

Technical Competencies Definitions

Most competence frameworks attempt to define activity – for instance, “supplier relationship management” – at a number of levels. Such an approach means that it is increasingly difficult to differentiate capability at more advanced levels as competences begin to merge and this results in poor levels of feedback and reliance on generalisations – of no use to a higher performing sourcing operation.

Furthermore, we see too many competence matrices which do not even attempt to define role specific competence requirements reflective of market complexity or changes in technology – issues which themselves may have substantial impact on target setting. The tendency to homogenise roles such as category manager, is over simplistic when we consider the relative complexity and change risk in commodities such as steel or oil.

The PMMS approach to defining competence is to customise to specific role rather than activity and this represents a range of distinct advantages:

- Allows easy matching and benchmarking of role profiles across the organisation and for external comparison
- Delivers detailed profiles at four application levels from Basic to Authority
- Reflects changing nature of competence mix through the grades
- Allows simple dovetail of PMMS technical standards to your organisation leadership and behavioural competence definitions
- Creates quick and effective routes to update competence add-ons
- Creates powerful feedback models
- Creates quick links to specific development initiatives through self-learning, job enrichment or experiential development through secondment
- Creation and maintenance of standards becomes a low cost activity and reduces consultancy dependence whilst ensuring currency

Procurement Leadership, Governance, Functional Design

- Ensuring the effectiveness and continuing development of the Procurement role inside and outside of the function together with the development of procurement policy and supporting processes across the entire requisition-to-pay process
- Establishes the governance framework and defines the role of Procurement, securing and maintaining an effective mandate
- The establishment and modification of functional processes to address supply base management and control, demand management, sourcing, functional measurement, knowledge management, audit and supplier management
- Establishes effective organisational structures with clear roles and responsibilities and segregation across the requisition-to-pay process

Supply Base and Category Analysis

- Able to effectively evaluate supply markets to understand the organisation's position in a supply market and have a deterministic influence on the market to achieve business advantage. The individual should be able to identify and interpret market trends and history
- Able to research supply markets to source new suppliers
- Uses strategic procurement tools such as Kraljic/Supply Positioning, market segmentation analysis, PESTLE and Porters 5 Forces to understand the markets in which the company operates
- Able to scope and shape categories to align with supply markets, ensuring an appropriate fit between activities undertaken by the company and those delivered by the supply market
- Uses supply chain and value chain analysis to inform thinking
- Capable of performing a Pareto analysis or ABC analysis of the supplier(s)
- Can perform the task of supplier/customer preferencing

Risk Management and Analysis

- Identifies and manages commercial, contractual, operational, financial, reputational, ethical and supply chain risks emanating from procurement activity and supply base arrangements
- Uses a structured process to identify, quantify, assess options, manage and track risk
- Able to undertake a risk assessment at the supplier, supply chain, category, supply market or project level
- Able to establish effective plans to manage risk to ensure that undesirable consequences of the risks are mitigated, eliminated or managed
- Able to undertake supply chain and value chain analysis to identify sources of risk

Strategy Formulation and Supply Market Engagement

- The formulation of category and sourcing strategies through the generation and evaluation of options
- Uses supply market and category analysis together with a deep understanding of needs and requirements to create ambitious and wide ranging strategies
- The engagement of suppliers & supply markets in a manner which is consistent with market sector strategies
- Recognises the need to engage with suppliers and supply markets positively and considers the requirement for effective communication, conditioning, high quality documentation and feedback
- Recognises that effective engagement and feedback regardless of outcome is an opportunity to motivate suppliers and supply markets positively towards the company

Supplier Appraisal, Evaluation and Audit

- Able to objectively appraise a supplier's capability and competence within the context of identified business needs and requirements and also against knowledge of best practice within a given supply market.
- Able to use appraisal techniques for the purpose of pre-qualification, tender evaluation and supplier selection or as the basis of continuous improvement, supplier development or supplier performance management. Able to identify a range of criteria according to the need and requirement.
- Able to undertake supply chain and value chain analysis to identify cost/value, lead-time, inventory and identify sources of waste.
- Recognises and uses a variety of evaluation techniques such as Kepner Tregoe and similar methods requiring the use of scoring, weighting, qualitative and quantitative assessments.
- Uses assessment to allow effective and objective comparisons to be made across a range of stakeholders.
- Able to work with accountable line management and others (including legal, financial, technical integrity and HSE specialists) to establish a comprehensive assessment of the suppliers under consideration. Includes compliance with company policies, culture/ethics, financial analysis, HSE, performance and service, quality, innovation, account management, capacity and capability, references and experience etc.
- Able to conduct appraisals and audits with existing suppliers in conjunction with Quality, Finance and other parties to confirm performance to contract or conduct checks/audits required by the contract.

