Category Management [L5M6]

Target Audience: Provides senior buyers, contract and supply chain managers with the expertise to improve organisational procurement and to fulfil organisational objectives. It gives you the knowledge base to reduce cost, improve quality and timescales, manage the supply chain and deal with legal issues

Hours: 60 Hours

Pre-requisite: You will need to have achieved the CIPS Level 4 Diploma in Procurement and Supply.

1.0 Understand approaches that can be used to develop category management strategies

1.1 Critically compare strategic and conventional sourcing processes and their role in category management

- Defining strategic sourcing and category management
- The stages of a conventional sourcing process
- Transactional and strategic sourcing activities
- Differentiating account management and category management

1.2 Critically compare models for the adoption of category management

- Models of strategic sourcing such as AT Kearney's 7 step model
- Models of category management such as the CIPS Purchasing and Supply Model and CIPS Category Management Model
- Analysis of similarities and differences between models for strategic procurement, strategic sourcing and category management

1.3 Identify the technical and behavioural skills required to implement category management

- Technical skills such as financial management and cost analysis, supply chain analysis, supply base research, sourcing processes, risk management, legal aspects and negotiation

• Behavioural skills such as communication, influencing, working with teams, cross functional working and change agents

2.0 Understand the concepts, tools and techniques associated with managing expenditure

2.1 Contrast the types of expenditure that can be analysed for category management processes

• Expenditures that are related to direct costs

• Expenditures that are related to indirect costs

• Applying Pareto analysis to expenditures and key suppliers

2.2 Compare and contrast the tools and techniques that can be applied to map categories of direct and indirect expenditure

• Matrices

• Supply chain mapping

• Porter's 5 forces model

• Market share/market growth

• STEEPLED and SWOT

• Technology route maps

3.0 Understand the strategic impact of a category management process

3.1 Analyse the data required for the development of a category management process

• Historical and forecasted data on categories of spend

• Demand patterns for category groups

• Current contracts with suppliers and terms that are being applied

• Reviews of existing relationships and performance

• Market trends

3.2 Examine the requirements for initiating and preparing the introduction of a category management process

• Producing category hierarchies for both direct and indirect expenditures

• Applying portfolio tools to map the categories of expenditures

• Creating total cost models for category management

• Conducting stakeholder needs analysis

• Forming cross functional teams and preparing responsible, accountable, consultative and informing roles within the team

• Reviewing the implications of existing legislative requirements and standards

3.3 Analyse supply market factors that impact on the development of a category management process

• Analysing industry dynamics, competitiveness and pricing behaviour

• Analysing financial data on potential suppliers

• Using requests for information (RFIs) to assess market factors

• Conducting impact assessments of CSR/sustainability factors

• Conducting supply chain and value chain analysis

• Analysing supplier perceptions