



The Global Standard for Procurement and Supply

Version 3.1 – Published 2018



This version contains the updated Theme 11 Ethics in Procurement and Supply - published 2018



Welcome



Now in its third edition, the Global Standard for Procurement and Supply is a comprehensive competency framework that has been developed through consultation with an extensive panel of 3000 practitioners and academics drawn from across the world and representing the diverse sectors and skill sets inherent within the profession.

The final contribution of the panel to the annual review process ensures that the Standard remains up-to-date and relevant to the global procurement and supply community. The Standard has been designed to help individuals and teams within organisations to understand the intrinsic value that good practice will bring to their strategic goals and will serve as an aid to enhancing organisational and personal performance.

Building on the original content of the first 2 editions, the 2017 publication of the Standard reflects the expanding breadth of the profession as procurement leaders move towards delivering a broader influence across the entire value chain. It also aims to support and protect standards within disciplines other than Procurement and Supply which may be involved in procurement activity, and to help organisations and individuals find and adopt more inclusive ways to ensure operational effectiveness.

This Standard offers consistency in behaviours and improves the knowledge of what excellence should look like in procurement and supply practice. These are the building blocks on which business can stand and succeed, and I urge boards, CEOs and stakeholders to keep this free resource to hand to understand the value of the profession and its importance and sphere of influence.

CIPS is dedicated to leading the profession and to helping to evolve procurement and supply professionalism for the future, regardless of who undertakes the associated activity. This Standard is a key tenet of achieving this goal and is a vital resource if we are to ensure that procurement professionals have the most relevant skills and knowledge to cope with volatile trading environments, increasing complexity and the influence of information technology.

We should not underestimate the contribution of this Standard, and its role in supporting the CIPS vision of 'Voice and Standard'; a vision that was championed by our sadly departed CEO, David Noble. We see this Standard as a significant part of David's legacy not only to CIPS but to the profession as a whole – in David's words "Our job is to equip our profession with the appropriate skills so that we can become guardians of the total enterprise". This Standard is designed to be a key tenet of this challenge.

Amanda O'Brien
CIPS Group Professional Standards and Regulation Director

What's in this guide?

- 04 The benefits of working with the Standard
- 06 How the Standard is structured
- 08 Using the Standard
- 10 Using the Standard online
- 11 CIPS Self-Assessment online

INFRASTRUCTURE

- 12 1. Position and Influence
- 20 2. External Environment
- 28 3. Technology

PROCESS

- 34 4. Spend Management
- 42 5. Contracting
- 49 6. Sourcing

PERFORMANCE

- 58 7. Delivering Outcomes
- 65 8. Metrics and
- 67 8. Measurement

PEOPLE DEVELOPMENT

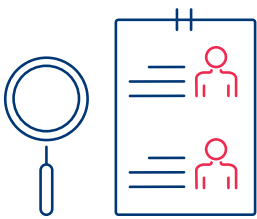
- 71 9. Developing Teams and
- 10. Individuals
- 81 10. Developing Self and
- 10. Personal Skills
- 86 11. Ethics
- 92 Contributors

** Significant introductions or updates to this version include: the growing Position and Influence of the Profession, Global Sourcing and understanding Market Conditions and associated Tariffs and Trade Agreements, Data Security and the adoption of Modern Technology, managing Contract Governance and Regulatory Requirements as we seek agility in response to business need, the increasing influence of Supplier Relationship Management for Advanced Level Practitioners, a rationalisation of Performance Metrics with an emphasis on Risk Management*

To ensure you get the full benefits of using the Global Standard in Procurement and Supply we have produced a short guide about how you can put the standard into practice within your organisation.

The benefits of working with the Standard

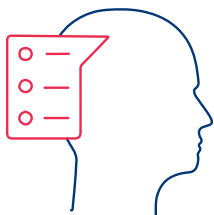
Organisations and individuals can identify and measure their own performance levels in procurement and supply.



Enhance organisational performance

The Standard can be used to produce a detailed analysis by benchmarking procurement professionals against the knowledge and competencies. It identifies gaps in team capability and corresponding development needs, therefore enabling organisations to:

- Contribute to significant savings by putting in place a procurement team development plan.
- Put in place cost-effective, targeted training and development to plug gaps and meet organisational needs.
- Build a cadre of well-trained and motivated staff, reducing turnover and making associated cost savings.
- Provide objective and measurable evidence of effective management in the procurement function to senior managers, the board and shareholders.
- Influence and improve ethical practices in the supply chain through implementing ethical procurement policies and practices across an organisation.



Enhancing personal performance

The Standard can help to identify current competency levels and the knowledge and capabilities needed to move onto the next career stage; this may be particularly useful during a performance review as it enables individuals to:

- Develop and agree a personal development plan to address the gaps identified in knowledge and capabilities.
- Implement the plan, including training, job shadowing and mentoring opportunities.
- Continue to monitor progress against the plan by referring back to the Standard to assess improvement.



Creating procurement job descriptions, advertising and performance reviews

Within each of the five levels of competency described in the Standard – Tactical, Operational, Managerial, Professional and Advanced Professional – we have provided detailed sample job designs online, including which capabilities an individual should have at each competency level, providing invaluable guidance in preparing job advertisements, writing job descriptions and carrying out performance reviews.

This guide will help organisations and individuals to understand:

How an organisation can use the standard to improve procurement performance.

How an SME can use the Standard to support their procurement function and related activities.

How an individual can use the standard to improve their performance in the workplace.

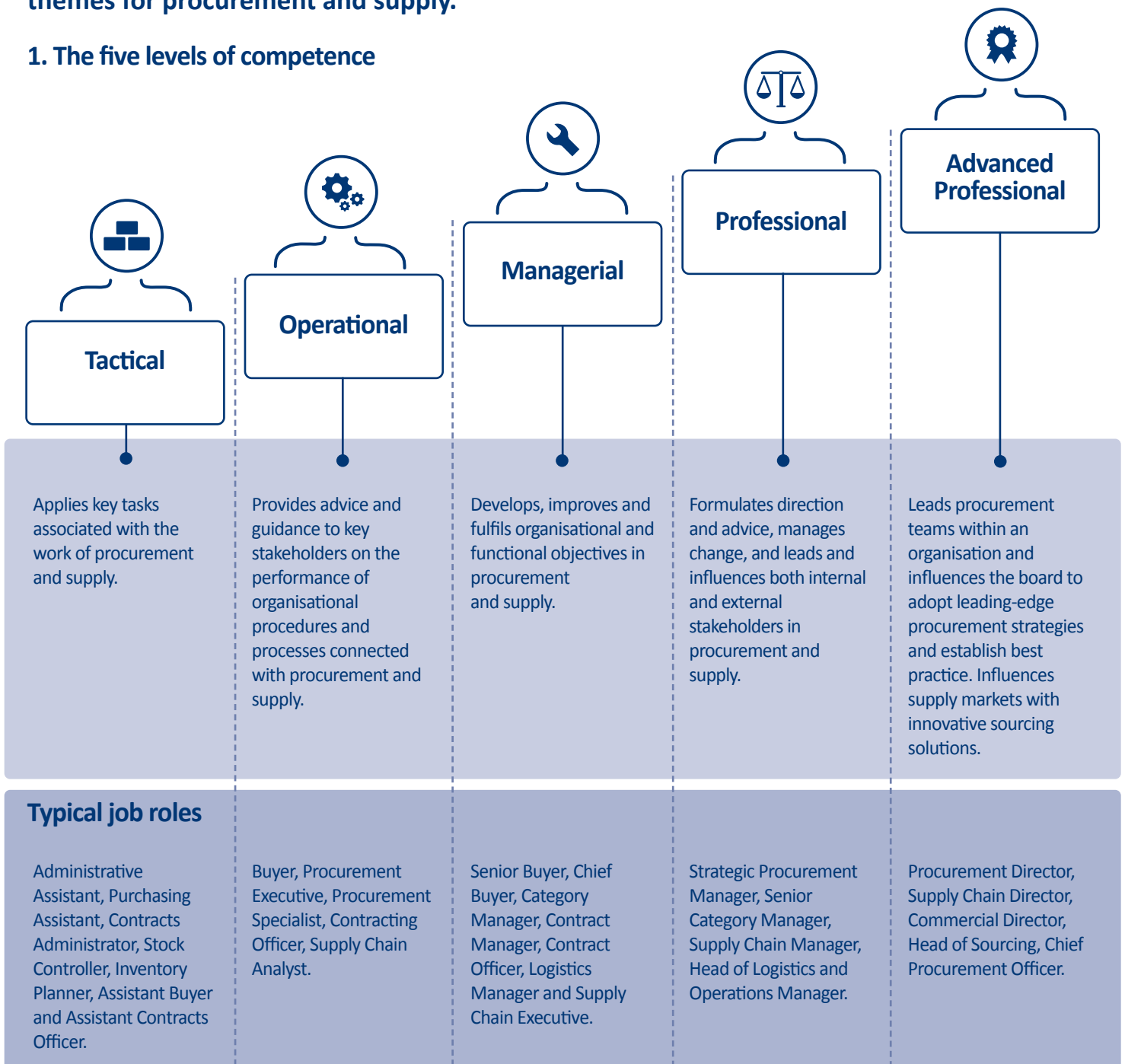
How to write job descriptions and advertisements.



How the Standard is structured

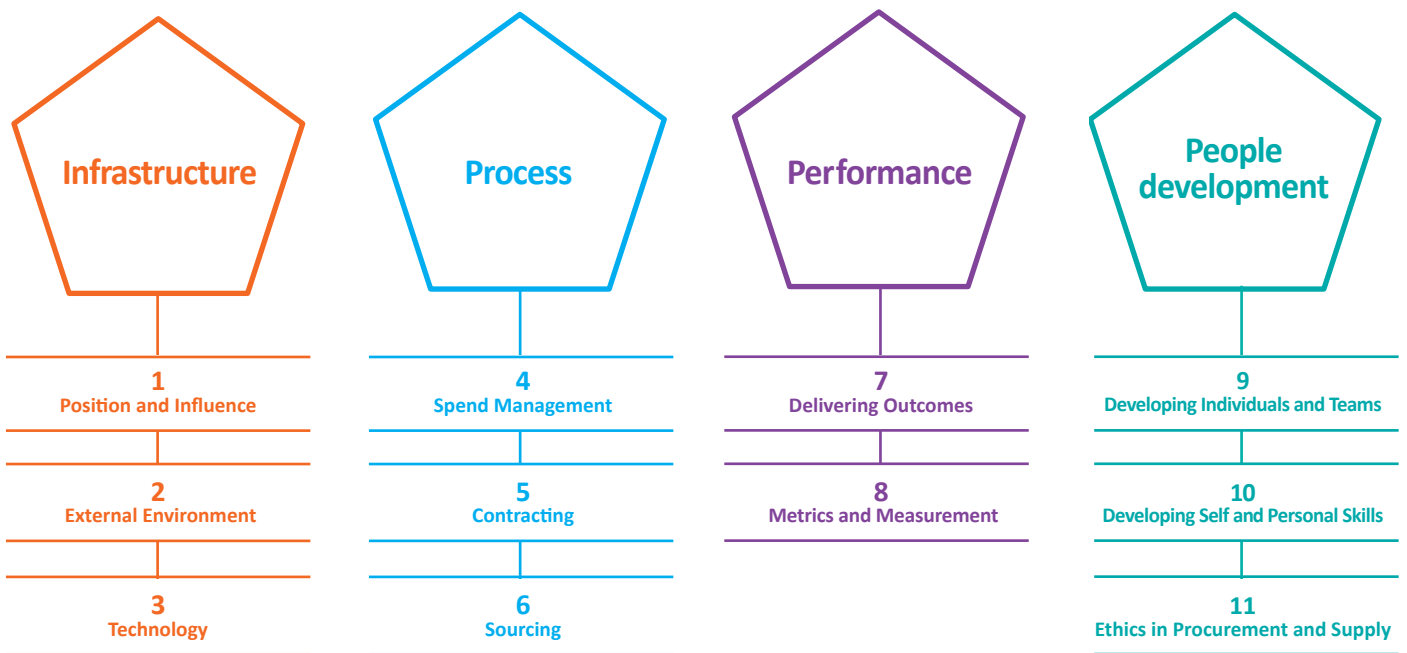
The Standard has been developed using five competency levels which have been identified from Tactical through to Advanced Professional. These levels represent the core skills and tasks that individuals should be capable of at each advancing stage of the profession. The knowledge and capabilities can then be identified within the four pillars and eleven themes for procurement and supply.

1. The five levels of competence



Use the Standard online globalstandard.cips.org

2. The four pillars and eleven themes for effective procurement and supply are further divided into individual segments of key knowledge and capability.

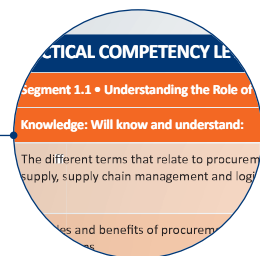


This granularity of information is key to identifying not only the professional **knowledge and capabilities** required at the different competency levels, but also how they will be applied to the practical workplace.

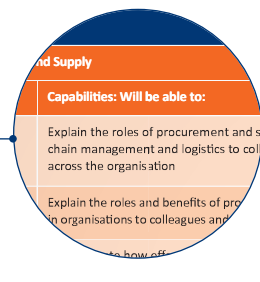
Pillar: Infrastructure Standards
 Theme 1: Position and Influence of Procurement and Supply

This theme helps individuals to recognise the contribution that effective procurement and supply can make in organisations and in supply chains. The sphere of influence of procurement and supply chain personnel and functions should be promoted to all stakeholders, as the theme identifies good practices to achieve greater recognition by individuals and teams at an organisational level.

