internationally:* types of logistics cost, Drivers & logistics implications of internationalization, Trend towards internationalization, Challenge of international logistics and location, organizing for international logistics, General Tendencies

5.4 *Stores operations*

Coding of Materials, Advantages of a Coding System, Code Symbols, Interpretation of Codes, Methods of Coding, Self-Validating Codes, Organizing a Materials Vocabulary, Specification, Bar Coding, Variety Reductions, Some Widely Used Coding Systems, Expediting, Receipts from Suppliers, Transfers from Other Storehouses, Returns from Production or Other Departments, Scrap Arising, Inspection, Vendor Quality Rating, Marshalling Receipts, Receipt of Capital Items Within the Organization, Authorization of Issues, Identification of Requirements, Timing of Issues, Methods of Issuing Stores for Internal Use, Dispatch of Goods outside the Organization, Purpose of Stock Records, Manual Systems, Computerized Systems, Electronic Data Interchange, Current Developments

5.5 *Approach to the Provision of Materials:* Reasons for Holding Stock Dependent & Independent Demand, Approaches Taken in Production Organizations, Differing Stock Control Needs of Construction, Service & Retail Organizations, the Extent of Stockholdings, Ordering Quantities, Range, Consignment Stocktaking

5.6 *Stock Control Techniques:* Provisioning, Approaches to Control, Visual Approaches to Control, Programming Deliveries, Ordering Quantities, The Need for Differential Control, ABC Analysis Classification of Stock According to Purpose, Forecasting Demand, The Use of Probability in Inventory Control, The Setting of Recorder Levels, The Provision of Safety Stock, Simulation, Physical Security, Responsibility for Stock, Purpose of Stocktaking, Periodic Stocktaking, Continuous Stocktaking, Stocktaking Procedure, Treatment of Discrepancies, Obsolescence & Redundancy, Stock Checking.

ADVANCED CERTIFICATE IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

This level is made up of candidates completing FIVE (5) courses. Upon successful completion candidate, the candidate will be awarded the coveted Advanced Certificate in Procurement and Supply Chain Management.

1.0 DISTRIBUTION AND INFORMATION, COMMUNICATION TECHNOLOGY

MAIN AIM(S) OF THE COURSE

This course introduces students to the key areas of distribution management and how information, communication technology (ICT) contribute to an effective and efficient distribution system through practices such as bar coding, electronic data interchange (EDI) and many other ICT tools available to an organization.

1.1 *Distribution management in perspective:* Definitions for distribution management, elements of distribution management; (transportation, material handling, customer service, Information and communication technology). Features of good information for physical distribution. The total distribution

concept. The role of distribution in supply chain management.

1.2 Customer service and distribution systems: Customer service from different perspectives, the goal of distribution management, devising logistics/distribution strategies for successful customer service, elements of customer service (pre-transactional, transactional and post-transactional elements), performance indicators for good customer service.

1.3 Warehouse and transportation management:

- **Managing internal distribution:** Warehouse design flows, activities that enhance warehouse design flows (straight-line flow, principles of stock positioning, efficient materials handling), Live storage, storage system, Evaluate the different types of coding systems, methodology for introducing a new coding system, bar coding, role of bar coding and its likely benefits to an organization, material handling equipment, cost considerations under warehouse management.

- **Transportation:** Modes of transportation (air, road, rail, sea, pipeline), arguments for and against the various modes of transports, intermodal transportation, factors to be considered when choosing a particular mode of transportation.

1.4 Role of Information, Communication and Technology in Distribution management:

Modern ICT trends in physical distribution (in areas such as manufacturing, transportation, customer service). ICT tools and systems used in distribution management; (Electronic Data Interchange-EDI, Radio Frequency and Identification-RFID, Global Positioning System-GPS, bar coding, other tracking devices). ICT software's used in distribution management (Materials Requirement Planning-MRP, Manufacturing Resource Planning-MRP(II), Distribution Requirement Planning-DRP, Enterprise Resource Planning-ERP, Decision Support Systems-DSS,

2.0 PROCUREMENT PRINCIPLES AND METHODS

MAIN AIMS OF THE COURSE

This course stresses that procurement principles and methods are pre-requisites for every procurement or supply chain management process. This includes the sourcing process, procurement structures and the various methods of buying.

2.1 Understand the added value that can be achieved through procurement and supply chain management:

Definitions of procurement and purchasing and supply, Stock and non-stock procurements, direct and indirect procurement, services procurements, total lifecycle costs, cost of ownership, sources of added value including innovation, sustainability and market development, defining value for money. Differentiate the stakeholders that a procurement and supply chain function may have (defining stakeholders, examples of stakeholders, mapping stakeholders in a procurement and supply chain function)

2.2 Understand the stages of sourcing processes in creating added value outcomes that can be achieved with suppliers:

Analyze the main aspects of the sourcing process, Defining the stages of a generic sourcing process from identification of needs to contract and supplier management, Analysis and planning, tender management and contract management, Differentiating between pre contract award and post contract award stages, The purpose and added value that is created by each of the stages of the sourcing process Explain how electronic systems can be used at different stages of the sourcing process E-requisitioning, e-catalogues, e-ordering, e-sourcing and e-payment technologies. The impact of electronic purchase to pay (P2P) systems on the

sourcing process. Explain the main aspects of corporate governance of a procurement or supply chain Function, Conflicts of interest. The need for documented policies and procedures for procurement, Organizational accountability and reporting for procurement roles and functions, the status of procurement and supply chain management within organizations, Codes of ethics in procurement.

2.3 Compare the different structures of a procurement or supply chain function

The use of centralized and devolved structures. Hybrid structures of a procurement or supply chain function (such as consortium structures, shared services, lead buyer structures, and outsourced) Interacting with other people and building rapport. The need for customer service and value for money outcomes

2.4 Analyze the impact of organizational policies and private sector operations on procurement or supply chain

Aspects that can be included in procedures for procurement and supply such as responsibilities for procurement, regulations relating to competition, levels of delegated authority, responsibilities for the stages of the sourcing process, invoice clearance and payment. The use of procurement policies, procurement strategies and procurement manuals. The involvement of internal functions and personnel in the sourcing process. Responsible purchasing and the International Labour Organization core conventions. Objectives of private sector organizations such as profitability, market share, shareholder value and corporate social responsibility. Regulations that impact on procurement and supply chain operations. The importance and role of branding. Objectives of the not for profit or third sector, Regulations impacting on charities, Need for regulated procurement exercises

3.0 FREIGHT AND SHIPPING MANAGEMENT

MAIN AIM(S) OF THE COURSE

This course introduces students to understanding the basics of freight and shipping management activities associated with the shipping industry.

3.1 Introduction to shipping and to the ship

Definition of ship, Functions of shipping. World Seaborne Trade and World fleet. Challenges facing the shipping industry in the Twenty-First Century. International Convention on load lines 1966. International Convention on Tonnage Measurement of Ships (1969), Ship Design and Future Trends/Size OF Sips. Ship productivity. Safety and other regulations of ships. Ship types, Ships under Liner Trade (MARKET). Specialised ships and their trade. The General Principles and Factors affecting/influencing ship design. Passengers Ships

3.2 Ship operation and vessel management

Factors to consider in planning sailing schedules .Fleet planning. Interface between fleet planning and ship survey programmer. Relative importance/economics of speed, frequency, reliability. Cost and quality of sea transport. Indivisible loads. Ship and port security (ISPS CODE 2002)

Duties and Responsibilities of the ship master. Ship's officers and crew manning, IMO Convention of Standards of Training and Watch keeping for Seafarers (STCW) 1997. Engagement and Discharge of the crew. Maritime canals and inland water ways: Ghana Inland Waterways. The Suez Canal Authority. The Kiel Canal. The Panama Canal. The St. Lawrence Sea Way. The Influence of Canals on Ship Design. The

Economic benefits of canals.

3.3 Ship registration and ownership

Ship registration. Types of ship registration and procedures in registration of ships. Who qualifies to own a ship?

- **Services generated by principal shipping organisations**

ISO, ICS, WTO, INTERTANKO, OEM, BIMCO, INTERCARGO, Lloyd REGISTER, UNISTAD

- **The shipping company**

Liner Organisation, Tramp Organisation. Liner Conference System. Ship Management Companies. Ownership of Ships. Ship Brokers. Freight Forwarders. Future of Ship Broking. Ships Agents. Lloyd's Register Quality Assurance, the choice of shipping route. The ship navigational hardware. The ship communication at sea.

- **Shipping documents**

Bills Of Lading, definitions and Types of Bills Of Lading, The Functions of Bills Of Lading. The Carriage of Goods by Sea Acts 1971 and 1992. CMR Consignment Note/Carriage Of Goods By Road. CIM Consignment Note/Carriage of Goods by Rail. Airway Bill

- **The crew and crewing of a ship**

Definition of a crew. Typical duties of crew on board ship. Reductions in crew size and regulating crew size. International crews' recruitment and training. Crew pay and conditions

- **Passenger fares and freight rates**

Theory of Passenger Fares. Theory of Freight Rates. The Effect of Air Competition on Cargo Traffic. Relation between Liner and Tramp Rates. Relationship between Voyage and Time Charter Rates. Types of Freight Rate.

- **Charter parties**

Demise and Non-Demise Charter Party. Voyage and Time Charter Party, the Approved Forms of Charter Parties And Related Bill Of Lading. The Shipping Market, The New Building Market, The Sales and Purchase Market, The scrapping Market. Arbitration in Charter Party Disputes

3.4 Cargoes and Containerization

Container Ships, Container Terminal, Container Distribution, Types of Containers, Features Of Containerization, Non-Containerizable Cargoes. Definitions of a cargo. Types of a cargo (Dry and Wet/Liquid Bulk cargo). Pre-shipment planning. Voyage estimating. The stowage plan, the stowage and discharge of cargo, the care of cargo during the voyage. Stuffing of containers. Deck cargoes.

Cargo Storage/Packaging Overview. Types of Characteristics of Cargo, Cargo and Container Handling Equipment. Dangerous Cargo (IMDG CODE), Classification of Dangerous Goods

4.0 FINANCE FOR PROCUREMENT

MAIN AIM(S) OF THE COURSE

The course seeks to equip students with the financial aspects of procurement and supply chain management. This entails the various sources of finance for procurement, pricing strategies and costing methods applied in the purchasing process.

.4.1 Evaluate the difference between management accounting and financial accounting

- Management accounts

- Company secretaries
- Financial accountants
- Cost accountants.
- ✓ **Understand and use the terminology associated with finance and**

Accounting

- Accounting standards and their role
- International issues in accounting standards
- Effects of the convergence of accounting standards and practices.