Contracting and Law

- Drafting, negotiating, and agreeing clear, concise and complete contractual documentation which identifies responsibilities and makes provision for all relevant aspects of the agreed strategy including processes, specifications, plans, pricing etc.
- An understanding of contract law, its application in a business and procurement context
- The ability to negotiate key contract clauses and be able to access and apply specialist legal and technical advice in order to protect Company's commercial position in such areas as liabilities, indemnities, insurances and warranties.
- Building flexibility into contracts such that business change and associated requirements can be accommodated over the life of the contract.
- Able to address relevant elements of a contract such as Clearing & Shipping, Supplier Performance Metrics/Contract Amendment/Risk Assessment/Risk Mitigation/Exit Strategies/Terms & Conditions/Incentives & Sanctions, Performance bonds etc.

Pricing, Cost and Financial Analysis

- Able to undertake a meaningful financial appraisal and assessment of risk within a market and utilising this information in planning, control and decision making.
- An ability to understand costing methods and cost make-up and analyse financial information.
- Understands the difference between price and cost and is able to identify pricing strategies used by suppliers or deployed within supply markets.
- Understands how to break down products and services into their constituent components and build accurate cost models, identifying cost drivers and levers and recognising the impact of changes to scope, specification or service levels on cost.
- Understands and calculates total cost of acquisition and ownership where appropriate and uses information in decision making.
- Able to calculate and interpret financial ratios within financial statements and assess accounts to make meaningful conclusions.
- Able to use economic, financial and cost analysis information to provide insight into sourcing decisions and use in negotiations.
- Monitors and ensures compliance with company financial policies and statutory regulations.
- Monitors a supplier's financial trading situation to manage risk.

Negotiation

- Identifies needs, objectives and areas where improvements are required to agreements/proposals and is able to make others change their position towards the individual through the use of persuasion, influencing and conditioning.
- Prepares and plans the negotiating strategy based on sound knowledge, research and structure.
- Identifies and uses sources of power creatively and is able to assess and agree a division of value and risk through a structured assessment of the variables.
- Develops a range of options and uses a range of tactics/loys to achieve success.
- Uses a wide range of techniques to persuade and influence others depending upon the type of negotiation and with third parties or stakeholders.
- Recognises the impact of their own behaviour and is able to classify and positively manage that of others to deliver a positive outcome
- Uses questioning and listening skills effectively to support their communication.

Supplier Performance, Relationship and Contract Management

- Establishing robust contract management systems together with effective supplier performance and relationship management processes

- Manages contracts and suppliers to ensure goods, services and projects are delivered in line with agreements (on-time, on-cost, quality etc.).
- Establishes and monitors frameworks and structures to manage suppliers across the range of operational, performance and executive responsibilities.
- Manages supplier relationships and where appropriate measures and develops relationships to bring about continuous improvement.
- Develops suppliers' capabilities and competence where required to meet the company's requirements
- Works more broadly in supply markets to generate and maintain competition.
- Works internally with stakeholders to ensure agreements are fully utilised and can be accessed effectively by all who need to
- Adds value by providing review and feedback, managing risk, assessing contractual compliance by both parties, establishing appropriate and effective key performance indicators, managing any disputes in a timely, effective manner and identifying continuous improvement opportunities.

Transactional Procurement

- Able to design, implement and operate transactional procurement processes.
- Able to perform all or part of the activities in the purchasing cycle - receiving purchase requisitions, converting them into purchase orders, ordering, expediting, quality assurance, clearing & shipping, goods, receipt, delivery to customer, invoice matching, clarification of invoice issues with supplier etc.
- An understanding of the full requisition-to-pay cycle and its impact upon how the business operates.
- Able to review and refine processes to enable effective control and efficiency of the processes

E-Procurement and Technology

- Identifying, understanding, adopting and managing electronic means to undertake and support procurement activity including transactional processes, contract management, tender processes and auctions i.e. electronic catalogues, purchasing cards, EDI, WebEDI, system integration, e-auctions, e-procurement etc.
- Using electronic means and systems for data analysis, knowledge management and business intelligence to support Procurement planning and execution.

Project Management and Change

- Is able to plan, organise, secure, and manage resources to achieve specific goals within identified time constraints, scope and funding.

- Able to optimise and integrate the inputs necessary to meet pre-defined objectives.
- category level either within your own team or within the business to effect chosen strategies and solutions
- The ability to manage people through transition and deliver sustainable and lasting benefit by building confidence, understanding and agreement

Sustainability; Corporate and Social Responsibility

- Sustainability is the long-term maintenance of responsibility, which has environmental, economic, and social dimensions, and encompasses the concept of stewardship and responsible management of resource use.
- Able to implement and monitor policies which ensure compliance with the spirit of the law, ethical standards and international norms.
- Establishes processes, ways of working and a culture within the company which enables the output of any procurement activity to have a positive impact on the environment, consumers, employees, communities and other stakeholders.