TACTICAL COMPETENCY LEVEL	
Segment 1.1 • Understanding the Role of Procurement and Supply	
Knowledge: Will know and understand:	Capabilities: Will be able to:
The different terms that relate to procurement and supply, supply chain management and logistics	Explain the roles of procurement and supply, supply chain management and logistics to colleagues and across the organisation
The roles and benefits of procurement and supply in organisations	Explain the roles and benefits of procurement and supply in organisations to colleagues and across the organisation
How effective procurement impacts on profitability or creating savings and efficiencies for the organisation	Demonstrate how effective procurement can contribute to improving profitability, savings and efficiencies for the organisation
The typical proportion of costs accounted for by the procurement of goods and services	Demonstrate and create the typical proportion of costs and budgets accounted for by the procurement of goods and services to colleagues and across the organisation
The 5 R's (rights) that relate to procurement and supply • Priority • Quality • Time	Explain how the 5 R's apply to commercial transactions or agreements
Internal and external customers and their priorities for procurement and supply	Identify the different internal and external customers and recognise their different priorities for procurement and supply
The main internal and external stakeholders in procurement and supply and how they influence procurement and supply activities	Identify the stakeholders that can influence the work of procurement and supply
The different objectives of a procurement and supply function	Promote commitment amongst colleagues and stakeholders to achieve the objectives sought by a procurement and supply function
The creation of centralised, devolved and lead buying structures of procurement and supply functions	Explain to colleagues and across the organisation the advantages and disadvantages that can be associated with centralised, devolved and lead buying structures for procurement and supply



Knowledge



Capabilities

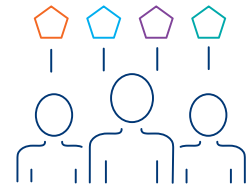
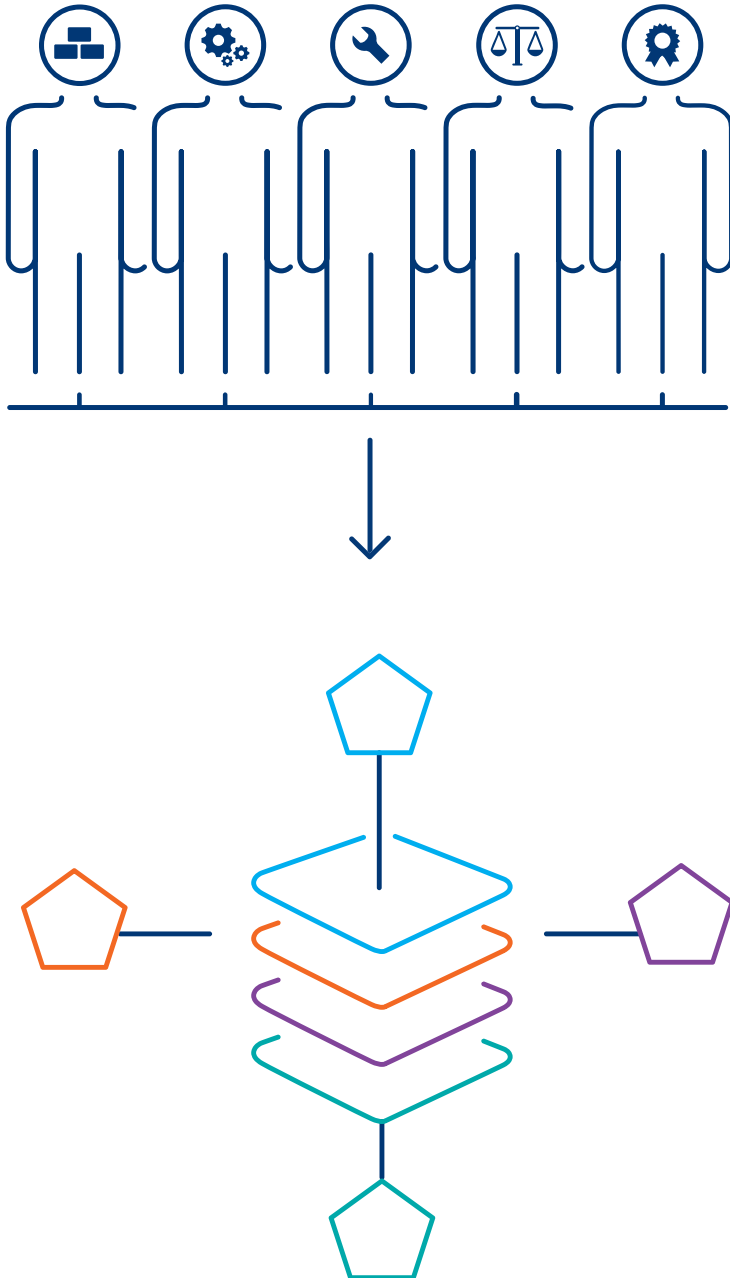
Using the Global Standard for Procurement and Supply

The Standard can be used to identify the performance level of any individual, anywhere in the world, who has a responsibility for procurement full time or as part of their job role including those with:

- Day-to-day responsibility for managing the procurement and supply function within an organisation
- Strategic responsibility for ensuring the procurement and supply function complements and enhances the overall goals of the organisation
- No dedicated procurement function or a job role that encompasses other responsibilities and professional disciplines, such as administration, project support or finance.

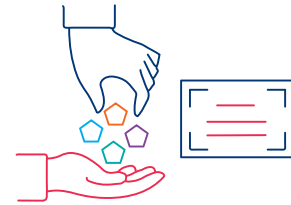


By identifying individual competency levels, the Standard enables organisations to assess how efficiently, effectively and ethically procurement is being carried out.



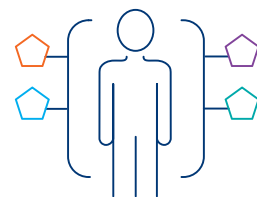
For private sector organisations

...measuring procurement teams against the Standard can help to improve organisational performance, in terms of cost-effectiveness, compliance with ethical best practice and legislation, and the reputation of procurement in itself with internal senior managers, board members, suppliers, customers and competitors.



For public sector organisations

...the Standard supports the cost-effective and efficient use of funds that is so important for public servants, government ministers and members of the general public, who are anxious to see ethical and good use of public money.

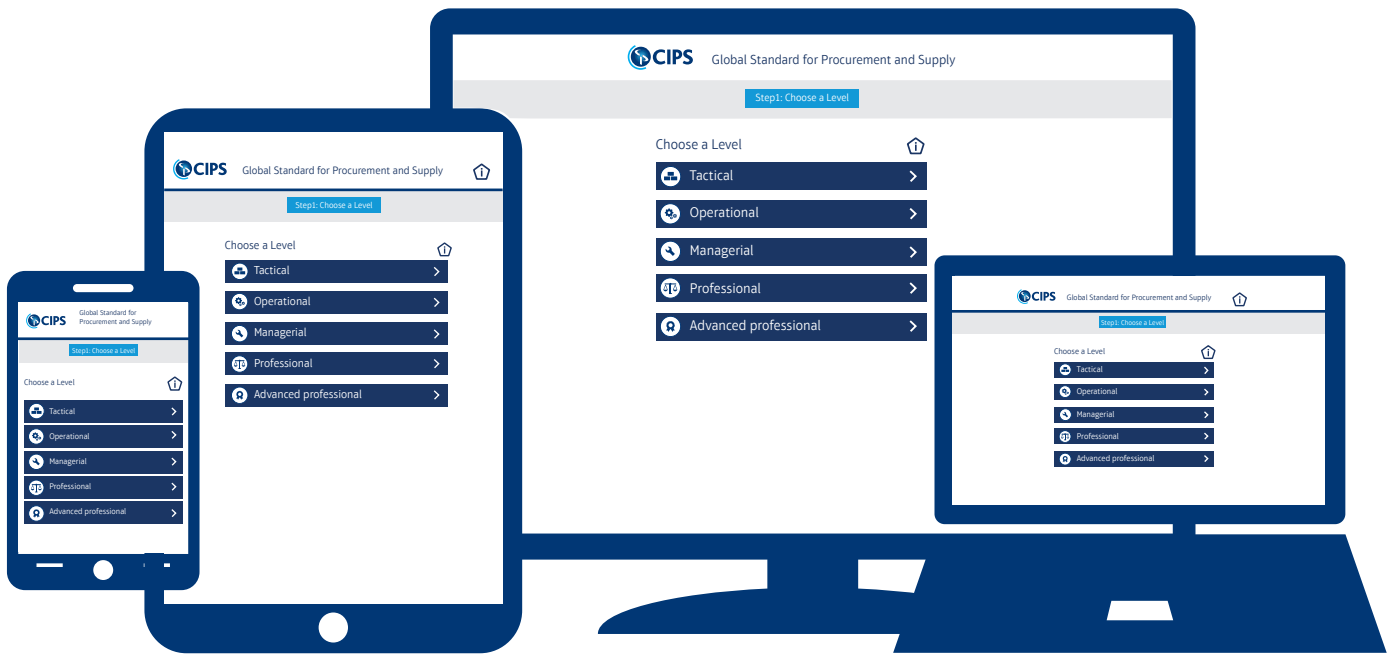


For individuals

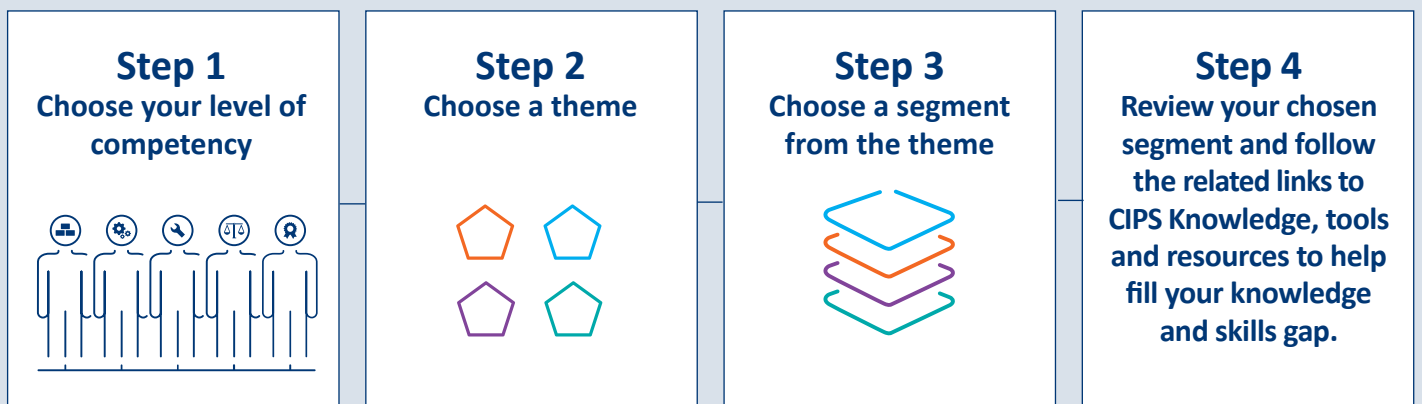
...measuring their own knowledge and capabilities against the competency levels in the Standard helps to identify development needs, prepare for performance management or reviews and plan a career development programme.

The Standard online

Developing and planning a professional development journey couldn't be easier. So far, over 75,000 professionals have used the Standard online to help with career development planning.



Go to globalstandard.cips.org and follow the simple steps as illustrated below.



CIPS Self-Assessment online

Individuals can align themselves against the Standard and plan their next career move.

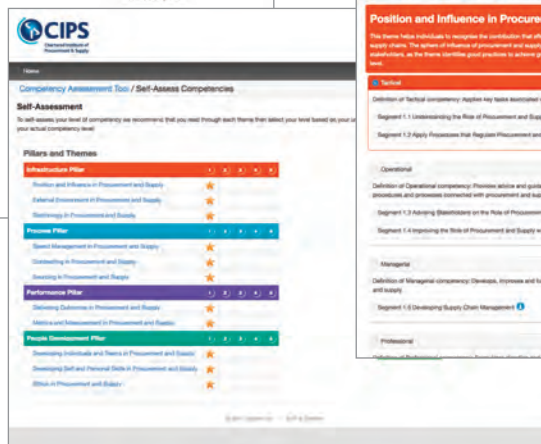
Using hundreds of live job roles advertised throughout the world, we've created over 40 job profiles and mapped each role against the Standard themes and levels. By assessing their own skills and knowledge it helps individuals to truly demonstrate their relevance and increase their value to employers.

Firstly, individuals explore the knowledge and capabilities identified in the Standard then self-assess their own skills against the Standard, create their own profile and measure it against the other procurement job profiles. At the end of the assessment a personalised report will help to create a learning and development plan.

“Our online self-assessment is a free member resource that provides in-depth procurement knowledge and capability analysis that identifies levels of competency to inform future development opportunities.

To self-assess your level of competency we recommend that you read through each theme then select your level based on your understanding. You can then review your job profile to see if it matches your actual competency level.

Dr Gary Ramsden MCIPS
CIPS Head of Education
Development & Standards



Pillar: Infrastructure Standards

Theme 1: Position and Influence of Procurement and Supply

This theme helps individuals to recognise the contribution that effective procurement and supply can make in organisations and in supply chains. The sphere of influence of procurement and supply chain personnel and functions should be promoted to all stakeholders, as the theme identifies good practices to achieve greater recognition by individuals and teams at an organisational level.