- ✓ **Identify which goods and services can be categorized as capital and**
Which will be expense items

- Capital items plant and equipment, building vehicles, high value office equipment, construction
- Expense items cleaning materials, stationery, office supplies, consumables, cleaning services, services contracts.

4.2 Financial and nonfinancial factors in decision-making

- ✓ **Analyze key financial statements to inform decisions**

- Profit and loss accounts income statements
- Balance sheet
- Cash flow statement
- Five-year summary.

- ✓ **Determine alternative pricing strategies and assess their impact upon transfer pricing**
within an organization

- Market price
- Total cost
- Transfer pricing
- Variable cost
- Negotiated price.

- ✓ **Use contribution analysis and marginal costing to evaluate a range of decision-making**
situations

- Cost-volume-profit and break-even analysis
- Make or buy decisions
- Deciding on product range
- The analysis, and most profitable use, of limiting factors.

4.3 Sources of finance available for business and major capital acquisitions and projects

- ✓ **Analyze the use of the different types of expenditure**

- Capital expenditure (Capex)
- Operational expenditure (Opex)
- Public sector expenditure.

✓ **Evaluate and select a range of sources of finance to assessing funds for capital acquisitions and projects**

- Retained profit
- Controlling working capital
- Sale of assets
- Overdrafts
- Grants
- Venture capital
- Debentures
- Share issues
- Bank loans - medium or long term
- Leasing
- PPP/PFI

✓ **Develop process and plans for managing costs**

- Estimating
- Controls
- Review stages
- Contingency planning
- Who should be involved?
- Tools and techniques

✓ **Explain how to develop and management budgets to achieve target performance**

- The importance of setting and controlling budgets to achieve performance targets
- The importance of setting a realistic budget
- Financial objectives
- Motivational objectives
- SMART objectives
- How to create and present a budget to support a business plan
- The importance of financial

4.4 Financial risk in procurement

✓ **Assess the different types of risk and their impact on each of the following:**

- Suppliers
- Own organization
- Customers.

✓ **Carry out a financial appraisal and risk analysis of suppliers, own organisation, and customers, using a range of financial performance ratios:**

- Profitability ratios
- Efficiency ratios
- Liquidity ratios

- Investment ratios.
- ✓ **Evaluate and select financial risk management options.**
- Debt
- Futures and derivatives
- Insurance

5.0 INTERNATIONAL PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

MAIN AIM(S) OF THE COURSE

The aim of this course is to provide students with in-depth knowledge and understanding of international procurement and supply chain management in areas such as trade barriers, customs duties and overseas regulations.

5.1 Introduction to international procurement

Various views of international procurement, problems associated with foreign procurement, Duties, taxes and exemptions

5.2 Trade barriers

Tariff and non-tariff barriers, incoterms, scope current activities in international economic and political groupings, the operations WTO, associations and institutes concerned with international trading, purposes and procedures, commercial organizations (their purposes and procedures), trading companies

5.3 The Ghana customs excise and prevention service

Functions, policy statement, CEPS operations, the customs, excise and preventive functions, CEPS modernization program, challenges and management

5.4 Global sourcing and negotiating abroad

Lowcost country sourcing, globalization, free trade zone, currency management, insurance, EU procurement directives, and letters of credit, negotiating abroad, specification, international sales, contract terms and conditions, sale of Goods Act 1979

DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

This level is made up of candidates completing FIVE (5) compulsory courses. Upon successful completion, candidates will be awarded the coveted Diploma in Procurement and Supply Chain Management.

1.0 OPERATIONS MANAGEMENT IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

1.1 Define operations management and assess the influences on operations management in the broader competitive environment

- Definitions of the term operations management
 - Distinguishing operations management as one of the key functions in an organisation
 - Improvements in transport and communications technology
 - The convergence of consumer preferences
 - Increased competition and implications of shorter product lifecycles.
- ✓ **Compare the different characteristics of products and service organizations and analyze how they impact on operations management practice**
 - Aspects of tangibility

- Quality and specification issues
- Demand management
- Training and development
- Capacity management
- Service quality and managing the customer.

✓ **Evaluate the strategic relationship between the operations function and other main functions within the business**

- Marketing
- Finance
- Purchasing and supplychain
- Human resources
- Information Technology
- (IT).

✓ **Analyse key performance objectives, their relationship with the order winning criteria and how they contribute to the success of a business**

- Cost
- Quality
- Responsiveness and speed
- Flexibility
- Dependability.

✓ **Analyse the significance of strategic outsourcing decisions in terms of:**

- Span of control within an organization
- Core competencies
- Impact on other functions.

1.2 The design of products and services

✓ **Analyse the design process for products and services**

- Definition of the term design
- Aspects of customer satisfaction
- Approaches to designing better products
- Understanding the full design business process.

✓ **Evaluate the benefits that arise from thorough design evaluation and environmentally sensitive design with respect to the product life cycle**

- The contribution of purchasing to design
- Compare and contrast areas of conflict between purchasing and design
- Trade-offs in designing environmentally acceptable products
- Environmentally preferred materials
- Life cycle analysis

- End of life issues.
- ✓ **Analyse the contribution that purchasing and supply can make to the design of products and services by the application of certain tools**
- Standardization
- Modularization
- Value analysis and engineering
- Computer aided design.

1.3 The design and management of the operations network

- ✓ **Analyse the critical features of an operations network and explain how they contribute to the management of supply and demand**
 - Network design and investment
 - Strategic decisions in developing a network Feasibility factors
 - Benefit factors
 - Financial factors
 - Organizational structure
 - Integration
- ✓ **Distinguish between the different process types in manufacturing and service industries**
 - Process types in terms of variety and volume
 - Processing technologies
 - Process layouts and workflow.
- ✓ **Compare and contrast different approaches to job design**
 - Definition of the word job
 - The use and techniques of work study and work measurement
 - Advantages and disadvantages of the different approaches to job design
 - F W Taylor/Gilbreth's work
 - Scientific management approach
 - Motivational approaches
 - Socio-technical systems approach
 - Human factors approach
 - Empowerment and self-managed teams.
- ✓ **Analyse and explain the complexity surrounding facility location decisions**
 - Reasons for complexity
 - Demand side decisions
 - Supply side decisions
 - Location analysis tools.

1.4 Philosophies and methods for making improvements in operations management

✓ Explain the cultural change required to implement total quality management (TQM)

- Total quality management (TQM) as a philosophy
- The development of TQM by Deming, Crosby and Juran
- Benefits of TQM
- Criticisms of TQM.

✓ Examine and evaluate the philosophy of just in time

(JIT) and continuous performance improvement in the context of lean manufacturing

- The definition and philosophy of JIT
- JIT as the basis for a continuous improvement programme
- The advantages of JIT
- Aspects of lean manufacturing and lean supply chains.

✓ Analyse and explain the different approaches to continuous improvement

- Process mapping
- FMEA
- The PDCA cycle
- Different methods for managing and reducing stockholding.

2.0 MARKETING FOR PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

MAIN AIM(S) OF THE COURSE:

This course seeks to introduce candidates to the contribution of the marketing function in an organization and also highlight the interaction between procurement and the various departments within an organization.

2.1 Marketing management, planning and control

✓ Examine the marketing function within an organisation and explore the concept of marketing orientation

- Definitions of marketing
- The contribution of the marketing function within an organisation
- Production orientation, product orientation, sales orientation and marketing orientation
- The steps an organization might take to achieve a high level of marketing orientation.

✓ Evaluate marketing's interaction with purchasing and other functions

- Marketing's relationship with purchasing and other organisational functions
- The impact of marketing decisions and activities on purchasing and other organisational functions
- Areas of potential conflict between marketing and purchasing, and other functions within an organisation

- How internal conflicts can be managed and resolved.

- ✓ **Analyse and explain the rationale and background to marketing planning**

- Strategy and its relevance to marketing planning
- Tools and models used in the development of strategic options: Ansoff matrix and Porter's generic strategy
- How strategic options can be prioritised and evaluated
- Options for entering markets overseas and potential barriers to entry
- How effective (SMART) objectives are developed
- Corporate objectives and marketing objectives
- The role of the marketing plan within an organisation.

- ✓ **Assess the value of planning and the stages in the marketing planning process**

- Benefits of marketing planning
- Potential challenges and issues encountered with marketing plans
- The marketing planning process
- The contribution of the purchasing function in the development of marketing plans and throughout the marketing planning process.

- ✓ **Evaluate and measure the performance of marketing plans**

- The importance of monitoring the execution of marketing plans and measuring their success
- Marketing key performance indicators (KPIs)
- Methods of measuring marketing performance
- The role of budgets in marketing planning.

- ✓ **Assess the differences between goods and services marketing**

- The specific characteristics of services versus goods
- The specific challenges faced by services marketers
- How challenges are managed by services marketers.

2.2 Understanding customers and their needs

- ✓ **Analyse organizational buying behaviour**

- Characteristics of organisational markets
- Organisational decision making process
- Roles of individuals within organisational buying
- Influences on organisational buyer behaviour
- Implications of organisational buying behaviour on marketing activities.

- ✓ **Analyse consumer buying behaviour**

- Characteristics of consumer markets
- Consumer decision making process

- Influences on consumer buyer behaviour
 - What motivates consumer buyers
 - The implications of consumer buying behaviour on marketing activities.
- ✓ **Evaluate and apply segmentation, targeting and positioning**
- Benefits of segmentation
 - The criteria for an effective segment
 - Segmentation methods for the consumer market
 - Methods used in segmenting organizational markets
 - Meaning of targeting and the three target market strategies
 - How organisations decide which markets to target
 - How positioning is used to achieve competitive advantage and how the positioning concept is applied to a range of organisations.

2.3 The marketing mix

- ✓ **Analyse how products are developed and managed**
- Components of a product
 - Role of branding and the importance of developing strong brand values
 - Key strategic branding decisions and identify alternative branding strategies
 - The concept of product portfolio management and apply recognised product portfolio management tools, the Boston Consulting Group matrix and the product life cycle
 - The rationale for developing new products
 - New product development process
 - The adoption of new products by customers using the diffusion of innovation concept
 - The contribution of the purchasing function in the development of new products.
- ✓ **Analyse the role of pricing within the marketing mix**
- Importance of pricing and organisational pricing objectives
 - Factors that should be considered when determining product pricing
 - Main approaches to pricing
 - Pricing strategies to products at each of the life cycle stages
 - The different pricing strategies that could be considered for products performing at different levels in the Boston Consulting Group matrix
 - Consulting Group matrix
 - The involvement and contribution of purchasing in pricing decisions.
- ✓ **Analyse the role of channel management in the marketing mix**
- Meaning of channel management and its role in achieving marketing and business objectives
 - Main channels of distribution and the functions that channel intermediaries perform
 - Criteria used to evaluate and select distribution channels
 - How an organization selects, motivates and manages channel intermediaries to achieve horizontal

and vertical integration

- The impact of information technology on channel management
- The contribution of the purchasing function in channel management.

