



## Brian Farrington Limited Procurement and Business Solutions People

*August 2005 Newsletter*

### Our Autumn Courses

#### **Training Opportunities - Autumn 2005 Programme**

We are now able to confirm details of our Autumn 2005 Public Courses Programme which we hope will be of interest to you.

The courses will soon be in the public domain and being actively marketed, meanwhile, we are pleased to note that they are actually generating a lot of interest by word of mouth alone and we already have some advance reservations.

As a matter of policy, we are always keen to ensure that our current clients and regular correspondents are kept fully informed so that they can finalise their own planning while there are still places available and thereby avoid disappointment.

Could we draw your attention to the venue for each of the three sessions which is the prestigious "Mere Golf and Country Club, Knutsford, Cheshire". We and delegates of previous BFL functions at this venue can confirm that the facilities are particularly conducive to a successful event. Finally, delegates will receive a free copy of the 7th Edition of "Purchasing & Supply Chain Management – by Dr Ken Lysons and Dr Brian Dr Farrington that will be published later this month. This standard work is a firm favourite with Supply Chain professionals nationally and internationally and has been translated into many other languages including Russian and Chinese.

The course titles are:

#### **Researching and Presenting a Procurement Plan.**

We will provide a template that can be used to present a procurement plan. Best practice demands that procurement plans be credible and be capable of withstanding challenges at all levels of the organisation. It is often the case that procurement specialists know what the plan is, but fail to document it thoroughly and do not always communicate it effectively. The course will be based on experiences from our consultancy work using the procurement of goods and services as the basis for the inputs.

The range of topics includes the business logic for the plan. This will relate to the strategic business plan for the organisation and business risk profiling. The need to identify and manage the special contractual features will provide procurement specialists with the necessary skills to work closely with the legal specialists within the business and, where necessary, external lawyers.

The need to support the procurement plan with effective supply market research to cope with the vagaries of supply will be examined in some detail. Linked to this subject will be the need for due diligence on potential supply sources. This will ring a bell with colleagues who are under increasing pressure to use off-shore suppliers.

Developing the procurement strategy, and evaluating long-term contracts will be scrutinised, as will preparing pricing models.

Full details of this and the other courses can be obtained from Julie (see details later).

#### **Excellence in Outsourcing.**

We are currently engaged in a number of outsourcing programmes for goods and services. The pace of outsourcing in the public and private sectors is a challenge for many buyers and other specialists. It will be their first time but not for the specialist supplier and contractor.

Defining the true nature of the outsourcing will be the start point and will be linked to the need for output specifications. The nature of Key Performance Indicators and Service Level Agreements will be explained.

The ability to understand, evaluate and negotiate the supplier's cost model will be high on the agenda for the course. The more significant contractual safeguards such as, incentivisation, limits of liability, step in rights, termination and exit plans, pension bonds and audit rights will be discussed.

The whole issue of TUPE will be explored, including the involvement of Trade Unions in the outsourcing process.

Relationship management and contract management will be two areas that require careful examination. Many of the problems of outsourcing begin at

contract award simply because of the lack of focus on these areas.

Many outsourcing contracts are for extended periods of time and must therefore be right from the outset.

#### **Excellence in Procurement.**

This course is now established as cutting edge. Excellence is the aim of all procurement departments and the challenge remains to achieve and maintain the standard. But what standard?

The content will provide the basis for a critical analysis of the cutting edge tools and approaches that are required.

Previous participants have expressed the view that certain subjects raise discomfort. Examples have included the e-procurement solution. This will include e-tendering and reverse auctions. Obvious perhaps but what is needed to implement these solutions. We are currently working with one client who is conducting a supplier survey to research their readiness for this agenda. The initial results demonstrate that some suppliers do not have it on their radar screen.

Creating positive long-term relationships will be explored, including open book costing and gainshare/painshare criteria. By way of example we will cite another current debate with a client who wants the extremes of painshare but without the potential benefits of gainshare.

Julie is handling all the administration for these courses and she can be contacted by e-mail [j.ellison@brianfarrington.com](mailto:j.ellison@brianfarrington.com)

We have evaluated some tenders for a client. It is an IT based contract. One bidder asked the client to include a contingency because the supplier had not yet found the magic wand to complete their contracts on time and to budget! It fills you with confidence doesn't it.

Contact details, Stephen Ashcroft on 01744 20698 or email him at [s.ashcroft@brianfarrington.com](mailto:s.ashcroft@brianfarrington.com)

The newsletter will also be posted on our website.