TACTICAL COMPETENCY LEVEL 	
Segment 1.1 • Understanding the Role of Procurement and Supply	
Knowledge: Will know and understand:	Capabilities: Will be able to:
The different terms that relate to procurement and supply, supply chain management and logistics	Explain the roles of procurement and supply, supply chain management and logistics to colleagues and across the organisation
The roles and benefits of procurement and supply in organisations	Explain the roles and benefits of procurement and supply in organisations to colleagues and across the organisation
How effective procurement impacts on profitability or creating savings and efficiencies for the organisation	Demonstrate how effective procurement can contribute to improving profitability, savings and efficiencies for the organisation
The typical proportion of costs accounted for by the procurement of goods and services	Demonstrate and create the typical proportion of costs and budgets accounted for by the procurement of goods and services to colleagues and across the organisation
The 5 rights that relate to procurement and supply <ul style="list-style-type: none"> • Price/cost • Quality • Time • Quantity • Place 	Explain how the 5 rights apply to commercial transactions or agreements
Internal and external customers and their priorities for procurement and supply	Identify the different internal and external customers and recognise their different priorities for procurement and supply
The main internal and external stakeholders in procurement and supply and how they influence procurement and supply activities	Identify the stakeholders that can influence the work of procurement and supply
The different objectives of a procurement and supply function	Promote commitment amongst colleagues and stakeholders to achieve the objectives sought by a procurement and supply function
The creation of centralised, devolved and lead buying structures of procurement and supply functions	Explain to colleagues and across the organisation the advantages and disadvantages that can be associated with centralised, devolved and lead buying structures for procurement and supply
The tiers of a supply chain	Identify and assess the different organisations that are involved in the organisation's supply chain
Different types of procurements such as: <ul style="list-style-type: none"> • Capital and revenue purchases • Products, services and construction works • Direct and indirect • Outsourcing and insourcing 	Advise internal stakeholders on the different types of purchases that will typically be contracted for by the organisation

TACTICAL COMPETENCY LEVEL



Segment 1.2 • Apply Procedures that Regulate Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The documentation typically used in procurement and supply</p> <ul style="list-style-type: none"> • Requisitions • Orders • Delivery notes • Invoices • Other documents 	<p>Advise colleagues on the different documents used in the procurement and supply function and to personnel across the organisation</p>
<p>The use of documented policies and procedures for the work of procurement and supply, including:</p> <ul style="list-style-type: none"> • The responsibilities for procurement • Regulations relating to competition • Levels of delegated authority • Responsibilities for the stages of the sourcing process • Invoice clearance and payment 	<p>Ensure that procedures are complied with by internal customers and stakeholders</p>
<p>The need for approvals in the administration of requisitions, orders and invoices</p>	<p>Work to ensure that internal stakeholders obtain approvals for the commitments to requisitions, orders and invoices</p>
<p>Effective communication with suppliers and customers, both verbally and in writing to clarify requirements and to confirm understanding of requirements</p>	<p>Use clear and effective communication methods, both verbal and written, when dealing with suppliers and customers</p>
<p>How to ensure that requisitions, orders and invoices are clear and correct and clarify requirements when communicating with stakeholders</p>	<p>Work to ensure that requisitions, orders and invoices and other documentation relating to procurement and supply are clear and correct</p>
<p>The use and roles of ethical codes in procurement and supply</p>	<p>Encourage the behaviour and actions of colleagues and other stakeholders to be in keeping with ethical codes for procurement and supply</p>
<p>The principles of corporate governance that apply to procurement and supply</p>	<p>Explain the main principles of corporate governance that apply to the organisation's procurement and supply function</p>

OPERATIONAL COMPETENCY LEVEL



Segment 1.3 • Advising Stakeholders on the Role of Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The inputs that internal and external stakeholders can make in procurement and supply	Research, assess and prioritise stakeholders' requirements to ensure value for money outcome and risk assured solutions are achieved
The conflicts of interest that can exist in the work of procurement and supply and how to deal with them	Deal effectively with conflict that may arise with stakeholders to ensure the objectives of procurement and supply are prioritised
The use of documented policies and procedures for the work of procurement and supply, including: <ul style="list-style-type: none"> • The responsibilities for procurement • Regulations relating to competition • Levels of delegated authority • Responsibilities for the stages of the sourcing process • Invoice clearance and payment 	Advise stakeholders on the interpretation of procedures for procurement and supply
Procedures for the separation and segregation of duties	Advise internal stakeholders of the procedures that apply to the separation and segregation of duties in performing roles in procurement to prevent fraud and error
The use of codes of ethics in procurement and supply	Monitor the work of internal stakeholders to ensure that the codes of ethics in procurement and supply are upheld
Comparisons of centralised, devolved and hybrid structures for carrying out procurement and supply activities	Explain to colleagues and other internal stakeholders the different structures that can be adopted for procurement and supply activities while recognising their strengths and weaknesses
The use and purposes of financial budgets that impact on procurement and supply	Advise internal stakeholders on procurement and supply issues that impact on the creation and management of financial budgets

OPERATIONAL COMPETENCY LEVEL



Segment 1.4 • Improving the Role of Procurement and Supply within the Organisation

Knowledge: Will know and understand:	Capabilities: Will be able to:
The design of typical organisational structures and the position of procurement of supply in the organisational structure	Promote the position and potential influence of procurement and supply in the organisational structure
The main influences that shape organisational behaviour	Identify the different behaviours to internal stakeholders adopted by individuals, groups and organisations and use appropriate approaches to enhance effectiveness
The different behavioural characteristics of individuals that can impact on their management while in the procurement and supply chain function	Recognise the different behavioural characteristics of individuals and how these differences should shape management styles appropriate to different situations
The motivation of individuals involved in the procurement and supply function	Motivate and support colleagues and other internal stakeholders to achieve their commitment to the work undertaken in procurement and supply
The use of documented policies and procedures for the work of procurement and supply, including: <ul style="list-style-type: none"> • the responsibilities for procurement • regulations relating to competition • levels of delegated authority • responsibilities for the stages of the sourcing process • invoice clearance and payment 	Contribute to the development and use of documented policies and procedures for the procurement and supply function and ensure their application by colleagues and stakeholders

MANAGERIAL COMPETENCY LEVEL



Segment 1.5 • Developing Supply Chain Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
Sources of competitive advantage such as low cost, sources of differential advantage such as innovation, product/service range, brand image and customer care	Ensure that the procurement and supply function supports the achievement of the organisation's sources of competitive advantage
<p>The added value to organisations that can be achieved through effective supply chain management by:</p> <ul style="list-style-type: none"> • Reducing prices and total costs • Improving quality • Reducing time to market and achieving deliveries to required timescales • Encouraging innovation • Reducing risk and supply chain vulnerability • Promoting sustainable procurement 	Create plans with stakeholders to improve supply chain management and add organisational value
The development of integrated supply chains, supply networks and supply chain management	Liaise with stakeholders to develop supply chains, supply networks and supply chain management
The importance of collaborative and competitive strategies for improving supply chain management and how they differ from each other	Develop appropriate strategies and plans for improving supply chain management with stakeholders and promote their use
The main risks that can impact on supply chains and how they can be mitigated	Work with stakeholders to mitigate or manage risks that can impact on supply chains
Standards and legislation that apply to bribery, corruption and fraud in organisations, their application and why this is important	Work with stakeholders to eliminate corruption and fraud in supply chains

PROFESSIONAL COMPETENCY LEVEL



Segment 1.6 • Leading the Procurement and Supply Function

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of vision statements to improve procurement and supply chain management	Create and implement an appropriate vision for the organisation that promotes procurement and supply chain management both internally and with external stakeholders
The roles of a leader and the activities of leadership in the procurement and supply function	Demonstrate effective leadership skills with stakeholders by developing, communicating and promoting the purpose, values and vision of improved procurement and supply chain management across the organisation and with suppliers
How to assess the sources of power with internal and external stakeholders and why this is important	Steer the procurement and supply chain function through difficulties and challenge, recognising the sources of power with internal and external stakeholders and managing the impact on the organisation and its supply chains
Leadership behaviours and styles	Demonstrate leadership behaviours and styles that promote procurement and supply chain management both internally and with external stakeholders
The distinction between transformational and inspirational leadership skills	Steer the procurement and supply chain function by adopting appropriate leadership skills to promote procurement and supply chain management both internally and with stakeholders
Difficulties and challenges to the function from stakeholders	Promote the benefits of the procurement and supply chain function to stakeholders dealing with difficulties and challenges
Techniques for stakeholder mapping including primary, secondary and key stakeholder classifications	Evaluate stakeholders and execute plans to achieve effective procurement and supply chain management with stakeholders
The use of communication plans to enhance procurement and supply chain management	Create communication plans to achieve the buy-in to the procurement plan by internal and external stakeholders
How to develop expenditure approval levels	Develop policy for procurement and supply expenditure approval levels
The impact of policy, legislative and regulatory requirements on the supply chain	Communicate an understanding of policy, legislative and regulatory requirements affecting the supply chain to stakeholders
The application of procedures and governance affecting procurement and supply chain management	Develop and implement relevant procedures and governance for effective procurement and supply chain management with stakeholders

PROFESSIONAL COMPETENCY LEVEL



Segment 1.7 • Developing the Strategy for Procurement and Supply within the Organisation

Knowledge: Will know and understand:	Capabilities: Will be able to:
The main characteristics of strategic decisions in organisations	Use and apply strategic decision-making techniques to formulate improvements to procurement and supply chain management
The alignment of corporate, business and functional levels of strategy in organisations	Contribute to the development and implementation of functional, business unit and corporate strategies
Different approaches to the development of strategy in organisations such as: <ul style="list-style-type: none"> • Rational planning • Emergent and logical incrementalism 	Evaluate the different approaches to strategy development and ensure that relevant issues are fed into strategy development and implementation for the procurement and supply chain function and are aligned with the needs of the organisation
The impact of globalisation on the development of strategy for effective Procurement and Supply	Design and implement strategies for the procurement and supply chain function that take account of the impact of globalisation
The contributions that the procurement and/or supply chain functions can make to the achievement of corporate objectives	Promote the contributions that the procurement or supply chain functions can make to achieving corporate objectives across the organisation, with stakeholders and with the supply chain
Corporate governance for Procurement and Supply	Work with internal stakeholders to establish an appropriate and effective process and framework that supports corporate governance
The main methods for achieving cultural acceptance of strategies in organisations	Develop and implement plans and actions with stakeholders to achieve the cultural acceptance of strategies that reflect effective procurement and supply chain management
How change management processes can address resistance to change from stakeholders	Evaluate how change management processes can address resistance to change and develop a change management strategy that deals with resistance to change

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 1.8 • Building Strategic Relationships with Stakeholders

Knowledge: Will know and understand:	Capabilities: Will be able to:
Consultants, clients and the consulting process	Undertake an assessment of the expectations of clients and be able to manage expectations through a controlled process
The impact of policy, legislation and regulation on the procurement and supply chain management function	Promote and apply relevant policy, legislation and regulation affecting procurement and supply chain management
The differences between consulting and counselling skills and why consulting skills are critical to driving and influencing organisational change	Identify situations in interactions with stakeholders to provide consulting advice or a counselling approach
Approaches to managing strategic stakeholder relationships	Promote and develop effective strategic stakeholder relationships through the use of appropriate organisational processes, systems and practices
The range of stakeholder interventionist and influencing techniques and styles	Use appropriate interventionist and influencing techniques to achieve strategic aims
The range of stakeholder negotiation strategies and styles	Use appropriate negotiation strategies and styles with clear parameters to achieve strategic aims
The use of emotional intelligence in building effective relationships	Use emotional intelligence techniques to develop and improve strategic stakeholder relationships
Approaches to developing a competitive advantage through superior supplier relationships	Attract and retain world class suppliers to build a competitive products, services or supply chain advantage

Pillar: Infrastructure Standards

Theme 2: External Environment in Procurement and Supply

This theme enables individuals to recognise how the external environment influences procurement and supply. Personnel working in procurement and supply roles need to understand how markets can be influenced by changes in the external environment to enable appropriate actions to be taken to ensure that the organisation can develop opportunities, ensure compliance to regulatory standards and minimise disruption with its suppliers and supply chains.