✓ **Analyse the role of promotion (customer communications) in the marketing mix**

- The role and importance of customer communications
- Potential customer communication objectives
- Communication models;
- AIDA and DAGMAR
- Stages in the development of a promotional plan
- Components of the promotional mix
- Role of the promotional mix in influencing organizational and consumer buyers
- Techniques used to measure promotional effectiveness
- How the promotional mix is used at different stages in the life cycle and at different levels in the Boston Consulting Group matrix
- The role and contribution of the purchasing function in the specification and production of customer communications.

✓ **Analyze and apply the extended marketing mix**

- The rationale for the development of the extended marketing mix
- Role and importance of people in services marketing
- Meaning and importance of 'processes in services marketing
- Contribution of 'physical evidence' services marketing
- How the extended marketing mix components help marketers to address the challenges they face when marketing services.

✓ **Explain how the marketing mix can be applied in international markets**

- Additional factors that marketers should consider when applying the marketing mix in international markets
- The contribution of purchasing in developing the marketing mix for international markets.

✓ **Explore the role and importance of market research and explain how it informs marketing decisions**

- Meaning of market research
- Importance of market research as a decision making aid
- Potential marketing problems and how they can be helped through market research
- Sampling and its key role in market research
- Sampling techniques
- Quantitative, qualitative, primary and secondary research.

✓ **Apply the stages of the marketing research process to obtain information to aid marketing decisions and planning**

- The stages of the marketing research process
- Research objectives
- Contents of a full research plan
- Techniques used for collecting primary qualitative and quantitative data
- The internal and external sources of secondary data
- Quantitative and qualitative data collection methods
- Primary and secondary data.

2.4 Examine competitor analysis, and evaluate its uses and the sources of information

- Uses of competitor intelligence
 - Type of competitor information which is likely to be of use to marketers and purchasers
 - How competitor intelligence can be gathered
 - Main sources of competitor intelligence
 - How the purchasing function can assist in competitor analysis.
- ✓ **Examine the role of prospects and explain their contribution in building market share**
 - Definition of prospects
 - Key role of prospects in building market share
 - How relationships with prospects can be managed
 - Marketing activities which can be used to identify and convert prospects.
- ✓ **Assess the management of customer relationships and identify good practice in relationship management**
 - Definition of 'customer'
 - Relationship marketing and transactional marketing
 - Techniques in building and managing long-term customer relationships
 - Meaning and use of Customer Relationship Management (CRM) in managing customer relationships
 - Stages of the process in implementing CRM within an organisation
 - Challenges and benefits of implementing CRM within an organisation.
- ✓ **Evaluate the long-term benefits of customer loyalty and satisfaction**
 - Meaning of customer loyalty
 - Benefits of achieving customer loyalty
 - The ways that customer loyalty can be created and maintained
 - Customer satisfaction and how it can be achieved
 - How customer satisfaction can be measured.

3.0 IMPORT AND EXPORT MANAGEMENT (CUSTOMS PROCEDURES AND DOCUMENTATION IN GHANA)

MAIN AIM(S) OF THE COURSE:

The aim of this course is to provide students with in-depth knowledge and understanding of procurement and supply chain management in areas such as import and export management

3.1 Introduction to international trade

The theory of international trade, reasons for international trade, the benefits of international trade, the functions of international trade, the merits and demerits of international trade. Balance of payments (BOP). terms of trade (TOT). Balance of trade (BOT), the protection of trade

Protective measures. Tools and barriers of trade (Protectionism), the merit of protectionism, the demerits of protectionism. Import and export business; definition of imports and exports, export and import office. The export office organization and structure. Export and import policy and records.

3.2 Import and Export business:

- **Export cargo packaging, stowage and marking**

Defining cargo packaging, Factors influencing the types of cargo packaging, types of cargo packaging, stowage of cargo, marking of cargo. Dangerous cargo

- **Export and import finance (payment methods)**

Export and import prices, forms of payments for export and imports. Documentary credits and allied documents (Bills of exchange). Letter of credit. Transferrable credits. Standby letters of credit. Deferred payment credits. Back-to-Back credit. Revolving credits. Red clause credits. Acceptance credits

- **Export and import documentation**

Cargo insurance policy and certificate. Certificate of origin. Certificate of shipment. Dock receipt. Exchange permit. Export Cargo Shipping Instruction (ECSI). Export invoicing. Export licensing. Health certificate. Letters of hypothecation. Letters of indemnity. Mate's receipt. Packing list. Parcel post receipt. Phytosanitary (plant health) certificate
.Pre-shipment inspection certificate. Quality certificate. Shippers letter of instruction. Ships delivery order. Weight certificate

- ***Information technology in export and import business***

GCNET-Ghana Community Networked-Electronic Data Interchange, ERP-Enterprise Resource Planning, E-commerce (Export and Import)

3.3 Export customs procedure and documentation

HM customs and excise department. Bonds, Deposits and Guarantees. Custom tariffs. Export controls. Customs reliefs. Duty reference and origin. Outward clearance of a vessel and Inward clearance of a vessel. Chief-customs help import and export. Unique Consignment Reference (UCR). New Export System (NES). Customs Freight Simplified Procedures (CFSP). Processing the export order. Contract of after freight (terms of delivery. INCOTERMS 2010). Factors determining choice of INCOTERMS. Description of INCOTERMS. The Export Sales Contract. Receipt of Export Order. Export Quotations. Processing the Export and import consignment. The cost aspect of export and import

- ***Customs procedures in Ghana/regimes***

Importation and temporary admission. Warehousing and ex-warehousing. The transit trade. Trans-shipment. The free zones. The duty drawback. Temporary exportation/re-importation/re-admission

3.4 Port activities

Ports development, Classification of ports. Types of port ownership. Time shipment in port (cargo-handling). Berths and types of berths. Number of berths needed in ports. Port productivity, port labor, port management and administration, port pricing (how port dues are charged), port congestion, the causes of port congestions and possible solution

- ***Safety and security of ports***

Spheres of risk. The economics of safety, Marine insurance. Salvage. Safety and environmental issues

- ***Multi-modalism***

Global supply chain management and international logistics, Factors in favor of multi-modalism. Rationale for the development of multi-modalism, Features of multi-modalism, Strategy of multi-modalism. Global supply chain management and international logistics. Logistics and or intermodal transport.

4.0 MANAGING PROCUREMENT AND SUPPLY CHAIN RELATIONSHIPS

MAIN AIM(S) OF THE COURSE

This course is designed to provide students with deeper understanding of how procurement professionals can relate with suppliers over the short, medium and long term to the benefit of both parties.

4.1 The context of relationships in supply chain management

- ✓ **Classify and describe the range of relationships that may exist within supply chains**
 - Definition of relationships in the context of supply
 - Overview of internal and external relationships.
- ✓ **Evaluate the contribution of appropriate and well managed relationships in achieving co-operation and collaboration between buyers and suppliers**

The relationship spectrum

- Adversarial
 - Arm's length
 - Transactional
 - Closer tactical
 - Single sourced
 - Strategic alliance
 - Partnership
 - Co-destiny.
- ✓ **Evaluate or analyse the challenges in managing effectively the relationships between purchasers and suppliers:**
 - Supply positioning model
 - Supplier preference model
 - The reasons for changing the way in which a relationship operates
 - Managing risk in commercial relationships
 - Buyer and supplier behavior in relationships
 - Market management matrix.
- ✓ **Differentiate between lean and agile supply philosophies on supplier relationships**
 - Traditional supply philosophy

- Lean supply philosophy
- Agile supply philosophy.

✓ **Evaluate the relationship between internal and external stakeholders in the supply chain and propose ways of maintaining objectivity within the relationships**

- Ways of maintaining objectivity in relationships
- Services versus manufacturing supply chain relationships
- Technical specialists versus purchasing specialists.

✓ **Evaluate the role of culture and relationship values within supply networks**

- Organisational culture
- Relationship values and behaviours
- Managing buyer and supplier perspectives on values and behaviours.

4.2 Assessing and selecting suppliers

✓ **Formulate objectives for relationships with suppliers**

- The impact of internal and external stakeholders on supplier selection
- The impact of internal suppliers on supplier selection
- The external supplier's view of the selection process
- Manufacturing and service supply chains
- Upstream and downstream supply chain activities.

✓ **Evaluate the effectiveness of the assessment process**

- Supplier appraisal deliverables
- Measuring the supplier appraisal process
- Effect of supplier appraisal upon relationship development
- Supplier appraisal in the context of the relationship cycle.

✓ **Evaluate the constraints on supplier selection within the public sector**

- Legislation affecting supplier selection
- Supplier selection routes available to the public sector
- The buyer's perspective on selection legislation
- The supplier's perspective on selection legislation.

✓ **Analyse the role of reciprocal trading in purchasing relationships**

- Definition of reciprocal trading
- Examples of organisations' policies on reciprocal trading
- Managing reciprocal trading in the selection process
- The impact of reciprocal trading on relationships during and after the selection process.

✓ **Analyse and explain how to mitigate against the potential risks of a change of supply source**

- Risks of change

- Cost of change
- Mitigation of risk and cost
- Communication and stakeholder management.

4.3 Managing outsourced relationships

✓ Develop and apply procedures for undertaking an outsourcing exercise and maintaining effective outsourced relationships

- The definition of and difference between service contracts, sub-contracting, outsourcing and insourcing
- The outsourcing decision-making process
- The outsourcing process
- Legal implications of outsourcing.

✓ Explain how performance should be managed in outsourcing exercises

- Managing the outsourcing contract
- Establishing and implementing performance measures
- Monitoring performance measures
- Understanding why some organisations are insourcing.

✓ Evaluate the impact of outsourcing on relationships between customers and providers

- Outsourcing relationships and the relationship spectrum
- Outsourcing relationships and partnerships
- How to manage change in an outsourced relationship.

✓ Evaluate the impact of both power and dependency on the management supplier relationships

- Power versus dependency
- Relationship issues resulting from power and dependency
- Managing power and dependency.

✓ Analyse the role of transparent communications between purchasers and suppliers in the effective management of supply relationships

- Stakeholder communication
- Communication tools and techniques in the context of supplier management
- Transparency: open-book costing.

