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## N839: Strategic Procurement Skills for Oil and Gas Professionals

Format and Duration  
Classroom - 2 Days

Instructor(s): Rob Maguire

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### Summary

As the focus on purchasing effectiveness and the expectations and demands of senior management increase there has never been such an acute awareness of the need to manage supplier resources to achieve maximum advantage. In this course we will examine the key drivers of purchasing performance, identify the tools and techniques that support the delivery of competitive advantage and provide delegates with the skills to manage a purchasing team.

### Learning Outcomes

Participants will learn to:

1. Appraise the complexities of the new vendor-based and outsourced business models.
2. Gauge key commercial risks and management strategies.
3. Construct a model to develop your procurement strategy at a commodity, category and organisation level.
4. Integrate suggested tools to profile suppliers and manage and improve performance.
5. Develop cost models for goods and services.
6. Lead robust tender processes and understand their limitations.
7. Achieve value for money when a tendering process is not possible or is not preferred.
8. Evaluate the strengths and weaknesses of your procurement capabilities.
9. Establish your cost reduction opportunity and identify focus areas.

### Training Method

This is a classroom course that is highly experiential, using worked examples, tutor-led plenary discussion and small group working participants will learn how to apply the concepts, tools and techniques covered to their specific role in the Oil and Gas sector.

### Who Should Attend

If your role has a significant procurement element or if you are procurement professional looking for new skills, ideas and perspectives to be more effective, this programme is relevant for you.

- For example you may be:
- Procurement professionals
- Category leaders
- Procurement specialists
- Project and programme team leaders
- Joint venture and alliance managers
- Sourcing managers
- Contract managers
- In-house counsel
- Finance managers
- Commercial managers
- Business development leaders

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### **Course Content**

Participants to the workshop will receive a personal purchasing assessment based on the Maguire/zatt Purchasing Profile – a comprehensive benchmark of strengths and weaknesses of 20 aspects of procurement effectiveness.

#### **1. The future of purchasing**

As a start to the seminar we will review how the purchasing process and the organisation of purchasing has changed over the recent past and consider how this impacts purchasing staff in terms of skills, roles and organisation.

- The vendor-based business and what this means
- Managing supplier knowledge and expertise
- Implications for purchasing staff and management

#### **2. Purchasing Strategy**

Strategy is frequently mentioned and infrequently delivered. In this session we will explore the key elements of strategic analysis and build a tool-kit to assist participants to deliver a purchasing strategy that is right for their business.

- Defining the strategic horizon
- Segmenting expenditure and mirroring the supply market
- Services, Capital, Sub-contract and Outsourcing

#### **3. Achieving value for money 1 – dealing with the past**

In this session we will focus on the weaknesses of competitive tendering and when this approach is best.

- The problems with competitive tenders
- Operating a successful tendering programme
- Evaluating competitive tenders

#### **4. Achieving value for money 2 - alternative approaches**

In this session we will examine the alternatives to tendering and consider the criteria purchasing managers can use to choose their approach.

- Building confidence in the management group
- Total cost of acquisition
- Cost modelling and target costing

#### **5. Getting the best from suppliers.**

Suppliers are an invaluable source of ideas, innovation and cost reduction. However, experience shows they will only do this in response to a carefully managed and targeted programme that provides a road map to improved business.

- Key elements of a supplier development programme
- Forecasting the future state
- The profile of tomorrow's supplier
- Supplier profiling

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### 6. Category management and strategic procurement

Best practice purchasing teams across the world are putting purchasing at the front of the commercial success of their organisation.

- Purchasing as a business discipline
- Extending the purchasing footprint
- Business performance tools
- Team based procurement.

### 7. Purchasing performance measurement

In this session we will examine the difficulties of measuring purchasing performance and discuss whether savings are the same as business benefits and the implications for budget holders when purchasing gets involved.

- Benefits Vs Savings
- Capturing benefits
- Estimating resource requirements

### 8. Benchmarking purchasing performance

In this session we will consider the requirements of an effective benchmarking programme and the role that creativity plays in achieving step changes.

- What is benchmarking and what are the pitfalls?
- Best practice benchmarking
- Establishing benchmarks
- Avoiding the “lunch club” syndrome

### 9. Setting a cost reduction ambition

F4 analysis challenges purchasing teams to assess the opportunity available to them when setting a cost challenge.

- The four key factors that influence the opportunity
- Scoring the factors
- Defining your cost ambition

### 10. Action planning

Using the MI Purchasing Profile, participants will set their own action plan to improve the process and management of procurement in their business, team, project or department.