TACTICAL COMPETENCY LEVEL



Segment 2.1 • Recognise the Different Sectors of Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The roles of private, public and third sector organisations	Explain the roles of private, public and third sector organisations, recognising the sector that the organisation, its suppliers and customers operate in
The objectives of private sector organisations such as: <ul style="list-style-type: none"> • Create profits • Growth • Market share • Share price • Other financial and non-financial measures 	Recognise the objectives of private sector organisations, their suppliers or their customers
The different types of private sector organisations such as: <ul style="list-style-type: none"> • Sole traders • Partnerships • Registered companies • Incorporated and unincorporated companies • Small and medium sized enterprises (SMEs) • Multinational corporations 	Identify the types of private sector organisation that the organisation deals with either as suppliers or customers, recognising the strengths and weaknesses of each type of organisation
The objectives of public sector organisations to improve services to the public such as: <ul style="list-style-type: none"> • Providing access to services • Regulating organisations and individuals 	Recognise the impact that the public sector may have on their own organisation, its suppliers or its customers
The primary, secondary and tertiary sectors	Identify the sector that the organisation, its suppliers and customers operate in, recognising the main characteristics of each sector

TACTICAL COMPETENCY LEVEL



Segment 2.2 • Recognise the Importance of the External Environment on Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
How markets can be defined in terms of size, scope and stages of development	Identify the types of markets served by the organisation, its suppliers and customers
The levels of industry competition such as perfect competition, imperfect competition, oligopoly, duopoly and monopolies	Explain the level of competition that influences the organisation, its suppliers and customers and how organisations may grow and decline
How demand and supply factors impact on organisations	Recognise how the impact of changing demand and supply factors can impact on the organisation, its suppliers and customers
The impact of market change on organisations	Identify how local, national and global market change can impact on the pricing and availability of products and services
Analytical tools to explain the impact of the external environment on organisations' supply chains such as: <ul style="list-style-type: none"> • STEEPL • the 5 forces model 	Describe how the application of STEEPL (social, technological, economic, environmental, political, legislative and ethical) criteria and the 5 forces model impacts on an organisation, its suppliers and customers
Organisational impact of macro-economics such as: <ul style="list-style-type: none"> • Interest rates • Inflation • Exchange rates • Level of economic activity (GDP/GNP) 	Identify the impact of interest rates, inflation, exchange rates and the level of economic activity (GDP/GNP) on pricing and availability of products and services
Legislation that impacts on organisations such as: <ul style="list-style-type: none"> • Quality environmental standards • Health and safety • Employment law 	Explain the impact of legislation on an organisation, its suppliers and customers
The implications of corporate social responsibility on organisations	Explain the key aspects of corporate social responsibility that influences an organisation, its suppliers and customers

OPERATIONAL COMPETENCY LEVEL



Segment 2.3 • Understanding Market Management in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The different types of markets including economic and industrial sectors such as:</p> <ul style="list-style-type: none"> • Manufacturing • Construction • Retail • Financial • Agriculture • Services 	Distinguish how an organisation, its suppliers and customers are served by different types of markets
The competitive forces that influence markets including the bargaining strength of suppliers and buyers, availability of substitutes and threat of entry	Analyse the competitive forces and trends that influence markets that the organisation, its suppliers and customers operate in
The breakdown between direct and indirect costs	Collate sources of information to estimate the breakdown of costs between direct and indirect costs for purchased goods and services and use the information to prepare budgets or to negotiate prices
Types of published data that can provide information on costs and prices	Research market data and use to estimate and negotiate current and future prices and costs for purchased goods and services
Published reports and indices on markets	Use published sources of information to agree variations in pricing for purchased goods and services
<p>National and international legislation that impacts on organisations such as:</p> <ul style="list-style-type: none"> • Quality standards • Health and safety • Environmental standards • Employment law 	Advise internal stakeholders on the impact of legislation when dealing with suppliers to an organisation
The implications of corporate social responsibility on organisations	Advise stakeholders on key aspects of corporate social responsibility of the organisation when dealing with suppliers, customers and other stakeholders

MANAGERIAL COMPETENCY LEVEL



Segment 2.4 • The Impact of Globalisation on Supply Chains

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The main drivers of globalisation in supply chains such as:</p> <ul style="list-style-type: none"> • Cost reduction • Flexibility of resources 	<p>Identify and explore opportunities for globalisation in the purchasing of goods and services</p>
<p>Conflict that can arise between the needs of stakeholders operating with globalised supply chains and how to manage it</p>	<p>Contribute to the management of the procurement and supply chain function taking steps to mitigate challenges and difficulties to resolve conflict within the organisation and with its supply chains</p>
<p>The main implications of sustainability and responsible procurement in supply chains</p>	<p>Advise colleagues and other stakeholders on how to promote sustainable and responsible procurement in the organisation and its supply chain</p>
<p>The main cultural and social issues in supply chains such as:</p> <ul style="list-style-type: none"> • Language and cultural barriers • Labour standards and forced working • Inequalities of workers • Health and safety standards • Minimum/fair wages • Modern slavery 	<p>Advise colleagues and other stakeholders on cultural and social issues that can affect supply chains</p>
<p>Labour codes that impact on the globalisation of supply chains such as standards set by the United Nations (UN) the International Labour Organisation (ILO), the Ethical Trading Initiative (ETI) and Social Accountability International standard SA8000</p>	<p>Draw up and implement plans that address the implications of labour codes that impact on the globalisation of supply chains</p>
<p>The impact of Customs Unions, Trade Areas and Trade Blocs such as:</p> <ul style="list-style-type: none"> • the EU • EFTA • EAC • NAFTA 	<p>Evaluate the impact of Customs Unions, Trade Areas and Trade Blocs have on any restrictions or opportunities for global sourcing</p>

PROFESSIONAL COMPETENCY LEVEL



Segment 2.5 • Contexts of Supply Chain Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
The impact of social, technical, economic, environmental, political, legislative, ethical and demographic (STEEPLED) criteria on organisations and their supply chains	Identify the potential impact of STEEPLED criteria on the organisation and its supply chain and draw up plans to maximise the benefits and mitigate difficulties
The impact of market change on supply chains	Advise colleagues and other stakeholders on the impact of market change on the supply chain
The main regulations that impact on the employment of people in supply chains such as: <ul style="list-style-type: none"> • Discrimination, equality and diversity • Employee redundancy and dismissal • Working time and staff payment • International labour codes • Health and safety at the workplace • Minimum/fair wages • Modern slavery • Other country specific employment issues 	Evaluate the effect of impact of the main regulations on the employment of people in supply chains and draw up plans to mitigate any potential difficulties caused by the regulations
The impact of mergers and acquisitions on supply chains	Evaluate the potential effect of mergers and acquisitions on the organisation's supply chains and develop plans to maximise benefits and minimise disruption
The effect of competition law on supply chains	Analyse the effect of competition law on the organisation and its supply chains to ensure compliance with competition law
Regulatory requirements such as price and service controls exercised by industry regulators and international bodies	Evaluate the implications of regulatory requirements such as price and service controls exercised by industry regulators and international bodies
Suppliers as key resources for the supply of products and services	Establish effective performance objectives, assess internal and external resources with their dependencies and create procurement plans for contracted work with suppliers

PROFESSIONAL COMPETENCY LEVEL



Segment 2.6 • Managing the Challenges of Global Supply Chains

Knowledge: Will know and understand:	Capabilities: Will be able to:
The application of STEEPLD analysis in globalised supply chains	Evaluate the impact of STEEPLD factors on globalised supply chains and formulate recommendations to ensure the organisation's strategy develops opportunities that result from changes in STEEPLD factors
Standards that apply to ethical/responsible sourcing and human rights abuse including labour codes that impact on the globalisation of supply chains such as: <ul style="list-style-type: none"> • the United Nations (UN) Trafficking Protocol • the International Labour Organisation (ILO) • the Ethical Trading Initiative (ETI) • Social Accountability International Standard SA8000 	Monitor compliance with ethical practices and standards that apply to global supply chains taking appropriate actions in the event of detecting any breaches by colleagues or other stakeholders
Licensing of imports and exports	Monitor and ensure compliance with the licensing of imports and exports that affect the organisation
Controls through tariffs and duties on imports and exports	Provide advice to colleagues and other stakeholders on the impact of tariffs and duties on imports and exports arranging appropriate actions when necessary
The methods for managing the volatility of commodities and currencies in supply chains such as: <ul style="list-style-type: none"> • Hedging • Spot • Forward • Derivative • Other instruments 	Evaluate and implement the use of appropriate instruments to manage the volatility of commodities and currencies in supply chains
The main regulations that impact on the employment of people in global supply chains such as: <ul style="list-style-type: none"> • Discrimination, equality and diversity • Employee redundancy and dismissal • Working time and staff payment • International labour codes • Health and safety at the workplace • Minimum/fair wages • Modern slavery • Other country specific employment issues 	Evaluate the impact of the main regulations that impact on the employment of people in global supply chains

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 2.7 • Strategy in the Organisation and its Supply Chain

Knowledge: Will know and understand:	Capabilities: Will be able to:
The levels of strategy in organisations – corporate, business unit and functional	Contribute to the development and implementation of business and corporate strategies through added value procurement and supply chain management
The layers of the business environment and its impact on the development of strategy	Advise colleagues and other stakeholders on the impact of the business environment on the organisation and its supply chains
The challenges that impact on different industries and sectors and analysing trends in the macro-environment	Evaluate the challenges faced by the organisation and its supply chains taking actions to mitigate risks and to develop opportunities
The impact of changing markets and market volatility on supply chains	Develop approaches to mitigate the impact of markets on supply chains and take actions to exploit market opportunities
Cycles of competition and competitive strategies	Critically assess pricing and competitive behaviour undertaken by organisations in the supply chain and take actions to improve or protect the organisation's interests
The segmentation of markets	Develop and implement the alignment of market segmentation undertaken by the organisation with its customers and suppliers
The strategy clock and competitive strategy options	Critically assess the divergence of strategies undertaken by organisations in a supply chain and take actions to promote the organisation's interests
Modelling for the creation of strategic directions	Critically assess the divergence of strategies undertaken by organisations in a supply chain and advise senior managers on strategies that can be adopted by the organisation
Approaches to strategy evaluation	Recommend strategic choices to improve the organisation's short and long term performance
Drivers of globalisation and international strategies	Evaluate and take opportunities for using global strategies
The innovation- entrepreneurship framework and the contributions of supply chain	Evaluate the value added activities of the organisation's supply chains and take actions to increase value
Methods of pursuing strategies such as: <ul style="list-style-type: none"> • Organic development • Strategic alliances • Mergers and acquisitions • Offshoring/onshoring • Outsourcing/in-sourcing • Make vs Buy analysis 	Critically assess the developments in strategy adopted by suppliers and advise senior managers on the potential means of developing strategy
The protection of intellectual property in the supply chain	Advise colleagues, suppliers, other stakeholders on issues affecting the supply chain in the development and retention of intellectual property rights
The impact of mergers and acquisitions on supply chains	Evaluate the effect of mergers and acquisitions on the organisation and its supply chains and develop plans to maximise benefits and minimise disruption
The use of business continuity planning to assess financial impact and mitigate supply chain interruption	Assess suppliers' business continuity plans to mitigate financial impact and disruption to the organisation's supply chains

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 2.8 • Finance in the Organisation and its Supply Chain

Knowledge: Will know and understand:	Capabilities: Will be able to:
Sources of short term and long term finance	Critically assess the financing options used by the organisation and its supply chain and suggest actions to mitigate financial risks
The analysis and interpretation of financial statements	Monitor the impact of the supply chain on the financial stability of the organisation and mitigate financial risks
Managing working capital	Critically assess the impact of the supply chain on the organisation's working capital and liaise with senior managers to work to ensure financial liquidity to mitigate financial risks
The use of spot, forward and derivative instruments in foreign exchange for managing the volatility of currencies and commodities in supply chains	Evaluate and implement the use of appropriate instruments to manage the volatility of commodities and currencies in supply chains
The sources of finance and the cost of capital and capital structure of an organisation	Monitor the impact of the sources of finance and cost of capital on the supply chain, taking decisions that will support the organisation's cash flow aims and policy
Dividend policies and shareholder value	Assess the impact of dividends and shareholder value on the financial performance of key suppliers or customers
Mergers, takeovers and the valuation of shares	Advise senior managers on the impact of mergers or takeovers on the supply chain and on the organisation
Company location and the implications on corporate taxation	Advise senior managers of the impact of company location and corporate taxation and how they affect the organisation or its supply chains
Analysis of funding options such as equity, joint ventures, seed funding and outright acquisition	Develop or contribute to business cases and advise senior management on supply chain investment decisions to secure supplier innovation/intellectual property/delivery capacity
The use of open book costing and adjustments	Create policies and processes to understand cost through the use of open book costing, making adjustments for relevant categories of supply

Pillar: Infrastructure Standards

Theme 3: Technology in Procurement and Supply

This theme enables personnel working in procurement and supply to develop their capabilities in the use of systems, to identify opportunities for the development of systems technology to improve procurement and supply chain management. The impact of internet based technologies and the use of data base information technology systems is key to the ability of the organisation to manage its expenditures on goods and services.