✓ Appraise the use of e-purchasing on supply relationships

- E-purchasing and the relationship spectrum
- E-purchasing and supply situations
- Appropriateness of e-tools and their effect on relationships
- Suppliers' perspective of e-purchasing

- Stakeholders' perspective of e-purchasing.

✓ **Evaluate a range of techniques to develop stronger relationships between purchasers and suppliers**

- Supplier development
- Supplier development opportunities
- Supplier development versus supplier relationships
- The stakeholder and supplier development.

✓ **Explain a range of techniques for managing multi-tiered supply relationships**

- Performance measures and their impact on the different parties within the supply chain that is manufacturers, retailers, service providers
- The importance of measuring relationship development across the supply chain
- Difficulties involved in measuring performance across the supply chain
- The buyer and supplier perspectives on performance measurement.

✓ **Evaluate a range of measurement tools to assess the performance of suppliers and the strength of relationships between purchasers and suppliers**

- Executive sponsorship
- Account management
- Continuous improvement programmes
- Service level agreements
- Key performance indicators
- Relationship assessment tools
- Feedback mechanisms.

4.4 Review the circumstances in which supply relationships end, and select appropriate methods for their termination and, where appropriate, determine ways of retrieving and retaining the relationship

- Resolving disputes
 - Using the contract to terminate a relationship
 - Maintaining a supply relationship post-conflict
 - Ways of retrieving and retaining the relationships.

✓ **Analyse the relationship challenges of multinational suppliers in the context of a global supply chain**

- Barriers to successful ongoing relationship management
- Multinational organisations as customers in local and national supply chains
- Multinational organisations as suppliers in local and national supply chains
- The positive impact of multinational organisations in developing economies.

5.0 SUSTAINABLE PROCUREMENT IN THE PUBLIC AND PRIVATE SECTORS

MAIN AIM(S) OF THE COURSE

This course is designed to provide detailed knowledge on best procurement practices that seek to sustain the environment and enhance the image of the purchasing organization.

5.1 DEFINING AND DEVELOPING SUSTAINABLE PROCUREMENT

✓ Define sustainable procurement in relation to the concept of sustainable development

- Sustainable development and sustainable procurement in context
- Differing definitions of sustainable procurement
- Consumption
- European Union sustainable development strategy
- Sustainable Procurement Task Force
- How sustainable procurement supports sustainable development
- Why sustainable procurement should be good for business.

✓ Analyse current and emerging global trends in the field of sustainable procurement

- Innovation and the successful implementation of sustainable procurement ideas
- World-wide demographic trends
- Overall production and service capacity and capability
- Corporate social responsibility (CSR)
- A changing skills base
- Alternatives to fossil fuels and rising energy costs

✓ Evaluate the external factors influencing sustainable procurement and apply the STEEPLE model in the context of different organisations and sectors, including the public, private, third sectors and their tiers:

- The “triple bottom line” of environmental, social and economic factors
- International and local influences on sustainable procurement
- Political
- Economic (eg basic principles of supply and demand, costs, exchange rates, employment market, availability of materials and energy/fuels).
- Social/ethical (eg availability of skills, working conditions and practices, corruption, corporate citizenship, societal values, ethical farming, fair trade)
- Technological (eg innovation, new technologies, materials and processes)
- Legislative (eg environmental laws, workforce legislation)
- Environmental (eg renewable versus nonrenewable energy, waste management/reduction landfill capacity, packaging, carbon footprint reduction, global climate change availability of agricultural land, water, greenhouse gas/CO2 emissions, pollution)
- External stakeholder pressure and attitudes
- Social Accountability

✓ Evaluate the internal factors influencing sustainable procurement in the context of different organisations and sectors, including the public, private, third sectors and their tiers:

- Risk management (eg securing supply)

- Management attitudes
 - Internal stakeholder positions and attitudes
 - Availability of sustainable resources in the areas of labour, materials and processes (eg population demographics, skill levels in the supply chain, new materials, products and processes textiles, plastics, farming).
 - Brand reputation (eg use of child labour clothing industry, CO2 emissions aviation, automotive and travel industries)
 - Product and service design criteria and impact on the environment
 - Internal capacity and capability (eg more efficiency through waste reduction Ohno's 7 wastes).
 - ✓ **Identify which external and internal factors will drive sustainable procurement within an organisation and compare and contrast their relative importance across public, private, third sectors and their tiers**
 - External and internal drivers
 - Characteristics of the different sectors in the context of sustainable procurement
 - Key drivers for different sectors, industries and businesses
 - Sustainable procurement drivers as distinct from effects.
- ✓ **Examine the stages in the development of a sustainable procurement policy and policy deployment guidelines**
- Obtaining commitment
 - Communication to stakeholders
 - Setting targets and objectives
 - Clear responsibilities
 - People development
 - Implementation
 - Ongoing management/review
 - Flexible approach to respond to new or different drivers..

5.3 OPERATING A SUSTAINABLE PROCUREMENT APPROACH

- ✓ **Explain and analyse the process of developing and applying sustainable procurement to purchase specifications for products and services in the context of different organisations and sectors**
- Sustainability of customer requirements
 - Classification of materials components and services using the Kraljic Model
 - Innovation and sustainable design
 - Sustainable materials and processes
 - Service level agreements
 - Impact of the end product or service.
 - Impact on the environment
 - Standards and Legislation
 - EU Directives on public procurement

- Environmental standards
- ISO15686 whole-life costing standards
- Finance and Tax laws (eg Sarbanes Oxley)
- 'Fair Trade' standards.

✓ **Evaluate the benefits and risks of sustainable whole-life contract management for purchasing and supply contracts**

- A review of contract management factors including objectives and delivery plans ongoing contract and relationship management, receipt of products and services, asset management and post-contract 'lessons' management
- Allowing for new sustainable procurement developments and targets within contract and relationship management
- Linking the benefits to organizational performance and success (eg whole-life costing and return on investment)
- The benefits of continuous improvement in sustainable contract management for the supply chain
- The risks and contingencies associated with a sustainable procurement approach to whole-life contract management
- Long term supplier relationships
- 'Preferred' suppliers
- Public Private Partnerships (PPPs)
- Private Finance Initiatives (PFIs).

✓ **Identify and apply appropriate supplier development tools and processes in order to both introduce and improve sustainable procurement within the local and global supply chains**

- Prioritisation of suppliers and products
- Clear sustainability objectives, targets and requirements
- Gap analysis
- Problem-solving and escalation
- Supply chain communication and co-operation
- Achievable deadlines
- Monitoring improvements.

5.4 SUSTAINABLE PROCUREMENT CHALLENGES

✓ **Evaluate the barriers to achieving sustainable procurement within different organisations and sectors in both the global and local context**

- Cost issues such as raw materials, process costs, recycling and re-use, budget and funding restrictions
- Attitudes of key stakeholders including customers, shareholders, employees, donors, suppliers, buyers and the general public
- Policies at international, European Union, government, organization and department levels
- External cultural factors such as nationality, religion and ethics

- Internal management culture within sectors, industries and organisations
- Level of economic stability: growth or decline, inflation levels and trends, credit restrictions and protectionism.

ADVANCED DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

This level is made up of candidates completing three (3) optional units and two (2) core units. Upon successful completion candidate will be awarded the coveted Advanced Diploma in Procurement and Supply Chain Management.

CORE UNITS (3 PASSES REQUIRED)

1.0 IMPROVING PROCUREMENT AND SUPPLY CHAIN PERFORMANCE

MAIN AIM(S) OF THE COURSE

This course seeks to provide students with knowledge on various techniques on how to improve supply chain performance. Methods such as Key Performance Indicators (KPIs), Benchmarking and Vendor rating and other performance measures have been treated in-depth to enhance the student in the procurement field.

1.1 Developing and improving supplier performance

- Develop source-related activities so as to inform and provide value to other functional areas in the organisation, in line with the overall objectives of the organisation
 - The business requirements for supply, and document in an appropriate way: specification, service level agreement (SLA)
 - The reasons for using cross-functional teams to determine business requirements and conduct stakeholder consultations
 - The need to align supply chain activities to the organisational strategy
 - The need to maintain a degree of supply-chain flexibility to respond to changing needs
 - The need for purchasing to provide customer service to other functional areas and the tools and techniques to implement such engagement and consultation, regular management reporting, helpdesk solutions, consultative style
 - How purchasing, as a function, can add demonstrable value to the business; cost reduction, risk mitigation, security of supply, enhanced service, improved quality and supplier innovations
 - How purchasing can use its supply-market knowledge to assess and report risks, threats and/or supply chain vulnerabilities in an accurate and timely manner
 - An appropriate communications programme that keeps other functional areas informed about purchasing-related
 - Activities and adds value to their own areas of responsibility.
 - Develop appropriate KPIs to improve supplier performance
 - The purpose of supplier KPIs in the improvement of supplier performance
 - How a supplier KPI is developed and measured
 - The need for base-lining existing performance prior to the development of supplier KPIs
 - A range of potential supplier KPIs, including price effectiveness, cost savings, service enhancements, quality measures and improvements, innovation and risk/compliance
- ✓ **eEvaluate and explain the importance of developing and managing external contacts with the supply market**
 - Reasons for developing and managing external contacts within the supply chain

- Definitions of: innovation, market research, supplier analysis, market intelligence, competitive intelligence (and others)
 - Definition of reverse engineering
 - The process of supply market research/analysis
 - How to develop an appropriate relationship with third party research and analysis organisations
 - Business reasons to conduct supply market research
 - Appropriate processes for testing and evaluating supply innovations
 - The processes of benchmarking and how they can be used to gain market information
 - The ways in which purchasing can contribute to production forecasts
- ✓ **Propose ways to develop new and existing suppliers and improve their performance**
- The processes and benefits of supplier appraisal and selection
 - The processes and benefits of vendor rating and feedback
 - The terms value analysis, value management and value engineering
 - The ways in which suppliers can work with an organisation to improve productivity, efficiency and quality and the role of purchasing in facilitating these processes
 - The meaning of supplier adoption and the process for adopting a new supplier and the key stages in implementation that are needed to switch supply
 - The meaning of sunk and switching costs
 - Practical reasons why some organisations will not switch supply, despite potential benefits
 - The process of trialling and piloting new innovations
 - The follow-on processes required to implement a new supply innovation; user acceptance and controlled roll-outs
 - How suppliers can be managed and developed to contain supply-related risks and reduce supply chain vulnerability.
- ✓ **Devise appropriate supplier management organisational models in both the centralised and decentralised purchasing function, and demonstrate how other functional areas might interact in these models**
- The relative merits of single point of contact versus multiple touch- points for managing supplier relationships effectively
 - The role of purchasing as a facilitator of supplier relationships
 - The purpose and potential benefits of a cross- functional approach to managing supplier relationships
 - The role and responsibilities of executive sponsors of supplier relationships
 - The advantages, disadvantages and arrangement of a decentralised purchasing function.
 - The concept of a lead buyer and how this might operate for different types of supply.