TACTICAL COMPETENCY LEVEL 	
Segment 3.1 • Understanding Systems for Procurement and Supply	
Knowledge: Will know and understand:	Capabilities: Will be able to:
How to use systems technology and databases for purchase ordering and how this contributes to procurement and supply	Input data on systems to perform key tasks for purchase ordering and other transactions in procurement and supply
Capturing data on expenditures and updating systems	Identify and input data to update systems for controlling the procurement of goods and services and informs colleagues or internal stakeholders when the data is not sufficient
How to provide data to smooth demand and why demand management is important in procurement and supply	Ensure systems are updated with data to help smooth demand following organisational processes and procedures
The use of the internet, intranets and extranets in effective procurement and supply management	Promote the use of the internet, intranet or extranet systems for performing tasks that relate to effective procurement and supply management
Using the internet to locate details about suppliers and customers and how this helps processes in procurement and supply	Investigate information on suppliers or customers using the internet
E-sourcing and E-tendering systems used in procurement and supply to: <ul style="list-style-type: none"> • Promote contract opportunities • Pre-qualify suppliers • Receive and evaluate quotations and tenders 	Promote the use of E-sourcing or E-tendering systems to internal stakeholders to perform key tasks in procurement and supply
The use of Purchase to Pay (P2P) systems including E- requisitioning, E-catalogues, E- ordering and E- invoicing, and their contribution to processes in procurement and supply	Use and explain to internal stakeholders Purchase to Pay (P2P) systems to perform key processes in procurement and supply

OPERATIONAL COMPETENCY LEVEL



Segment 3.2 • Using Systems for Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
How to use systems to enhance internal and external communications in procurement and supply	Work to ensure systems for internal and external communications in procurement and supply are used and developed
The use of Purchase to Pay (P2P) systems in procurement and supply such as: <ul style="list-style-type: none"> • E-requisitioning • E-catalogues • E-ordering • E-invoicing 	Operate and promote the use of P2P systems for key processes in procurement and supply
The use and development of E- market places	Make use of and promote to stakeholders the benefits for the organisation of relevant E-market places and Trading Exchanges
E-sourcing and E- tendering portals in procurement and supply	Provide guidance to stakeholders and promote the use of use of E-sourcing or E- tendering software in procurement and supply
The use of E- auctions in sourcing processes	Identify opportunities for the use of E- auctions and organise E- auction events
The use of systems for the control of inventories	Operate and promote the use of systems for inventory control
The use of Enterprise Resource Management (ERP) systems for procurement and supply activities	Guide colleagues and other stakeholders and promote the use of ERP systems for procurement and supply activities

MANAGERIAL COMPETENCY LEVEL



Segment 3.3 • Developing Systems for Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of ERP systems and data bases for procurement and supply activities	Evaluate the capabilities of ERP systems and data bases for procurement and supply activities, and make recommendations to senior managers on their development and implementation
The development of P2P systems used in procurement and supply including <ul style="list-style-type: none"> • E- requisitioning • E- ordering • E -Invoicing 	Investigate the use of P2P systems used in procurement and supply and make recommendations to senior managers on their development and implementation
The development of E- catalogues in procurement and supply and how these can enhance key procurement and supply processes	Investigate and make recommendations to senior managers on the development of E- catalogues that can be applied to procurement and supply
The development of E- market places in the supply chain	Explore opportunities for the use of E-market places to improve access to supplies and to improve leverage for the organisation
The use of data analytics on the supply chain to assist planning, forecasting, control and decision making	Work with key stakeholders and suppliers to create improvements to data and reporting to enable informed decision making and transparency of spend and resolve problems when the data gathered is not sufficient
The application of data integrity for effective procurement and supply	Examine the standards of, and potential improvements, that can be made to data integrity in the use of procurement and supply data base systems and make recommendations for improvements to colleagues and other stakeholders
The use of integration tools in systems technology in procurement and supply	Explore improvements that can be made to integrate both internal systems and systems across supply chains through data integration technology and make recommendations to colleagues and other stakeholders
Developments such as <ul style="list-style-type: none"> • Cloud computing • Open source software • Mobile telecommunications • Remote working • Convergence of technology platforms 	Assess developments in systems technology and make recommendations to colleagues and other stakeholders that will improve procurement and supply
The use of business continuity planning to mitigate supply chain interruption	Assess suppliers' business continuity plans to mitigate disruption to the organisation's supply chains

PROFESSIONAL COMPETENCY LEVEL



Segment 3.4 • Develop the Use of Technology for Effective Procurement and Supply Chain Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of systems to enable the improved control of expenditures on suppliers by the organisation	Identify opportunities for the development of systems to enable the improved control of expenditures on suppliers by the organisation
Develop and implement projects to improve systems capabilities for the organisation	Create and implement projects for the improvement of systems to enhance capabilities in procurement and supply
Improve data analytics and data capture to achieve effective procurement and supply	Investigate opportunities to improve data analytics and data capture to clearly define and add value in procurement and supply, making appropriate recommendations to senior managers and other stakeholders
Develop improved systems integration within the organisation or merged/acquired organisation	Identify opportunities of systems integration within the organisation for improved procurement and supply and make recommendations to senior managers and other stakeholders
Develop improved systems integration with the organisation's supply chains	Investigate opportunities to improve data analytics and data capture to clearly define and add value in procurement and supply, making appropriate recommendations to senior managers and other stakeholders

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 3.5 • Improving Systems Capabilities for Supply Chain Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of bespoke systems and commercial off the shelf systems (COTS) and workflows to enable improved control of expenditures on suppliers in organisations	Critically evaluate opportunities for the development of systems or procurement of commercial off the shelf systems (COTS) to enable the improved control of expenditures on suppliers by the organisation
The use of database systems, data centres and data warehousing for procurement and supply chain management	Investigate opportunities for the development of database systems, data centres and data warehousing used in procurement and supply chain management and make recommendations to colleagues and stakeholders
The development of big data analytics to assist decision making	Assess opportunities to develop and make use of big data analytics to create improved supply chain planning, forecasting and control
Contemporary ERP (Enterprise Resource Planning) systems and their impact on procurement and supply chain management and the wider organisation	Critically evaluate the capabilities and application of ERP (Enterprise Resource Planning) systems and data bases for procurement and supply chain activities, and make recommendations to senior managers on their selection, development and implementation
The impact of P2P (Purchase to Pay) systems used in procurement and supply chain management	Maximise the use of P2P (Purchase to Pay) systems and make recommendations to senior managers on the development and use of touchless transactions
Developments in systems technologies such as: <ul style="list-style-type: none"> • Intranets and extranets • Data centre management • Cloud computing • Open source software • Convergence of technology platforms 	Critically assess developments in systems technology and make recommendations to colleagues and other stakeholders that will improve procurement and supply chain management
The use of integration tools in systems technology to improve supply chain management	Critically assess improvements that can be made to integrate both internal systems and systems across supply chains through data integration technology and make recommendations to colleagues and other stakeholders
The development of business continuity plans to mitigate interruptions in the supply chain	Work with key stakeholders to assess the business continuity plans created by key suppliers and provide advice on potential improvements that can be made

ADVANCED PROFESSIONAL COMPETENCY LEVEL




Segment 3.6 • Improving Data Integrity in Supply Chains

Knowledge: Will know and understand:	Capabilities: Will be able to:
Data integrity in procurement and supply chain management	Evaluate improvements that can be made to data integrity for procurement and supply chain activities and make recommendations to colleagues and other stakeholders
The standards and storage of data and sources of intellectual property	Advise colleagues, suppliers and associated stakeholders on the standards, storage and passing of data affecting the supply chain
The use of information assurance and information risk management policies to protect the privacy of data for individuals, the organisation and the supply chain	Advise colleagues, suppliers and other affected stakeholders on issues relating to the confidentiality of data
Legal aspects relating to the protection of data such as: <ul style="list-style-type: none"> • Data protection • Responsible data handling • Cyber security 	Advise colleagues, suppliers and associated stakeholders on legal aspects relating to the protection of sensitive data
Data disruption, the use of data resilience strategies and disruption tolerant networks	Assess and evaluate implications of data disruption on the organisation and the supply chain and develop plans and processes to mitigate data disruption
The use of cyber security to protect the confidentiality, integrity and availability of data with external organisations and individuals	Work with key stakeholders to ensure robust cyber security plans and processes are created and followed

Pillar: Process Standards

Theme 4: Spend Management in Procurement and Supply

The spend management theme helps personnel with roles in procurement and supply to develop their capabilities in achieving value for money outcomes with the supply chain. All personnel associated with procurement and supply can make positive contributions to the success of the organisation through effective purchasing, effective inventory control, controlling expenditure and the use of strategic procurement and supply techniques, including category management and strategic sourcing.

TACTICAL COMPETENCY LEVEL 	
Segment 4.1 • Effective Purchasing Practice	
Knowledge: Will know and understand:	Capabilities: Will be able to:
The typical proportions of organisational costs accounted for by procurements of goods and services	Explain the importance of procurements of goods and services to the organisation
Different types of procurements such as: <ul style="list-style-type: none"> • Capital and revenue purchases • Products, services and constructional works • Direct and indirect • Outsourcing and insourcing 	Advise internal stakeholders on the different types of purchases that will typically be contracted for by the organisation
The five rights of purchasing and definitions of value for money: <ul style="list-style-type: none"> • Price/total cost • Quality • Time • Quantity • Place 	Apply the 5 rights of purchasing and value for money criteria to any purchase of goods or services
Total costs of ownership (or whole life costs) criteria such as the costs involved in purchasing, ownership, usage and disposal	Explain how the purchases of goods or services can be evaluated on the basis of the total costs of ownership (or whole life costs)
The roles of procurement and supply professionals in making expenditures with suppliers	Explain the importance of spending the organisation's money with suppliers to achieve value for money outcomes
The roles of staff with devolved responsibilities for the procurement of goods and services	Identify staff with devolved responsibilities for the procurement of goods and services and explain how they can create orders and agreements with external suppliers
The main pricing methods used for the purchasing of goods or services including: <ul style="list-style-type: none"> • Fixed pricing, lump sum pricing and schedule of rates • Cost reimbursable and cost plus arrangements • Variable pricing • Target pricing • Risk and reward pricing 	Explain the advantages and disadvantages of a range of pricing methods and apply these in the procurement of goods and services
Data that relates to the pricing of goods or services purchased by the organisation including: <ul style="list-style-type: none"> • Price changes compared to historic figures • Margins and mark ups • Total costs of ownership • Open book costing/accounting 	Calculate basic financial analysis of costs and prices and use this data to negotiate with suppliers

TACTICAL COMPETENCY LEVEL



Segment 4.2 • Effective Inventory Control

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The classifications of different types of inventory such as:</p> <ul style="list-style-type: none"> • Opening stock, work in progress and finished goods • Safety stocks • ABC classifications of stock that may apply • Dependent demand and independent demand items of stock 	<p>Explain to colleagues and other internal stakeholders the classifications of inventories that are supplied</p>
<p>The direct and indirect costs of holding inventories</p>	<p>Explain the direct costs and the indirect costs that are associated with holding inventories and take actions to reduce costs whilst mitigating any negative impact on service levels</p>
<p>The main techniques associated with managing inventories including:</p> <ul style="list-style-type: none"> • Re-order quantities, • Re-order levels, • MRP and MRPII • Just in Time 	<p>Make comparisons between and use techniques for managing inventories</p>
<p>The use of bar coding in inventory operations</p>	<p>Use bar coding to select and control the range of stock items held by the organisation</p>
<p>The use of forecasting for inventories to identify and resolve any problems that can affect the scheduling of supplies</p>	<p>Explain the use of subjective and objective methods that can be applied to forecast inventories and identify and resolve any problems that can affect the scheduling of supplies</p>

TACTICAL COMPETENCY LEVEL



Segment 4.3 • Effective Logistics Control

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The principles of stores and warehousing facilities such as:</p> <ul style="list-style-type: none"> • The effective and efficient flows of inventory • Reduction of life-cycle costs • Space optimisation 	<p>Explain how stores and warehouses can be designed to ensure the efficiency and effectiveness of the locations of inventories, inventory flow and space utilisation</p>
<p>Key aspects associated with the storage of inventories</p>	<p>Explain the use of materials handling equipment and palletisation and unit loads, packing and packaging and the use of automation in warehousing</p>
<p>The main modes of transportation in logistics</p> <ul style="list-style-type: none"> • Road • Rail • Air • Sea 	<p>Identify the strengths and weaknesses associated with the main modes of freight transportation</p>
<p>The documentation that is used in transportation of supplies such as:</p> <ul style="list-style-type: none"> • The single administrative document • Packing list, waybill, consignment notes, bill of lading • Certificate of origin • Letters of credit or other financial documentation 	<p>Check that documents used in the transportation of supplies are completed and authorised correctly</p>
<p>The main types of Incoterms in international logistics E, F, C and D terms</p>	<p>Provide advice to stakeholders on the use of the different classifications of Incoterms in international logistics</p>
<p>Legislation and regulations on supplies from international sources</p>	<p>Ensure compliance with legislation and regulations for supplies from international sources</p>

OPERATIONAL COMPETENCY LEVEL



Segment 4.4 • Controlling Expenditures on Goods and Services

Knowledge: Will know and understand:	Capabilities: Will be able to:
The typical breakdown of organisational costs represented by goods, services or constructional works	Collate data and estimate the breakdown of organisational costs represented by goods, services or constructional works
<p>The sources of added value that can be achieved through effective procurement and supply including:</p> <ul style="list-style-type: none"> • Competitive pricing • Reduced total costs of ownership • Improved quality • Delivery performance and time to market • Reduced stockholding, quantities of resources matching demand innovation • Sustainability 	Advise colleagues and other internal stakeholders on the main sources of added value that can be achieved through effective procurement and supply
<p>The use and content of business cases to justify expenditures on supplies, services or projects including:</p> <ul style="list-style-type: none"> • Costs • Benefits • Options • Alignment with organisational needs • Timescales 	Develop and effectively present business cases to justify expenditures and advise colleagues or other stakeholders of their contents
The creation of financial budgets for the control of procurements	Estimate the costs and prices of procurements that may be required to complete the financial budgets operated by colleagues or other internal stakeholders
The operation of financial budgets for the control of procurements	Advise internal stakeholders on the operation of financial budgets and assess the causes of variances to planned expenditures on procurements of goods or services
<p>The main types of pricing arrangements in commercial agreements including:</p> <ul style="list-style-type: none"> • Pricing schedules • Fixed pricing arrangements • Cost plus and cost reimbursable pricing arrangements • Indexation and price adjustment formulae • Incentivised gain share pricing • Payment terms • The use of open book costing and adjustments 	Monitor pricing arrangements in commercial agreements to ensure effective price and cost management