1.2 Identify the critical elements of supplier development

- Respective roles and responsibilities of those involved in supplier development, including those of executive sponsors
 - The need for continuous improvement and methods for achieving it

- The need for creating and fostering a team-working collaborative environment both internally and externally with the suppliers
- Process improvement techniques; TQM, Six Sigma and business process re-engineering
- Gainshare models for innovation and process improvement
- The meaning of breakthrough value creation and how this can be achieved in a supply chain context
- The need for policy creation and compliance.

1.3 Maximising competitiveness

- ✓ Explain how to manage systematic organisational efforts to create and maintain networks of competent suppliers and to develop their capabilities to meet competitive challenges
 - Why and how suppliers are segmented
 - The key characteristics of each segment of the supply base
 - Tier 1: strategic, high value-add, high risk, innovative
 - Tier 2: regular purchases, medium- high value, framework agreements
 - Tier 3: commodity items, one-off purchases, little relationship or value- add
 - The need for a consistent supplier management process and the key components it might contain
 - The benefits of supplier rationalisation.
 - The benefits of supplier forums and supplier associations
 - Risk transfer issues and management techniques.
- ✓ Analyse different supply markets and conditions, and develop proposals for the revision of associated operational processes, in conjunction with suppliers and logistics functions
 - Benchmarking benefits, limitations and approaches
 - The benefits of documenting the key steps in a supply chain process flow and typical ways in which this is achieved; ICAM definition language (iDEF)
 - The role of business process re-engineering in improving the supply chain for inbound logistics and materials flow

1.4 Improving the efficiency and effectiveness of the supply chain

- ✓ Describe how to develop and implement appropriate information and knowledge sharing systems between purchasing departments and suppliers to provide benefits to both parties
 - Reduced production cycle times
 - Improved solutions to operational differences/difficulties including planning
 - Improved inter- and intra- site communications
 - Improved product development
 - Reduced selling efforts
 - Long-term security of the business
 - Reduced risk exposure to supply chain failure.
- ✓ Analyse the application of technology to automate and streamline key operational processes within the supply chain (both internal and external to the organisation)

- Information flow and use of supply-side extranets
 - e-sourcing and electronic ordering/payments: on-line catalogues, electronic point of sale (EPOS), electronic fund transfer (EFT)
 - Automated purchase-to-pay systems
 - Automated payments, accounting and reconciliation
 - Use of an extranet to include cross-functional representatives both internally and externally
 - Reduction of fraud and payment error risks
 - Planning, monitoring and control systems.
- ✓ Evaluate and explain the benefits of automated processes and information flows and their impact on the supply chain performance
- The benefits of automated supply chain processes: reduced cost, improved communication, reduced error, reduced lead time, higher accuracy, greater quality, improved supplier relations, real-time information, reduced fraud, management information and feedback
 - The benefits of automated processes and the information gained from them for suppliers and their businesses
 - How and why suppliers might choose to invest jointly with the purchaser in automation of the supply chain
 - Extranets and how in practice they work with a supply base
 - The benefits of automated purchase-to-pay systems
 - The importance, nature and contribution of ICT to knowledge management

2.0 CONTRACTS MANAGEMENT AND ADMINISTRATION

MAIN AIM(S) OF THE COURSE

This unit introduces students to the key areas of operations in contract management and administration and highlighting key functions and procedures in handling of purchasing contracts.

2.1 Understand the dynamics of relationships in supply chains

- ✓ **Classify types of commercial relationships in supply chains**
- Internal and external relationships
 - The relationship spectrum
 - The relationship life cycle
- ✓ **Apply portfolio analysis techniques to assess relationships in supply chains**
- Probability and impact assessment of risks
 - Matrices to identify supply, supplier and purchaser positioning Developing action plans
- ✓ **Classify the competitive forces that impact on relationships in supply chains**
- Sources of competitive advantage
 - Competitive forces: sources of competitive rivalry, bargaining power of buyers and suppliers, threat of new entrants and potential substitutes
 - STEEPLE factors that impact on supply chains (social, technological, economic, environmental, political, legislative and ethical)

- ✓ **Analyse the sources of added value that can be achieved through supply chain relationships**
 - The link between relationships as a process and the achievement of added value outcomes
 - Sources of added value: pricing and cost management, improving quality, timescales, quantities and place considerations in procurements from external suppliers
 - The link between organisations in supply networks
- ✓ **Compare implied and express terms that affect performance issues**
 - Definition of express terms
 - Implied terms through legislation, case law and custom
 - Implications of international law
- ✓ **Explain the main approaches to conflict resolution in commercial contracts**
 - Negotiated settlements
 - The mechanisms of alternative dispute resolution
 - Other mechanisms for dispute resolution, adjudication, arbitration and litigation
 - Contractual provisions for dispute resolution

2.3 Understand the main approaches to achieve the management of contracts

- ✓ **Assess the main types of contractual risk**
 - Risks that can impact on contracts, such as internal, market, economic, legal, ethical sourcing and performance based risks
 - The role of information assurance
 - The assessment of contractual risks
- ✓ **Interpret financial, technical and performance data relating to the performance of contracts**
 - Data that relates to the performance of contracts
 - Interpreting data relating to the performance of contracts
 - Contract administration
- ✓ **Explain the main responsibilities of a contract manager**
 - Performance management and ensuring compliance to agreed standards
 - Payment responsibilities
 - Risk assessment and management
 - Contract development
 - Relationship management

2.4 Understand the main techniques for the management of contracts and suppliers

- ✓ **Compare contract management and supplier relationship management**
 - Definitions of contract management and supplier relationship management
 - The management of individual contracts compared to the management of relationships with suppliers

✓ **Explain the main techniques for supplier relationship management**

- Supplier selection
- Team selection and responsibility for supplier improvement
- Supplier performance measurement
- Creating targets and assessment of performance

✓ **Explain the main techniques for supplier development**

- Approaches to supplier development
- Defining quality assurance and total quality
- Approaches to quality improvement

✓ **Explain techniques for relationship improvement**

- Continuous improvement
- The operation of balanced scorecards
- Relationship assessment methodologies

3.0 TOTAL QUALITY MANAGEMENT AND SIX SIGMA

MAIN AIM(S) OF THE COURSE

This course is designed to equip students with detailed knowledge about how to manage quality throughout the procurement cycle. Organizations are expected to practice total quality management in every area of their business operations and that is exactly what this unit seeks to treat.

3.1 Specifying and assuring the quality of suppliers

Introduction, What is Quality? The Importance of TQM, The Specification of Quality, Specifications, Standardisation, Value Analysis & Engineering, The Implementation of Quality, Quality Control & Assurance, Quality Systems, Independent Quality Assurance & Certification, The Cost of Quality, Purchasing and Quality

3.2 Compare the main approaches to total quality management for supply chain improvement

- **Approaches to quality management:** Total Quality Management (TQM), Failure Mode & Effects Analysis (FMEA), Quality Circle & Task Teams, Ishikawa (fish bone analysis), Kaizen- continuous improvement, Statistical Process Control-SPC, quality inspection, quality assurance and total quality management. Quality versus risk, the importance of relationships in quality management

3.3 Analyse the use of the main statistical methods to achieve supply chain improvement

- Collating data for performance measurement
- Developing key performance indicators (KPIs) on aspects of supply performance
- Analysing data and an introduction to statistics
- The use of the normal distribution
- Developing statistical process control
- The 6 sigma improvement methodology
- Creating continuous improvement (Kaizen)

3.4 Appraisal of the main processes used for supply chain improvement

- The main processes including:

- The use of just in time (JIT) supply processes
- The application of JIT in the service sector
- The development of lean thinking and lean supply
- Lean thinking compared with agile
- The 5S methodology

4.0 NEGOTIATING AND CONTRACTING IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

MAIN AIM(S) OF THE COURSE

This course introduces students to understanding the fundamental approach to effective negotiation and the relative importance effective negotiation to the organization

4.1 Understand the legal issues that relate to the formation of contracts

✓ **Explain the documentation that can comprise a commercial agreement for the supply of goods or services**

- Invitation to tender or request for quotation
- Specification
- Key performance indicators (KPIs)
- Contractual terms
- Pricing and other schedules (such as for health and safety records, details of suppliers staff, use of sub-contractors, non-disclosure/ confidentiality agreements)

✓ **Assess the legal issues that relate to the creation of commercial agreements with customers or suppliers**

- Invitations to treat or invitations to negotiate
- Rules relating to offer and acceptance, consideration, intention to create legal relations and capacity to contract
- The battle of the forms and precedence of contract terms
- Risks presented by contracting on supplier's terms or through oral contracts
- The Vienna Convention on the International Sales of Goods
- Misrepresentations made pre-contract award

✓ **Explain the main types of contractual agreements made between customers and suppliers**

- One off purchases
- Framework arrangements and agreements
- The use of mini- competitions
- Call offs
- Services contracts
- Contracts for the hire and leasing of assets

4.2 Understand the main approaches in the negotiation of commercial agreements with external organizations

✓ **Analyze the application of commercial negotiations in the work of procurement and supply**

- Definitions of commercial negotiation
- Negotiation in relation to the stages of the sourcing process
- Sources of conflict that can arise in the work of procurement and supply
- Team management and the influence of stakeholders in negotiations
- ✓ **Compare the types of approaches that can be pursued in commercial negotiations**
 - Win-win integrative approaches to negotiations
 - Win-lose distributive approaches to negotiation
 - Lose-lose approaches in negotiations
 - Setting targets and creating a best alternative to a negotiated agreement (BATNA)
- ✓ **Explain how the balance of power in commercial negotiations can affect outcomes**
 - The importance of power in commercial negotiations
 - Sources of personal power
 - Organizational power: comparing the relative power of purchasers and suppliers
 - How suppliers gather information on purchasing organisations
 - How purchasers can improve leverage with suppliers
- ✓ **Analyse the different types of relationships that impact on commercial negotiations**
 - The relationship spectrum
 - Building relationships based on reputation, trust and justice
 - Repairing a relationship

4.3 Understand how to prepare for negotiations with external organisations

- ✓ **Evaluate costs and prices in commercial negotiations**
 - Types of costs: direct and indirect, variable and fixed
 - Break even analysis: cost volume profit formulae
 - Costing methods such as absorption, marginal or variable and activity based costing Volumes, margins and mark ups and their impact on pricing
 - Negotiating prices
- ✓ **Explain the economic factors that impact on commercial negotiations**
 - The impact of micro economics and the types of markets on commercial negotiations
 - Macroeconomics and its influence on commercial negotiations
- ✓ **Explain the main variables that can be used in a commercial negotiation**
 - Setting objectives and defining the variables for a commercial negotiation
 - The bargaining mix
 - Positions and interests
 - Openings and presenting issues