MANAGERIAL COMPETENCY LEVEL



Segment 4.5 • Category Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
The main categories of expenditure that will be subjected to category management	Develop hierarchies of categories for both direct and indirect expenditures that make use of category trees for category management and strategic procurement
The main models for the adoption of category management such as the CIPS Category Management Model	Evaluate and apply an appropriate methodology to achieve improved category management that standardises processes and the use of systems across the organisation
Data that is typically analysed to develop a category plan	Evaluate historical and forecasted data on categories of spend to help formulate options and make recommendations to achieve value for money outcomes
The development of a sourcing plan for the category	Create a Category Management plan that makes use of the division into lots or range of contracts to be awarded and mitigate any potential impact of the lack of internal buy-in
Tools and techniques that are typically applied to map categories of direct and indirect expenditures such as: <ul style="list-style-type: none"> • Matrices • Supply chain mapping • Porter's 5 Forces model • Market share/market growth • STEEPLD and SWOT • Technology route maps 	Evaluate and provide advice on categories of direct and indirect expenditure
Market factors that are typically assessed in the development of a category management plan including: <ul style="list-style-type: none"> • Industry dynamics • Competitiveness • Pricing behaviour • Technology drivers 	Develop a category management plan by analysing market factors using early market engagement/dialogue when appropriate and making use of market data to inform decision making
The behavioural and technical skills required for the implementation of a category management methodology <p>Behavioural</p> <ul style="list-style-type: none"> • Communication with stakeholders and suppliers • Influencing skills • Working with teams and cross functional working • Acting as a change agent <p>Technical</p> <ul style="list-style-type: none"> • Financial management and cost analysis • Supply chain analysis • Supply base research • Sourcing processes • Risk management • Negotiation 	Demonstrate effective behavioural and technical skills across the organisation, with suppliers and other stakeholders for effective category management

PROFESSIONAL COMPETENCY LEVEL



Segment 4.6 • Improving the Role of Procurement and Supply within the Organisation

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The contribution of strategic supply chain management to corporate and business strategy such as:</p> <ul style="list-style-type: none"> • Cost competitiveness • Improved quality and reliability • Product and service differentiation • Time to market • Other order winning criteria 	<p>Engage with colleagues and other internal stakeholders to promote the organisation's commitment to achieving effective supply chain management, emphasising the contributions of strategic supply chain management to corporate and business strategy</p>
<p>The use of cost modelling</p>	<p>Create dynamic cost models that can be used to assess costs and margins as well as competitive behaviour in the supply chain to protect the organisation's position</p>
<p>The use of techniques to create networked supply chains to improve supply chain management such as:</p> <ul style="list-style-type: none"> • Value stream mapping • Network sourcing • Network optimisation modelling • Exploiting supplier innovation 	<p>Lead the analysis and implementation of techniques to create networked supply chains</p>
<p>The role of distribution systems in supply chain management</p>	<p>Improve the effectiveness and efficiency of the organisation's distribution systems</p>
<p>The creation of lean and agile supply chains</p>	<p>Lead the implementation of methodologies to achieve lean and agile supply chains</p>
<p>Approaches to develop and implement industry level collaboration to achieve strategic supply chain management</p>	<p>Identify opportunities to develop collaborative relationships with the organisation's supply chain and lead stakeholders in their implementation</p>

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 4.7 • Developing Operational Expertise in Procurement

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The sources of organisational competitive advantage such as:</p> <ul style="list-style-type: none"> • low cost • sources of differential advantage • product/service range • brand image • customer care • other order-winning criteria 	<p>Develop approaches to ensure that the procurement and supply function supports the achievement of the organisation's sources of competitive advantage</p>
<p>The use of collaborative and competitive strategies for improving supply chains and how they differ from each other</p>	<p>Develop appropriate strategies and plans for the adoption of collaborative or competitive strategies and promote their use by internal and external stakeholders</p>
<p>The implications of BS11000 (to become ISO11000) and other frameworks and standards that create partnering and collaborative approaches to supplier relationship management</p>	<p>Develop and instigate approaches with stakeholders to support collaborative business relationships using appropriate standards and frameworks Create plans to improve demand forecasting to achieve</p>
<p>Approaches to demand forecasting and balancing demand with supply</p>	<p>balanced demand with supply</p>
<p>The use of technology transfer</p>	<p>Take actions to develop and implement technology transfer with suppliers</p>
<p>Making decisions on capital investment</p>	<p>Contribute to investment appraisal and decisions undertaken by internal stakeholders so that total costs of ownership can be minimised and the most profitable investment decisions can be made</p>

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 4.8 • Developing Organisational Expertise in Category Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
The main models for the adoption of category management/strategic procurement	Evaluate and apply an appropriate methodology using contemporary techniques to achieve improved category management/strategic sourcing
Segmentation of purchases and the use of techniques to profile expenditures	Lead colleagues and other internal stakeholders to understand the dynamics of the supply chain and to recommend appropriate category strategies
Category team selection and stakeholder engagement	Encourage collaboration between procurement/supply chain personnel with stakeholders to develop effective category plans
The development of business cases, acquisition strategies and category management	Actively lead the development and promotion of effective business cases, acquisition and category strategies with stakeholders that reflect organisational objectives
Approaches to supply market research/early supplier engagement/pre-contract dialogue	Promote the consideration of the consequences of decisions that impact on suppliers and supply markets to create a culture of innovative sourcing solutions
The implementation of category plans	Analyse and react to stakeholder feedback, and implement appropriate category plans to standardise organisational processes and systems
Strategic supplier relationship management	Develop and maintain the use of structured approaches to supplier relationship management supported by colleagues and other internal stakeholders
Approaches to category cost driver analysis	Apply cost driver analysis across key categories of spend to support assessment of cost and value

Pillar: Process Standards

Theme 5: Contracting in Procurement and Supply

The contracting theme enables personnel involved in procurement and supply to create robust contractual arrangements with the organisation's supply chain to ensure positive outcomes in cost, time and quality. The theme includes specifying goods and services, developing contracts, understanding the legal aspects for contracting goods and services, managing contractual risks and contracting for major programs and projects.

TACTICAL COMPETENCY LEVEL



Segment 5.1 • Contract Administration

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The main types of contracts and agreements including:</p> <ul style="list-style-type: none"> • The use of spot purchases • Term contracts • Framework agreements (or blanket orders/panel agreements) • Call offs 	<p>Contribute to the preparation of the main types of contracts and agreements</p>
<p>The different documents that compose a contract for the purchase or supply of goods or services including:</p> <ul style="list-style-type: none"> • The specification • The key performance indicators (KPIs) • The contract terms • The pricing schedule • Other schedules (for health and safety, use of sub-contractors, non disclosure/confidentiality agreements) 	<p>Identify and explain to stakeholders the documentation that comprises a typical contract</p>
<p>The stages involved in forming contracts for purchased goods or services</p> <ul style="list-style-type: none"> • Requests for quotations/information/tender enquiries • Quotations/tenders received • Orders/acceptance of tenders • Delivery notes/acknowledgements • Invoicing and payment 	<p>Identify and explain to colleagues and other internal stakeholders the key stages involved in forming contracts for goods and services</p>
<p>The details that should be included in contractual documents</p>	<p>Review draft contracts to ensure that contractual documents are fully detailed</p>
<p>Key tasks associated with contract administration to ensure the completion of contractual documentation</p>	<p>Deal effectively with any queries raised by internal staff or from suppliers on the completion of contractual documentation</p>
<p>The impact of stage payments and cash flows in the performance of contracts</p>	<p>Recognise the importance of cash flows and stage payments made in contracts with suppliers</p>
<p>The use of contract registers and other sources of data on contracts let with suppliers</p>	<p>Publicise and promote the use of contract registers with internal stakeholders</p>

OPERATIONAL COMPETENCY LEVEL



Segment 5.2 • Developing Contracts with Suppliers

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The main types of contracts and agreements including:</p> <ul style="list-style-type: none"> • The use of spot purchases • Term contracts • Framework agreements (or blanket orders/panel agreements) • Call offs 	<p>Develop appropriate agreements with internal stakeholders that consider both short and long term implications</p>
<p>The documentation that is used to create commercial agreements for the supply of goods or services and how to complete these including:</p> <ul style="list-style-type: none"> • The specification • Key performance indicators (KPIs) • Contract terms • Pricing schedule • Other schedules (such as for health and safety, use of sub-contractors, non disclosure/confidentiality agreements) 	<p>Contribute to the completion of documentation used to form commercial agreements</p>
<p>The sources of express terms that can be used to regulate contracts made for the supply of goods or services including:</p> <ul style="list-style-type: none"> • The use of standard or specialised terms of purchase • Model form contracts • Bespoke contracts 	<p>Select and provide advice to colleagues and other internal stakeholders on appropriate contract terms for the supply of goods or services</p>
<p>The legal issues that relate to the creation of commercial agreements with customers or suppliers relating to offers, counter offers, acceptance, precedence of documents and other issues</p>	<p>Review processes and procedures for creating contracts to ensure that all legal requirements are complied with and recommend any changes required</p>
<p>Core clauses that comprise commercial agreements with customers or suppliers including:</p> <ul style="list-style-type: none"> • Indemnities and liabilities • Sub-contracting and assignment • Insurances • Guarantees • Liquidated damages • Payment • Delivery and completion 	<p>Interpret and provide advice to colleagues and other internal stakeholders on the core clauses of commercial agreements with customers or suppliers</p>
<p>Key provisions of legislation that relate to contracts for the supply of goods and services including:</p> <ul style="list-style-type: none"> • Quality • Delivery • Payment • Passing of property • Compensation 	<p>Check that contracts for the supply of goods and services comply with relevant legislation</p>
<p>The use of debriefing of unsuccessful suppliers and transition arrangements to commence contracts</p>	<p>Ensures that approvals and debriefings are used appropriately to inform the contract letting process</p>

OPERATIONAL COMPETENCY LEVEL



Segment 5.3 • Specifying Goods and Services

Knowledge: Will know and understand:	Capabilities: Will be able to:
Different types of specifications used in the procurement of goods or services such as drawings, samples, branded, technical, conformance, output or outcome, statement of work based specifications	Develop appropriate specifications for the procurement of goods or services
Sources of information that can be used to create specifications such as standards, the internet, suppliers and directories	Research appropriate sources of information for the development of specifications for the short and longer terms
The typical sections of a specification such as scope, definitions, descriptions of requirements, testing and acceptance, change control mechanisms and remedies	Develop and complete all required documentation for the specification of through-life contracts
The impact of specifications on the organisations' cash input costs	Ensure that the design and performance of specifications will avoid unnecessary costs for both the organisation and its supplier
The risks that can result from inadequate specifications particularly under or over specifying needs	Monitor the creation of specifications by colleagues and other internal stakeholders and work to ensure that risks are mitigated
The use of standardisation, value analysis and value engineering programmes to regulate specifications	Identify opportunities to regulate specifications both in the short and longer terms by the implementation of standardisation, value analysis or value engineering programmes and provide guidance to internal stakeholders on their implementation
The use of social and environmental criteria in specifications	Research appropriate sources of information for the development of specifications that incorporate social and environmental criteria

MANAGERIAL COMPETENCY LEVEL



Segment 5.4 • Legal Aspects of Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The impact of legal agreements on the relationships between different parties in a supply chain including:</p> <ul style="list-style-type: none"> • Principals and agency • Assignment and sub-contracting • Novation • Confidentiality and non-disclosure agreements • Duress and undue influence • Negligence 	<p>Monitor and evaluate developments in legal aspects that affect sourcing decisions explaining to colleagues and other internal stakeholders their implications</p>
<p>The use of express contract terms</p>	<p>Provide advice on the interpretation of contract terms to colleagues, suppliers and other stakeholders and draft bespoke terms to apply outside of established frameworks and contract forms</p>
<p>Legislation and case law that regulate contracts</p>	<p>Provide advice on the interpretation of legislation (such as the Uniform Commercial Code) and case law to colleagues, suppliers and other stakeholders recognising when to involve other professionals for guidance</p>
<p>The implications of Intellectual Property Rights (IPR) on procurement and supply</p>	<p>Analyse and explain to colleagues and other internal stakeholders the implications of Intellectual Property Rights including licensing, royalties and non-disclosure agreements with the supply chain</p>
<p>The main employment regulations that impact on procurement and supply such as:</p> <ul style="list-style-type: none"> • Transfer of Undertakings and Protection of Employment regulations • Redundancy and dismissal • Discrimination in the workplace • Restraint on trade • International labour organisation and UN standards on business and human rights • Minimum/living wage 	<p>Interpret and provide advice to colleagues and other internal stakeholders on the main employment regulations that impact on procurement and supply</p>
<p>Competition law that impacts on procurement and supply</p>	<p>Analyse and explain to colleagues and other internal stakeholders the impact of competition law on the organisation's supply chains</p>
<p>Regulations that cover bribery and corruption</p>	<p>Set standards for dealings with suppliers to ensure that regulations on bribery and corruption are upheld and report any breaches of regulations to senior management or responsible authorities</p>
<p>Insurance provision in contracts such as:</p> <ul style="list-style-type: none"> • Public liability • Employers/professional indemnity 	<p>Provide advice on insurance provision to stakeholders</p>

MANAGERIAL COMPETENCY LEVEL



Segment 5.5 • Managing Contractual Risks

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>Legal issues relating to the formation of contracts with customers or suppliers such as:</p> <ul style="list-style-type: none"> • Offers • Counter offers • Acceptance • Precedence of documents 	<p>Analyse and explain to colleagues and other internal stakeholders the legal and commercial implications that relate to the formation of contracts</p>
<p>The main express terms that are commonly applied in contracts for the supply of goods or services such as:</p> <ul style="list-style-type: none"> • Indemnities and liabilities • Sub-contracting and assignment • Insurances • Guarantees • Liquidated damages • Payment • Delivery and completion 	<p>Interpret and revise key terms that are included in contracts in procurement and supply</p>
<p>The main remedies for the default or breach of contract</p>	<p>Review contracts and recommend appropriate actions to be taken in the event of any default or breach of contract including subcontracting work without agreement</p>
<p>The main provisions that cover variations, claims or compensation events</p>	<p>Evaluate and recommend appropriate actions to be taken to resolve variations, claims or compensation events</p>
<p>The main methods for dispute resolution including negotiation, alternative dispute resolution through mediation, conciliation and expert determination, adjudication, arbitration and litigation</p>	<p>Evaluate and recommend appropriate methods to resolve disputes and take actions to resolve disputes</p>
<p>The use of flow-down arrangements in supply chains that affect contracts</p>	<p>Apply relevant flow-down requirements in the supply chain</p>
<p>The use of key milestones in contract and project risk management</p>	<p>Establish and review key milestones and implement appropriate risk management actions</p>
<p>The impact of risk on organisational reputation</p>	<p>Develop and manage approaches to mitigate the impact of supply chain risk on organisational reputation, escalating significant issues as appropriate</p>