- ✓ **Analyse the resources required for a negotiation**
 - Choice of location
- Involving appropriate colleagues
- Use of telephone, teleconferencing or web based meetings
- Room layout and surroundings

4.4 Understand how commercial negotiations should be undertaken

- ✓ **Explain the stages of a commercial negotiation**
 - Defining the stages of a negotiation such as preparation, opening, testing, proposing, bargaining, agreement and closure
- How behaviours should change during the different stages of a negotiation

- ✓ **Evaluate the main methods that can influence the achievement of desired outcomes**
 - The use of persuasion methods
- The use of tactics to influence the other party

- ✓ **Evaluate the main communication skills that help achieve desired outcomes**
 - Types of questions
- Effective listening
- Push and pull behaviours
- Nonverbal communication
- The influence of culture in commercial negotiations

- ✓ **Explain how to analyse the process and outcomes of the negotiations to inform future practice**
 - Reflecting on performance
- Opportunities for improvement and development
- Protecting relationships after the negotiation Sources of information on micro and macro economics

CORE UNITS (2 PASSES REQUIRED)

5.0 RISK MANAGEMENT AND SUPPLY CHAIN VULNERABILITY

MAIN AIM(S) OF THE COURSE

This unit aims to educate students on the effective of risk to the entire fabric of the organization and how to mitigate against such risk occurrences to shield the organization from its adverse effect

5.1 Understanding the nature of risk in purchasing and supply

- ✓ **Define the terminology used in risk assessment and management**
 - Definition of risk with use of examples
 - How risk has a direct impact on an organisation's success and how risk can be directly related to cost
 - Key terms: hazard, risk, risk event, exposure, loss - direct, indirect and consequential - mitigation, avoidance, assessment, management, force majeure and acts of God
 - The differences between risk, vulnerability, exposure and loss, as well as

understanding the range of management actions available

- What is meant by a risk appetite and use of practical examples to show how this applied?

✓ **Distinguish between direct physical loss (eg disrupted supply) and indirect consequential loss (eg reputation)**

- Key types of loss that may occur: financial, reputational, environmental, health, safety, welfare and lost opportunities.
 - ✓ **Analyse potential sources of risk to organisations of both internal and external origin**
 - Internal and external hazards and risks
 - Range of risks that might occur within the workplace
 - Analysis of external environment factors using the PESTLE tool
 - The likely impact on the organisation and its appetite for risk
 - Basic quantification methods for measuring.
 - ✓ **Analyse and explain the use of segmentation and business tools to reduce supply chain vulnerability**
 - Segmentation tools to help assess and manage supply chain risk appropriately (e.g. Kraljic Model, Boston Matrix, Pareto Principle, KPIs, Spider web or appropriate alternatives)
 - Definition of supply chain vulnerability, supply failure and supplier failure
 - How to map a typical supply chain and identify potential sources of supply vulnerability
 - The potential impact of supply and supplier failure
 - Range of mitigating activities that a purchaser could use when looking to protect against supply or supplier failure.
 - ✓ **Distinguish between strategic, operational and project based areas of risk**
 - Examples of how to define risk at the strategic, operational and/or project- based level
 - Range of risk mitigation methods at each level
 - How risk can be bounded and also how, if unmanaged, it can have knock-on consequential impacts on other areas of an organisation.
 - ✓ **Evaluate the role of an organisation's stakeholders in risk management**
 - The roles and responsibilities of an organisation's risk function in relation to other functional areas
 - The impact of a risk event at the functional level
 - The benefits of a cross- functional team when assessing, preventing and minimising risk
 - The role of purchasing to mitigate against potential losses to the whole organisation from risk events
 - The merits of taking a consistent approach across the organisation to the assessment of risk.
 - ✓ **Evaluate how effective risk management can have positive benefits for organisations**
- Reduction in levels of threat
 - Reduced exposure to uncertainty

- Higher risk opportunities being successfully pursued or mitigated
- Successful anticipation of shocks or other risk events
- Crises being avoided or mitigated
- Successful application of contingency or business continuity plans
- Disaster recovery planning and implementation
- Limited or no reputational or public relations damage
- ✓ **Assess risks involved with using technology**
 - Reliance on technology
 - Security
 - Hackers
 - Fraud
 - Storing of vital documents and materials.

5.2 Risk management processes and structures

- ✓ **Develop a risk management strategy**
 - Example of an appropriate supply chain risk policy
 - How to define objectives and content for a risk management strategy
 - How an organisation's appetite for risk may affect the risk policy
 - The purpose of a risk management strategy and a risk management framework
 - The key components of a risk management strategy
 - The key implications of the Turnbull report.

- ✓ **Formulate an effective risk management process in the context of an organisation's strategic objectives and a dynamic external environment**
 - Key stages of a risk management process; risk identification, risk analysis, risk evaluation, risk treatment and risk reporting
 - Methods for identifying, assessing and quantifying risks
 - Classification of risk within the organisational context
 - A risk report and the role of a board risk committee
 - How identified risks should be monitored and reviewed.

 - ✓ **Evaluate the probability of a risk occurring in particular circumstances, the possible consequences and the potential range of mitigating actions required**
 - Definition of probability in relation to the occurrence of a risk event
 - How the likelihood of a risk occurrence will affect the approach to risk management
 - Application of the use of historic statistical data in predicting the likelihood of future risk occurrences
 - Identification of a range of operational risks and assign a probability to each one
 - Prioritisation of key risks with explanation as to how resources might be allocated appropriately to mitigate such risks.

✓ **Analyse the resources required for effective risk management and for building a risk aware culture within organisations**

- Responsibility of everyone in an organisation
- Definition of risk awareness and the benefits of awareness
- Description of an appropriate communication programme to promote risk awareness
- How different functions can work together to reduce risk
- Promotion of a risk awareness culture among key elements of the supplier base
- How suppliers can assist in the promotion of risk awareness.

✓ **Propose ways in which third party supplier resources are used to reduce risk and mitigate losses during a risk event**

- Range of supply solutions for mitigating losses in the aftermath of a risk event: insurance, loss adjusting, alternative accommodation, disaster recovery plus restoration and recovery services
- Appropriate methods of purchasing and paying for disaster recovery services both during a risk event and in the normal run of business
- Incentives to retain specialist services at times of national disaster, including flood and hurricane damage.

✓ **Develop an appropriate risk register for the purchasing and supply function**

- Definition of a risk register and the benefits of having one
- Outline of key components of a risk register
- The process of maintaining and reviewing a risk register
- Design of a basic risk register for the purchasing and supply function
- Procedures for monitoring and managing the key risks identified.

✓ **Evaluate insurance as a financial means of risk protection**

- The insurance service including the role of the broker and the insurer
- How insurers use the re- insurance market to spread their risk
- The key stages to resolve a claims event
- Definition of captive or self-insurance with description of its practical application
- The merits of an organisation self-insuring and the types of risk that this might include
- The relative merits of captive self-insurance.

✓ **Identify and apply a range of qualitative and quantitative risk identification and analysis techniques to ensure better decision quality in reviewing alternatives for a superior project outcome**

- Scenario analysis and planning
- Auditing
- Decision tree analysis
- Fault tree analysis

- Dependency modelling
- External environment analysis
- Assumption
- Identification frameworks.

5.3 managing risk and vulnerability

✓ **Develop appropriate solutions to mitigate the inherent risk in the following supply chain issues:**

- Supplier appraisal, selection and management
 - Project failure (eg capital procurement investment appraisal)
 - International sourcing
 - Implementation of new technologies
 - Corporate social responsibility (CSR) including ethical, environmental and health and safety issues
 - Public sector procurement.
 - ✓ **Evaluate and apply monitoring and control techniques for testing risk on an ongoing basis:**
- Internal audits
 - Interdepartmental exchanges
 - External experts: advisers, mystery shoppers, research companies and the police
 - Use of benchmarking to assess and mitigate external risk
 - ✓ **Develop contingency plans designed to overcome risk situations**
- What is meant by a contingency plan
 - The key components of a business continuity plan (BCP) and disaster recovery plan and how such plans are put into practice
 - Key contingency measures used by a BCP: telephone cascades, emergency and fire wardens, use of IT systems to help co- ordinate activities, use of alternative accommodation and back-up information technology systems
 - The benefits of business continuity planning from an operational, financial and reputational perspective.
 - ✓ **Analyse specific key risks and exposures in purchasing and supply and identify appropriate mitigating actions**
- Contractual failure, consequential loss and provision for remedies
 - Supplier insolvency, monitoring and guarantees
 - Quality failure, non- conformity and corrective action
 - Project failure, project planning principles and corrective action
 - Security of supply, contingency planning, stock holding and alternative sources of supply
 - Technology failure, impact on supply, use of back-up systems and disaster recovery

- Security, theft and damage
- Fraud, accounting and payment exposures, conflicts of interest, purchasing ethics and codes of conduct.
- Product liability, reputational damage, consumer confidence
- Appropriate negotiation strategies to reduce future contract risk and supply chain vulnerability to enhance long term business value

6.0 LEGAL ASPECTS OF PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

MAIN AIM(S) OF THE COURSE

The aim(s) of this course is to provide students with detailed knowledge about the legal aspects of procurement and supply chain management. It outlines the major requirements for a binding contract and also explains the law of sale of goods and services; (SGA 1979) which enables both buyers and sellers to know their rights and obligations under a sales contract.