PROFESSIONAL COMPETENCY LEVEL



Segment 5.6 • Contracting for Major Programs and Projects

Knowledge: Will know and understand:	Capabilities: Will be able to:
The development and implementation of contracts	Advise and lead on the development and implementation of contracts
The use of contracting options for major programmes, projects and complex procurements, such as client co-ordinated approaches, engineering procurement and construction (EPC), design and build, management contracting and construction management, design/build/finance/operate and ownership forms of contract	Evaluate the range of contracting options for major programmes, projects or complex procurements and the situations when each should be used taking account of the implications from inception to obsolescence
The use of standard contracts for procurements such as: <ul style="list-style-type: none"> • The New Engineering Contract (NEC) core and optional clauses • Institution of Mechanical Engineers (IMechE) contract forms • Joint Contracts Tribunal (JCT) contract forms • International Federation of Consulting Engineers (FIDIC) contract forms • CIPS model forms of contract • Corporate contract templates 	Evaluate the range of contract forms that are available for major programmes and projects and select the most appropriate for the programme or project that is to be undertaken
The development of business cases, specifications, contract terms and lotting strategies	Create contracting plans with stakeholders that develop effective business cases, specifications, contract terms and lotting strategies
Core clauses included in contract forms for major programmes and projects	Interpret the core clauses included in contract forms for major programmes and projects to provide advice to colleagues and other stakeholders
The use of optional clauses and schedules	Evaluate and make any necessary revisions to optional clauses and schedules included in contract forms for major programmes and projects
The use of pricing mechanisms for major programmes and projects such as <ul style="list-style-type: none"> • Fixed lump sum • Activity schedule • Bills of quantity • Target costing methods • Risk and reward pricing mechanisms 	Evaluate the range of pricing arrangements available for major programmes or projects and recommend the most appropriate mechanism for the specified project ensuring that the flows of money in the performance of contracts will be equitable
The use of partnering relationships in procurement and supply	Encourage stakeholders to form effective on-going relationships with their supply chains
The use of early warning notices and risk reduction meetings in projects and programme management	Work to ensure that the supply chain performs their contractual duties and encourage good practice in the management of projects and programmes to avoid escalating costs and delays
Mechanisms for managing risks with suppliers in programmes and projects	Create risk registers and other mechanisms for managing risks in programmes and projects and recommend arrangements for the sharing of risk with the organisations supply chain to minimise disruption and costs
Timescales and approvals for contracts	Streamline contracting processes that maximise efficiency and effectiveness

ADVANCED PROFESSIONAL COMPETENCY LEVEL




Segment 5.7 • Leading Improvements in Contracting Practice

Knowledge: Will know and understand:	Capabilities: Will be able to:
The impact on supply chain relationships of undertaking major programmes and projects	Engage in forums, seminars and other events to promote best practices in programme and project management across supply chains
The use of project partnering and strategic partnering relationships in projects and programme management	Encourage the use of project partnering and strategic partnering throughout the sector through demonstrating effective leadership skills
The development of Model Form contracts in the contracting environment such as NEC, FIDIC, JCT, IMechE, IChemE, Logic	Participate in consultations and other events to guide the development of Model Form contracts and industry practice
Benchmarking of programmes and projects	Liaise with organisations that have led innovative programmes and projects and disseminate best practices to the organisation's stakeholders
The risk appetite of the organisation, risk analysis and impact of risks on the reputation and performance of organisations	Encourage the adoption and use of standards that identify, manage and mitigate risks in the supply chain
The use of financial levers such as payment scheduling, gain share/risk and reward contracting	Make effective use of payment and risk/reward sharing contracting approaches to minimise risk, motivate performance, drive innovation and maximising cash flow
Regulations that can impact on sectors and organisations	Provide expert advice to colleagues and stakeholders on relevant regulations and compliance issues that affect contracts with the supply chain
The principals, tools, processes and best practices in management of contracts and supplier performance	Make effective use of robust contract management disciplines, key performance indicators and service level agreements to mitigate risk and ensure high quality contract outcomes
The forms of dispute resolution such as litigation, arbitration, alternative dispute resolution including adjudication, mediation, conciliation and expert determination and negotiation	Leads dispute resolution, transition arrangements and exit strategies with appointed contractors and suppliers
The use of contract registers and the evaluation of the associated data and information	Promote the understanding of existing contracts and the relevance of key information contained within them to internal stakeholders

Pillar: Process Standards

Theme 6: Sourcing in Procurement and Supply

The sourcing theme focuses on fundamental aspects of procurement and supply. The theme enables personnel with roles in procurement and supply to formulate selection criteria and sourcing strategies so that the organisation will achieve the appropriate choice of supplier for bought out goods, services or works.

TACTICAL COMPETENCY LEVEL 	
Segment 6.1 • The Stages of a Sourcing Process	
Knowledge: Will know and understand:	Capabilities: Will be able to:
Reviewing and clarifying requirements from internal stakeholders	Liaise with internal stakeholders to review and clarify requirements to ensure that value for money outcomes are achieved through the sourcing of goods or services
The generation of requests for information or requests for quotations including: <ul style="list-style-type: none"> • Pricing • Delivery timescales • Required quality • Required quantities • Other site information 	Ensure that all required details are entered onto requests for information or requests for quotations or other documents used in the sourcing process
The analysis and comparison of quotations to achieve value for money outcomes when creating purchase orders	Compare and evaluate quotations received from potential suppliers and deal with any queries or concerns about completed documentation
Order placement and contract award	Make recommendations and obtain approvals within delegated levels of authority for the placement or award of contracts
Performance and delivery aspects of the sourcing process	Ensure that deliveries and commencement of work are in line with stated requirements

TACTICAL COMPETENCY LEVEL



Segment 6.2 • Effective Tendering

Knowledge: Will know and understand:	Capabilities: Will be able to:
The development of invitations to tender comprising of specifications, applicable key performance indicators, contract terms, pricing schedule and other schedules	Compile timely and accurate invitations to tender taking into account the requirements of stakeholders
Approaches to supply market research/early supplier engagement/pre-contract dialogue	Carry out and record discussions with suppliers and markets in appropriate circumstances to develop improved commercial and technical solutions
The use of prequalification questionnaires	Develop and transmit prequalification questionnaires to potential suppliers and check the details included in completed returns
Prequalification of suppliers in E-registration or E-tendering systems	Review potential suppliers that have completed prequalification making recommendations for their participation
The submission of tenders	Check the details that have been included in tenders completed by potential suppliers and refer any discrepancies to colleagues or suppliers
Evaluation of tenders on the basis of set evaluation or award criteria	Assess tender proposals in line with set evaluation criteria and make recommendations for tender award
Creation of acceptances of submitted tenders	Complete tender award documentation notifying unsuccessful and successful suppliers
Regulations that can impact on tendering	Advise on regulations that affect the tendering process

TACTICAL COMPETENCY LEVEL



Segment 6.3 • Effective Communication in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Effective writing of letters, e-mails, memoranda and reports to colleagues, suppliers and other stakeholders	Create written correspondence in the form of letters, e-mails, memoranda and reports
Preparing documentation for the sourcing process such as: <ul style="list-style-type: none"> • Requests for information or quotations or invitations to tender • Lotting of requirements • Evaluations of quotations or tenders • Award of acceptances of quotations or tenders 	Complete electronic files and documents used in the sourcing process
Building rapport with internal stakeholders	Develop, maintain and improve relationships with internal stakeholders to promote effective procurement and supply
Building relationships with suppliers and customers	Develop, maintain and improve relationships with suppliers or customers to promote effective procurement and supply
Negotiating with suppliers and customers	Negotiate with suppliers and customers to agree contract terms and relationships that will achieve the interests of the organisation
All elements of the communication cycle	Ensure that all communications with stakeholders and suppliers are appropriate, prompt and timely

OPERATIONAL COMPETENCY LEVEL



Segment 6.4 • Sourcing Processes and Systems in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The impact of organisational procedures on the sourcing process including:</p> <ul style="list-style-type: none"> • The responsibilities for procurement • Regulations relating to competition • Levels of delegated authority • Responsibilities for the stages of the sourcing process • Invoice clearance and payment 	<p>Ensure compliance with organisational procedures associated with the sourcing process</p>
<p>Developing sourcing options such as single, dual and multiple sourcing arrangements</p>	<p>Create recommendations for the adoption of single, dual and multiple sourcing arrangements with suppliers</p>
<p>The main types of contractual agreements made between customers and suppliers including:</p> <ul style="list-style-type: none"> • One off purchases • Framework arrangements and agreements • Mini competitions • Call offs • Services contracts • Contracts for the hire and leasing of assets • Outsourcing of work or services 	<p>Analyse the main types of contractual agreements that can be made between customers and suppliers and identify the circumstances for each to be used</p>
<p>Approaches to supply market research/early supplier engagement/pre-contract dialogue as part of the overall sourcing process</p>	<p>Develop the content for the pre-engagement of suppliers that can involve publicising contract opportunities and provide feedback to stakeholders to capture supplier innovation and build relevant innovations into the requirements</p>
<p>Analysis and planning involved in a sourcing process</p>	<p>Create plans for sourcing processes identifying the steps to be taken and the involvement of internal or external stakeholders</p>
<p>The distinction between the selection in the pre-contract stage and award used in the post-contract stages of a sourcing process</p>	<p>Create selection and award criteria appropriate to the procurement proposing any necessary weightings for the criteria</p>
<p>The evaluation of suppliers quotations or tenders to make use of criteria such as:</p> <ul style="list-style-type: none"> • total costs • added value • technical merit • quality • innovation • sustainability • ethical sourcing 	<p>Evaluate submitted quotations or tenders on the basis of objective criteria using any agreed weightings and scoring process</p>
<p>The impact of Purchase to Pay (P2P) systems on the sourcing process</p>	<p>Use the organisation's Purchase to Pay (P2P) system and deal effectively with any queries raised by stakeholders to improve the sourcing process</p>
<p>The impact of reverse auctions on the sourcing process</p>	<p>Analyse the use of reverse auctions in the sourcing process and advise suppliers and other stakeholders on their use</p>
<p>The use of E- market places in sourcing products and services</p>	<p>Make use of E- market places and promote their use to stakeholders to improve leverage for the organisation</p>

OPERATIONAL COMPETENCY LEVEL



Segment 6.5 • Conducting Supplier Appraisal

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of pre-qualification criteria or processes for supplier appraisal in the sourcing process	Evaluate the use and choice of pre-qualified suppliers, pre-qualification criteria or processes for supplier appraisal in the sourcing process taking into account stakeholder requirements
Sources of information on suppliers such as: <ul style="list-style-type: none"> • Financial reports • Credit rating agencies • Social media • Supplier websites • Other appropriate publications and sources 	Research information on suppliers using appropriate sources of information to select appropriate suppliers
The assessment of financial statements to evaluate the financial, commercial and technical capabilities of potential suppliers in the sourcing process	Evaluate the financial, commercial and technical capabilities of potential suppliers
The use of ratio analysis to evaluate potential suppliers	Analyse key ratios that indicate profitability, liquidity, gearing and investment in order to evaluate the suitability of potential suppliers
The use of scoring in the supplier appraisal process	Evaluate potential suppliers' prequalification or pre contract assessments using any scoring and make recommendations based on the assessments
The assessment of the suppliers capability to provide where needed elements such as <ul style="list-style-type: none"> • Suitably qualified and experienced personnel • Security • Health and safety 	Analyse and advise on supplier capability
The need for updating data on financial reports and credit ratings and the impact on financial risk	Update data on financial standing and credit ratings throughout the life of a contract and advise on financial risk mitigation

OPERATIONAL COMPETENCY LEVEL



Segment 6.6 • Effective Negotiation in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Negotiation in relation to the sourcing process handling conflict with suppliers and other stakeholders	Negotiate with stakeholders/suppliers to promote effective procurement in the stages of a sourcing process taking steps to overcome conflict and challenges with suppliers and other stakeholders
The types of approaches that can be pursued in commercial negotiations such as: <ul style="list-style-type: none"> • Collaborative (win/win) • Distributive (win/lose) • Pragmatic • Principled styles of negotiation 	Evaluate the range of approaches that can be used in commercial negotiations and use them when appropriate
The stages of a commercial negotiation including the planning and preparation, opening, testing, proposing, bargaining and agreeing	Create plans and conduct clearly defined stages for commercial negotiations taking account of the need to be flexible in practice
Creating objectives, strategies and goals for a commercial negotiation	Work with stakeholders to develop clear objectives, strategies and goals for a commercial negotiation
The sources of power in commercial negotiations	Analyse the sources of power in commercial negotiations and promote the organisation's objectives to achieve effective procurement and supply
Creating the right environment for a commercial negotiation including the choice of location, its surroundings and timings	Create the right environment for a commercial negotiation
Behavioural aspects of negotiation including effective listening, the use of persuasion methods, the use of tactics and influence	Demonstrate effective behaviours in conducting commercial negotiations that will help generate positive outcomes for the organisation
The use of emotional intelligence in commercial negotiations	Appreciate the different aspects of emotional intelligence that can be applied to improve performance and outcomes sought in commercial negotiations and create development plans to improve key skills
The sources of added value to organisations that can be achieved through effective negotiation by improving elements such as: <ul style="list-style-type: none"> • Prices or total costs • Timescales • Quality • Innovation • Sustainability • Other sources of added value 	Demonstrate and encourage best negotiation practice in delivering added value