6.1 Understand the main legal issues that relate to the formation of relationships in supply chains

- ✓ **Evaluate the contract formation process between suppliers and purchasers**
 - Legal issues relating to the formation of contract: invitations to treat/negotiate, offers, acceptance, consideration, intention and capacity to contract
 - Precedence of legal terms that apply in contracts
- ✓ **Evaluate the impact of legal agreements on relationships between different parties in supply chains**
 - The creation of agency
 - Rights and obligations of agents and principals
 - Bailment in relationships
 - Assignment and sub-contracting
 - Novation in relationships
 - Confidentiality/non-disclosure agreements
 - Duress and undue influence
 - Misrepresentation
 - Mistake
 - Negligence
 - Bribery and corruption

6.2 Be able to interpret and apply implied and express contractual terms that impact on procurement and supply

- ✓ **Review and revise the main express terms that are commonly applied in contracts in procurement and supply**
 - Defining express terms
 - Sources of express terms such as standard contracts of purchase or sale or model form contracts
 - The main obligations of purchasers and suppliers/contractors
 - Main express terms such as sub-contracting, indemnities and liabilities, defects liability, performance bonds or guarantees, risks and insurance, variations, claims and force majeure
 - Exclusion clauses

- The impact of incoterms
- ✓ **Interpret the main implied terms that relate to contracts in the procurement and supply of goods**
 - Title
- Description
- Satisfactory quality
- Fitness for purpose
- Sale by sample
- Deliveries of goods
- Transfer of property and risk and retention of title
- Transfer of title
- ✓ **Interpret the main implied terms that relate to contracts in the procurement and supply of services**
 - Terms relating to hire contracts and for work and materials
- Main implied terms of title, description, satisfactory quality, fitness for purpose, sale by sample
- Reasonable care and skill
- Reasonable time and price

6.3 Understand the main regulations that impact on procurement and supply

- ✓ **Critically assess intellectual property rights regulations in contracts in procurement and supply**
 - Types of intellectual property rights such as copyright, patents, trademarks, design rights
 - Background and foreground intellectual property
 - The law of passing off
 - Protection of trade secrets
 - Intellectual property crime
 - Indemnities for intellectual property
 - Contractual provisions for intellectual property

- ✓ **Analyse employment regulations that impact on procurement and supply**
 - Transfer of Undertakings and Protection of Employment (TUPE) regulations
 - Relevant transfers
 - Responsibilities on employers and purchasers
 - Remedies for employees
 - Redundancy and dismissal
 - Discrimination in the workplace
 - Restraint of trade
 - Regulations affecting agency workers
 - International Labour Organisation standards
 - UN guiding principles on business and human rights

6.4 Understand the legal implications of contractual non-performance in procurement

and supply

- ✓ **Analyse the main remedies that apply to the nonperformance of contracts in procurement and supply**
 - Contractual provisions on performance
 - Clauses for default
 - Penalties, liquidated damages and unliquidated damages
 - Assessment of consequential loss
 - Service credits
 - Serving notices

- ✓ **Evaluate the legal consequences of terminating a relationship in procurement and supply**
 - Assessment of damages
 - Contractual warranties and conditions
 - Specific performance
 - Termination clauses
- ✓ **Analyse the main mechanisms for dispute resolution for resolving conflicts in procurement and supply**
 - Mechanisms for dispute resolution: negotiation, alternative dispute resolution (ADR), adjudication, arbitration and litigation
 - Involving lawyers

PROFESSIONAL DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

This level is made up of candidates completing three (3) core units and two (2) optional units. Upon successful completion of this final level, candidate will be awarded the coveted Professional Diploma in Procurement and Supply Chain Management Chartered Member certificate with permission to use the acronym MCISCM alongside one's name.

OPTIONAL UNITS (3 PASSES REQUIRED)

1.0 STRATEGIC PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

MAIN AIM(S) OF THE COURSE

This course has been structured to highlight the role of procurement and supply chain management at the strategic level of a business. The course outlines the various policies formed by Procurement that influences the direction of an organization over the foreseeable future

1.1 Understand how strategic supply chain management can support and influence corporate and business levels of strategy

- ✓ **Critically assess the relationship between functional, business and corporate levels of strategy**
 - The relationship between the supply chain, business and corporate levels of strategy
 - The impact of supply chain management on business and corporate performance
 - The impact on profitability of the supply chain
 - Supply chain risks and their impact on business and corporate performance
- ✓ **Evaluate the contribution of strategic supply chain management to corporate and business Strategy**
 - Creating sources of competitive advantage such as cost, improved quality, time to market,

product and service differentiation

- The use of outsourcing to achieve competitive advantage
- Offshoring and sourcing from low cost countries

✓ **Evaluate the impact of market change on strategic supply chain management to support and influence corporate and business levels of strategy**

- STEEPLE (social, technical, economic, environmental, legislative and ethical) factors and their impact and risks on supply chains
- Distinguishing between disruptive and incremental change
- The impact of globalisation on supply chains
- Assess the supply chain risks of achieving expected international minimum standards

1.2 Understand how different aspects of supply chain design can influence the supply chain strategy

✓ **Critically compare the main approaches to segmentation in designing supply chains**

- Approaches to segmenting customers and suppliers
- Managing the product and service mix
- Creating strategies for the different tiers of a supply chain

✓ **Analyze the main approaches to developing networked supply chains**

- Supply chain flows and the use of supply chain and value stream
- Tiering in supply chains and the use of network sourcing
- Identifying value added activities and the value chain in supply chain networks
- The use of reverse logistics in supply chain networks

1.3 Understand the main techniques to achieve effective strategic supply chain management

✓ **Review approaches to developing and implementing industry level collaboration to achieve effective strategic supply chain management**

- Supply chain evolution from transactional information sharing to collaborative approaches in supply chain management
- Applying PADI (Pragmatic/ Performance, Administrative, Divergent/ Development and Integration) frameworks for collaboration
- Creating collaborative relationships with customers and suppliers
- The use of shared services in supply chains
- Data integration in supply chains

✓ **Evaluate the main approaches for the change management of stakeholders to achieve effective strategic supply chain management**

- Communicating plans with customers, supplier's senior management and other organisational functions
- Gauging resources for strategic supply chain management
- The role of the change agent
- Gauging the acceptance of strategic change

1.4 Be able to create a plan to achieve effective strategic supply chain management

✓ **Develop/design a strategic supply chain plan that:**

- Justifies how different aspects of supply chain design can influence the supply chain
- Demonstrates the importance of industry level collaboration as it impacts on the supply chain
- Distinguishes techniques to achieve effective supply chain management
- Indicates how performance of the supply chain can be measured

2.0 SUPPLY CHAIN DILIGENCE

MAIN AIM(S) OF THE COURSE

This course seeks to introduce students to the best practices in procurement and supply chain management and how major elements in the external environment does affect the operations of an organization. It also provides details on how supply chain on a global scale can be integrated effectively and efficiently.

2.1 Understand the main implications of globalization on supply chain management

- ✓ **Critically assess the effect that globalisation has on supply chains**
 - Applying STEEPLE analysis in globalised supply chains
 - Trends in global trade
 - Global logistics
 - Supply chain vulnerability
 - Ethical sourcing
 - The local versus global dilemma
- ✓ **Critically assess the impact of corporate governance on globalised supply chains**
 - Separation of duties of the executive and senior management
 - Ethical practices and standards in supply chains
 - Detection of breaches of ethical practices and compliance
 - Taking remedial actions for breaches of ethical practices
- ✓ **Critically appraise the integration of systems in globalised supply chains**
 - The use of systems to achieve control in organisations
 - Capturing data on information systems
 - Systems integration within globalised organisations
 - Systems integration across supply chains

2.2 Understand the main aspects of the corporate environment and their impact on supply chains

- ✓ **Analyse the main regulations that impact on the employment of people in supply chains**

Implied and express legal regulations affecting:

- Discrimination, equality and diversity
 - Employee redundancy and dismissal
 - Working time and staff payment
 - International labour codes
 - Rights of agency workers
 - Health and safety at the workplace
 - Express contracts of employment
- ✓ **Evaluate the impact of main types of legislation and regulations on supply chains**

- The main aspects of competition law
- Regulatory requirements such as price and service controls exercised by industry regulators and international bodies
- The role of the International Organisation for Standardisation (ISO) and other bodies publishing standards
- Licensing of imports and exports
- Controls through tariffs and duties on imports
- Applicable law for international contracts and precedent of jurisdiction

✓ **Evaluate the impact of mergers and acquisitions on supply chains**

- The reasons for mergers or acquisitions
- The impact of mergers or acquisitions on supply chains
- The function/role of management buy-outs and venture capitalists
- The operation of stock exchanges
- Valuations of companies
- The implications of regulation for mergers and acquisitions

2.3 Understand the main financial aspects that affect supply chains

✓ **Analyse how costs and finance can impact on supply chains**

- The financial objectives of different organisations (e.g. value for money, maximizing shareholder wealth and providing a surplus)
- The costs of materials, labour and overheads
- Funding working capital and credit insurance
- Project funding
- Medium and long term financing options
- Corporate financing decisions in investment, finance and dividends

✓ **Critically assess the main methods for managing the volatility of currencies in supply chains**

- Fixed and floating exchange rates
- Demand and supply factors in foreign exchange and the reasons for exchange rate volatility
- Services provided by the banking sector in foreign exchange

✓ **Analyse the main methods for managing the volatility of commodities in supply chains**

- Demand and supply factors in commodities
- The differentiation of commodities
- Soft and hard commodity markets
- Speculation in commodity markets
- The use of spot, forward, futures and hedging in the buying and selling of commodities
- The use of a Contract for Difference (CFD) in the buying and selling of commodities

2.4 Understand the main performance measures of the supply chain

✓ **Critically assess the main financial measures that can be applied to measuring the performance of the supply chain**

- The measurement of costs, timescales, processing, quality and satisfaction
- Financial measures such as profitability, return on investment, sales growth, cash flow
- The use of balanced scorecard methodologies Professional diploma in procurement and supply

✓ **Evaluate stakeholder feedback on the impact of supply chain strategy**

- Articulating the supply chain strategy
- Determining measurable outcomes of success
- Devising metrics of performance including feedback from 3rd parties and suppliers, and other stakeholders
- Reporting structures and processes

✓ **Analyze approaches to benchmarking that can be applied to measuring the performance of the supply chain**

- The use of benchmarking in supply chains
- Comparisons of business unit, competitors or other industry players
- Gap analysis and performance improvement

3.0 LEADERSHIP IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

MAIN AIM(S) OF THE COURSE

This course has been designed to introduce students to the managerial and leadership aspects of a procurement or supply chain management professional. It is clear that, to get the very best out of ones subordinates, there need to be some managerial skills and leadership traits that need to be portrayed in order to achieve this goal. This unit points out the various skills needed to be a good manager or leader as a supply chain management professional.

3.1 Understand the main leadership skills and behaviours that are appropriate for improving procurement and supply chain management

✓ **Critically evaluate the differences between leadership and management**

- Defining leadership
- The role of a leader and the activity of leadership
- The importance of leadership
- The differences between management and leadership

✓ **Critically analyses the main approaches to leadership for improving procurement and supply chain management**

- The qualities or traits approach to leadership
- The functional or group approach, including action- centred leadership
- Styles of leadership including the authoritarian or autocratic, democratic and laissez- faire styles
- Contingency theories for leadership such as path-goal theory

✓ **Evaluate the main skills and behaviors that contribute to effective leadership for improving procurement and supply chain management**

- The continuum of leadership behavior
- The main forces in deciding the type of leadership
- Situational leadership
- Transformational and inspirational leadership

3.2 Be able to create a communication plan to influence personnel involved in a supply chain

✓ **Evaluate the main influencing styles that can be used in the effective leadership of a supply chain**

- Implementing a vision of improved procurement and supply chain management
- Models for managing in four different directions
- The relevance of managing upwards and across to achieve desired results for improved supply chain management
- The merits of escalation as a means of influencing
- A range of influencing styles for cross functional leadership both within and outside the bounds of formal teams

✓ **Create a communication plan to influence personnel in the supply chain that:**

- **Provides an analysis of stakeholders**
- **Indicates how stakeholder mapping influences the communication plan**
- **Details appropriate leadership/influencing styles to obtain stakeholder buy in**
- **Indicates how electronic systems can be used to support stakeholder communication**
- Stakeholder analysis including primary, secondary and key stakeholder
- How to obtain buy-in to supply chain strategies from stakeholders
- Perspectives on stakeholder mapping
- How to use the intranet and internet websites for publishing information

3.3 Understand how to overcome common challenges faced by procurement and supply chain managers

✓ **Critically analyses the sources of power and how they can be used to overcome common challenges faced by procurement and supply chain managers**

- Perspectives on individual power
- Procession, institutional and organizational levels of power
- Perspectives on organizational power
- The balance between order and flexibility

✓ **Analyse how equality and diversity issues relating to the supply chain can be managed to improve the effectiveness of the supply chain**

- Defining diversity, equality and inclusion

- The benefits of diversity in organizations
- The impact of discrimination, harassment and victimisation
- Developing and implementing policies to enhance diversity

3.4 Understand the main methods to lead change in the supply chain

- ✓ **Evaluate the main methods of change management that can be used to develop the supply chain**
 - The nature of organizational change
 - Planned organisational change
 - Dealing with resistance to change
 - Effective change management
- ✓ **Critically assess the main methods for resolving conflict with internal and external stakeholders to support change in the supply chain**
 - Contingency models of organisations
 - The functions of the informal organisation
 - The positive and negative outcomes of organisational conflict
 - Strategies for resolving conflict
- ✓ **Evaluate the importance of effective delegation to implement change successfully**
 - Authority, responsibility and accountability
 - Benefits of delegation
 - A systematic approach to delegation
 - The concept of empowerment

PROJECT MANAGEMENT

MAIN AIM(S) OF THE COURSE

The course is designed to enlighten students on the effectiveness of procurement in major project and programmes. It also explain the various methods and terminology associated with effective project and programme management.

4.0 Understand the main aspects of major programs and projects

- ✓ **Explain the main aspects of major programs and projects**
 - The relationship between programs and projects
 - Stakeholder identification, analysis and involvement
 - Measures of safety, quality, cost and delivery
 - Success and failure of programs and projects
 - Elements of programs and projects
 - Work breakdown structure
- ✓ **Evaluate the impact on supply chain relationships of undertaking major programmes and Projects**

- Supply chain networks for programs and projects
- Relationships with sub-contractors
- Consortiums and joint ventures for programs and projects
- Traditional and contemporary relationships
- Project partnering and strategic partnering
- ✓ **Analyze the main resources for major programs and projects**
 - Resource loading and levelling
 - Multi project scheduling and resource allocation
 - Information Technology systems for project management
 - Leading and managing projects
 - Critical chain methodology
 - Asset finance and the role of banks
- ✓ **Analyse the project life cycles of major programmes and projects**
 - Perspectives on project life cycles
 - Project initiation
 - Organising projects and project implementation
 - Co-ordination in project management
 - Project control
 - Project closure
 - Project review
- ✓ **Evaluate the use of the main pricing mechanisms for major programmes and projects**
 - Fixed lump sum pricing
 - Activity schedule pricing
 - Bills of quantity
 - Target costing methods and risk and reward pricing mechanisms
 - Cost reimbursable contracts
- ✓ **Critically compare different contracting options for major programmes and projects**
 - Client co-ordinated approaches to major projects
 - Engineering, procurement and construction (EPC)/ design and build forms of contract
 - Management contracting and construction management
 - Design, build, operate and ownership forms of contract
 - Public and private sector partnerships
- ✓ **Recommend appropriate methods of investment appraisal techniques applied to developing contracts for major programmes and projects**
 - Purpose of investment appraisal
 - Payback analysis
 - Average rate of return
 - Discounted cash flow

- The choice of discount factor
- Calculating net present values
- Calculating the internal rates of return
- The strengths and weaknesses of different methods of investment appraisal

4.3 Understand the main approaches to the planning of major programmes and projects

- ✓ **Critically assess the main aspects of structures for corporate governance**
 - Project boards/ executive
 - Project responsibility charting
 - The use of project initiation documents
 - Structures of project management such as project, functional and matrix
 - Project reporting
- ✓ **Critically appraise the common objectives for major programmes and projects**
 - Identifying goals and objectives of projects
 - The balance between cost, quality and time in projects
 - Technology project development
 - Building sustainability into major projects
 - Impact on the community for major projects
 - Communicating project objectives to the supply chain
- ✓ **Analyse the main approaches to the management of risks for major programmes and projects**
 - Identifying assumptions and risks
 - Risk simulation
 - Risk registers
 - Risk accountability
 - The management of risk in supply chains
- ✓ **Critically compare the main methodologies for the planning of major programmes and Projects**
 - Sequencing activities
 - Network techniques including project evaluation and review techniques (PERT) and critical path method (CPM)
 - Gantt charts and baselines

4.4 Understand the main approaches to the control of major programmes and projects

- ✓ **Explain the main approaches to strategic cost management for major programmes and projects**
 - Fixed and variable pricing methods
 - Budgetary control and variance analysis
 - Value engineering
 - Consortium based procurement

- The use of open book costing and cost transparency
- ✓ **Analyse the use of financial and management information on the performance of major programmes and projects**
 - Estimating budgets for projects
 - Measurement, monitoring control and improvement
 - Project tracking and control mechanisms
 - Controlling variations, claims/ compensation events
 - Implementing remedial actions
- ✓ **Analyse the impact on the supply chain that performance issues can have on major programmes and projects**
 - Consequential losses resulting from default
 - Assessment of damages
 - Contractual warranties and conditions
 - Specific performance
 - Termination clauses
 - ✓ **Assess the implications on the supply chain of the closure of major programmes and projects**
 - Obtaining client acceptance
 - Installing deliverables
 - Conducting project audits
 - Knowledge management
 - Communicating the review, evaluation and learning

CORE UNITS (3 PASSES REQUIRED)

PUBLIC PROCUREMENT LAW IN GHANA

MAIN AIM(S) OF THE COURSE

This course is designed to elaborate and provide detailed explanation on the law governing procurement activities in Ghana, especially the organizations that make up the public sector.

PART 1- ESTABLISHMENT OF THE BOARD

Section

1. project board
2. Object of the board
3. Functions of the board
4. Membership of the board
5. Term of office
6. Meetings of the board Public
7. Committees of the board
8. Secretariat of the board

9. Chief executive of the board
10. Expenses of the board
11. Accounts and audit
12. Financial year of the board
13. Annual report

Section

PART II - PROCUREMENT STRUCTURES

14. Scope of application
15. Procurement entity
16. Declaration of procurement entity
17. Tender committee
18. Meetings of tender committee
19. Tender evaluation panel
20. Tender review board
21. Part III procurement rules
22. Procurement plans
23. Qualification of tenderers
24. Prequalification proceedings
25. Decision on prequalification
26. Participation by suppliers, contract or consultant on nationality basis
27. Form of communication
28. Documentary evidence in procurement proceedings
29. Rejection of tenders, proposals and quotations
30. Entry into force of the procurement contract
31. Public notice of procurement award
32. Inducement from suppliers, contractors and consultants
33. Description of goods, works and services
34. Language

PART IV - METHODS OF PROCUREMENT

35. Competitive tendering
36. Two-stage tendering
37. Procedures for two stage tendering
38. Restricted tendering
39. Procedure for restricted tendering
40. Single sourcing procurement
41. Procedure for single sourcing procurement
42. Request for quotations
43. Procedure for request for quotation

PART V TENDERING PROCEDURES

Sub-part I invitation of tenders and applications to prequalify

44. National competitive tendering
45. International competitive tendering
46. Other international procedures
47. Procedures for inviting tenders or applications to prequalify
48. Contents of invitation to tender and invitation to prequalify
49. Provision of tender documents
50. Contents of tender documents and the use of standard tender documents
51. Clarifications and modifications of tender documents

Sub-part II submission of tenders

52. Language of tender
53. Submission of tenders
54. Period of validity of tenders; modification and withdrawal of tenders
55. Tender security

Sub-part III- evaluation and comparison of tenders

56. Opening of tenders
57. Examination of tenders
58. Responsiveness of tenders
59. Evaluation of tenders
60. Margin of preference
61. Multiple currency tender prices
62. Repeat tender qualification
63. Non-disclosure of tender evaluation details
64. Prohibition of negotiations with suppliers or contractors
65. Acceptance of tender and entry into force of procurement contract

PART VI METHODS AND PROCEDURES TO ENGAGE THE SERVICES OF CONSULTANTS

66. Notice of invitation of expression of interest and preparation of shortlist
67. Shortlisted candidates
68. Content of request for proposals and consultancy services
69. Criteria for evaluation of proposals
70. Clarification and modification of request for proposals
71. Choice of selection procedure
72. Conditions for use of other methods of selection of consultants
73. Receipt of proposals
74. Evaluation of proposals
75. Selection procedure where price is a factor
76. Selection procedure where price is not a factor

77. Confidentiality

PART VII REVIEW

- 78. Right to review
 - 79. Review by procurement entity
 - 80. Administrative review
 - 81. Certain rules applicable to review proceedings
 - 82. Suspension of procurement proceedings

PART VIII MISCELLENEOUS PROVISIONS

- 85. Instructions and guidelines for proposal of unserviceable stores
- 86. Code of conduct
- 87. Modifications
- 88. Request for information by the board
- 89. Investigation by the board
- 90. Procedures on completion of investigation
- 91. Statutory audits
- 92. Offences relating to procurement
- 93. Corrupt practices
- 94. Review of threshold levels
- 95. Public access to legal texts
- 96. International obligations
- 97. Regulations
- 98. Interpretation
- 99. Repeal and savings.

PROCUREMENT IN ACTION (CASE STUDY)

This course is an overview of the entire procurement and supply chain management function across all spheres. It is a case study session and the form of the examination is the open book type, where candidates are allowed to refer to any material to aid their answers. The case (a 15-20 page document on an organization) is released one and a half month to examination and the duration for the exams is 3 hours.