MANAGERIAL COMPETENCY LEVEL



Segment 6.7 • Strategic Sourcing

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The assessment of market factors in the development of a strategic sourcing or category management process such as:</p> <ul style="list-style-type: none"> • Industry dynamics and pricing behaviour • Financial data on suppliers • Market demand and supply factors 	<p>Evaluate market factors that influence the supply market to assist the development of appropriate sourcing plans that shape markets and improves commercial leverage</p>
<p>Understand the business motivations, cost/margins and working practices of key suppliers</p>	<p>Advise colleagues and internal stakeholders on the implications of the business motivations, cost/margins and working practices of key suppliers</p>
<p>Techniques for assessing suppliers performance and capabilities</p>	<p>Undertake a strategic assessment of key suppliers using modelling and techniques of analysis</p>
<p>The assessment of sourcing options for strategic supplies of products or services including:</p> <ul style="list-style-type: none"> • The type of contract • The duration of contract • Competitive/non-competitive sourcing • Number of suppliers and lotting strategies • The use of e-sourcing • Global sourcing/off shoring/low cost country sourcing or onshoring 	<p>Assess the sourcing options for supplies of products or services establishing the capability of suppliers and the supply chain prior to commitment</p>
<p>Internal stakeholder's involvement in strategic sourcing/category management</p>	<p>Assemble cross functional teams and consult with internal stakeholders to agree sourcing options for any specific category of purchase</p>
<p>The use of competition, direct negotiation or joint proposition improvement in strategic sourcing/category management</p>	<p>Analyse the use of competition, direct negotiation or joint proposition improvement for the sourcing of categories and use as appropriate</p>
<p>The use of selection and award criteria relevant to the category of purchase</p>	<p>Develop and apply appropriate selection and award criteria and use to evaluate supplier proposals</p>
<p>Creating presentations on category plans</p>	<p>Develop category plans to define the approaches to be taken to sourcing categories and communicate to stakeholders</p>

MANAGERIAL COMPETENCY LEVEL



Segment 6.8 • Developing Outsourcing

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of outsourcing of work or services	Evaluate the use of make or buy sourcing strategies and identify the critical success factors for the outsourcing or insourcing of work or services
The use of outsourced procurement services and consortium based services	Generate opportunities for other organisations to make use of outsourced procurement services, or to contribute resources for consortiums, or to buy in services from other procurement organisations
The development of offshoring and low cost country sourcing	Evaluate the development of offshoring and low cost country sourcing applicable to the outsourcing of work or services
Risks in outsourcing work or services such as <ul style="list-style-type: none"> • The loss of control • Reputational damage • Increased costs • Service performance • Delays 	Develop a risk assessment and risk mitigation plan for the outsourcing of work or services taking into account feedback from stakeholders
Developing the process to secure the outsourcing of work or services	Create an appropriate sourcing plan for the outsourcing of work or services and communicate with stakeholders
Taking account of sustainability in outsourcing	Create plans for the use of responsible procurement with fair pricing and payment terms upholding relevant labour standards for the outsourced work or services

PROFESSIONAL COMPETENCY LEVEL



Segment 6.9 • Developing Global Sourcing

Knowledge: Will know and understand:	Capabilities: Will be able to:
Creating competitive advantage such as reduced costs, improved quality, time to market and product and service differentiation through global sourcing and low cost country sourcing	Evaluate opportunities for global and low cost country sourcing to contribute to the creation of competitive advantage for the organisation
Identifying value added activities and the value chain in global sourcing through: <ul style="list-style-type: none"> • Reducing costs • Improved quality • Delivery reliability • Innovation • Sustainability 	Analyse potential global supply chains to ensure that external organisations contribute added value
Assessing supply chain risks in global sourcing such as: <ul style="list-style-type: none"> • country risk • STEEPLED factors • export and import controls and sanctions • bribery and corruption • fraud • counterfeiting • disruptive technologies • cyber attack 	Monitor potential risks across global sources to develop and implement risk assessment and risk mitigation strategies for global sourcing taking actions to exploit market opportunities
Positioning in local, regional and global supply chains	Create and implement plans to achieve any applicable requirements between local, regional and global sourcing taking into account stakeholder feedback
Sourcing decisions in supply chains and the sourcing of rare earth commodities and other bottleneck items	Develop appropriate sourcing strategies for categories of procurements including the mitigation of potential supply chain risks
The co-ordination of commitments with different suppliers to balance supply chain risks across the global supply chain	Establish plans that co-ordinate and share allocations of expenditures across different suppliers when relevant
Sustainability in global sourcing including fair pricing and payment terms and recognising relevant labour standards in global sourcing	Create and implement plans for the use of responsible procurement
Legal and regulatory requirements for successful International trading relationships	Advise colleagues and internal stakeholders of changes in international trading, legal issues and regulations
Standards that apply to human rights and ethical/responsible sourcing such as: <ul style="list-style-type: none"> • the United Nations (UN) Trafficking Protocol • the International Labour Organisation (ILO) • the Ethical Trading Initiative (ETI) • Social Accountability International Standard SA8000 	Monitor compliance with human rights and ethical practices and standards taking appropriate actions in the event of any breaches

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 6.10 • Evaluating and Advising on Risks in Strategic Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The impacts of risks on the reputation of organisations	Develop approaches to mitigate the impact of the supply chain that could adversely affect the reputation of the organisation and contribute to the use of risk pathways by the organisation
Sourcing decisions in supply chains and the sourcing of rare earth commodities and other bottleneck items	Develop and implement appropriate sourcing strategies for rare earth commodities and other bottleneck items
The use of risk assessments and approaches to manage risks in sourcing plans	Takes calculated risks in the development and implementation of sourcing plans to deliver innovative solutions for the organisation and assigns risks to the party best placed to manage them
The main implications of globalisation on supply chain management and their bearing on risk such as: <ul style="list-style-type: none"> • Global logistics • Supply chain vulnerability • Ethical sourcing • The local versus global dilemma 	Monitor and evaluate aspects of globalisation that affect the organisation's supply chains and advise colleagues and strategic stakeholders on actions that can be taken to mitigate risks
Emerging risks such as cyber security, disruptive technologies, counterfeiting and fraud	Develop and communicate an assessment of risks using intelligence and alerts to manage emerging risks from external influences such as cyber security, disruptive technologies, counterfeiting and fraud
The impact of key legislation and regulations on competition law, licensing, tariffs and duties on imports and applicable law for international contracts	Monitor and evaluate developments in legal issues that affect sourcing decisions in supply chains and advise colleagues and strategic stakeholders on actions that can be taken to mitigate risks
The use of insurances for protection against risks in supply chains including: business interruption, credit protection, import/export, public and employers liability and professional indemnity	Develop and implement approaches to mitigate financial risks that impact on supply chains through the use of insurances
The development of risk management frameworks such as Enterprise Risk Management (ERM)	Support the adoption and use of frameworks such as ERM to mitigate risks in the supply chain
The use of standards for risk management such as: <ul style="list-style-type: none"> • ISO 22301 • ISO 27001 • BS 31000 	Support the adoption and use of standards that mitigate risks in the supply chain
Understanding the risk appetite of the organisation	Research market, and own organisations position on risk and quantify risks providing recommendations to internal stakeholders
Mechanisms for managing risk and for agreeing and recording ownership	Monitor risk management registers and other associated mechanisms and facilitate appropriate actions to minimise supply chain disruption and cost

Pillar: Performance Standards

Theme 7: Delivering Outcomes in Procurement and Supply

The delivering outcomes theme focuses on the improvements to business performance that personnel with roles in procurement and supply can generate for the organisation. These outcomes will be aligned to the achievement of added value solutions and can include reduced prices and costs, improved quality, achievement of timescales, required quantities, innovation and sustainable supplies of goods and services provided by external suppliers.

TACTICAL COMPETENCY LEVEL



Segment 7.1 • Delivering Value for Money in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The 5 rights of procurement and supply: <ul style="list-style-type: none"> • Price/cost • Quality • Time • Quantity • Place 	Apply the 5 rights of procurement and supply to any required goods or services
Creating value for money in procurement and supply	Identify opportunities to create value for money outcomes for procuring goods and services
Creating savings and improving efficiency in procurement and supply	Create savings and improve efficiencies through negotiations with suppliers
The use of budgets and budget monitoring in procurement and supply	Assist budget holders to capture savings that contribute to reductions in budgets
The use of targets in procurement and supply	Analyse and work towards targets set for value for money improvements
Contract management systems in procurement and supply	Operate and support the implementation of contract management systems taking actions for controlling deviations from planned performance

TACTICAL COMPETENCY LEVEL



Segment 7.2 • Effective Expediting in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Assessing the costs of inventories and the costs of stock outs	Monitor levels of inventories and take actions to mitigate over supply and minimise the risk of stock outs
Undertaking expediting of deliveries of goods or services	Undertake expediting as a planned process to ensure the timely deliveries of goods or services purchased from suppliers
The use of problem solving techniques in expediting deliveries of products or services	Diagnose the causes of scheduling difficulties and take preventative actions to avoid their re-occurrence
Planning milestones and activities	Identify targets for the scheduling of deliveries of goods or services taking into account feedback from suppliers and other stakeholders
Tracking deliveries and documentation	Take actions to track deliveries and check relevant data and documentation
The use of forecasting to achieve timely deliveries of supplies	Extrapolate data on historic demand to calculate forecasts of demand that can be communicated to suppliers and other stakeholders
Payment to suppliers and cash flow	Track any deviations from planned payments and take remedial actions to mitigate disruptions that may be created through difficulties with cash flow

TACTICAL COMPETENCY LEVEL



Segment 7.3 • Achieving Competitive Pricing in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of competition to obtain quotations on prices	Promote the use of competitive pricing with suppliers through monitoring prices and obtaining quotations when appropriate
The comparison of quoted prices to historical data	Compare historical prices with newly quoted prices and evaluate the reasons for any significant discrepancies and take appropriate actions to secure competitive pricing
The link between costs, prices, margins and mark ups	Analyse available data on the costs, prices, margins and mark ups of submitted prices in order to negotiate competitive prices
The use of open book costing and adjustments	Evaluate data supplied in open book arrangements and take actions to remedy any queries
Negotiating improved prices	Negotiate with suppliers to reduce prices whilst retaining or improving other aspects of value for money such as quality, availability and sustainability
Estimating whole life costs	Analyse the whole life costs of purchased goods or services and take actions to reduce or avoid on-going costs

OPERATIONAL COMPETENCY LEVEL



Segment 7.4 • Achieving Added Value Outcomes in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>Defining added value in procurement and supply including value by improving:</p> <ul style="list-style-type: none"> • Prices or total costs • Timescales • Quality • Innovation • Sustainability or other source of added value 	<p>Work with suppliers, internal customers or other stakeholders to achieve added value outcomes in procurement and supply</p>
<p>The relationship between achieving compliance with processes and the achievement of outcomes that bring added value</p>	<p>Recognise the importance of compliance with organisational processes and simultaneously take actions to achieve added value solutions with suppliers or internal stakeholders</p>
<p>Achieving competitive prices for purchased goods and services</p>	<p>Follow good practice in sourcing activities and negotiate to achieve competitive prices for purchased goods and services including the use of open book costing and adjustments</p>
<p>Achieving quality requirements of purchased goods and services by the implementation of processes, procedures, standards or methodologies to improve quality</p>	<p>Work with suppliers and internal stakeholders to achieve quality requirements for purchased goods and services</p>
<p>Achieving required timescales for purchased goods and services</p>	<p>Liaise with suppliers and other stakeholders and undertake proactive actions to ensure successful and timely delivery of purchased goods and services</p>
<p>Achieving required quantities of purchased goods and services</p>	<p>Ensure that quantities of purchased goods and services are delivered to contractual agreements and take appropriate actions to address any shortfall or excess</p>
<p>Achieving sustainability of purchased goods and services and promoting sustainability through effective procurement and supply</p>	<p>Monitor that purchased goods and services comply with the standards set for achieving sustainable outcomes and take appropriate actions to address any issues</p>

OPERATIONAL COMPETENCY LEVEL



Segment 7.5 • Effective Contract Management in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The main types of risks in the performance of contracts such as internal, market, economic, legal, ethical sourcing and performance based risks	Evaluate the potential risks that purchased goods and services may be subjected to and liaise with suppliers and stakeholders to create and implement plans to mitigate the adverse effects of these risks
Responsibilities for contract management	Allocate clear responsibilities with stakeholders for the roles of contract management for purchased goods and services
Demand management for contracts	Forecast and plan requirements with internal stakeholders and suppliers to ensure the supply of goods and services matches demand taking into account actual demand
The use of contractual terms, specifications, KPIs, reporting, governance, escalation and benchmarking in contract management	Monitor the supply of goods and services to ensure required performance standards and KPIs are achieved and identifies where changes in the contract or other changes are required taking actions to implement these
Payment responsibilities in contract management	Certify costs and monitor compliance to, and take remedial actions, for any deviations from contracted payment terms for purchased goods and services, managing any contracted risk and reward mechanisms
Creating targets for assessing the performance of suppliers based on the SMART (specific, measurable, achievable, relevant and timely) targets for performance	Formulate SMART targets for supplier performance and agree their application with suppliers and other stakeholders
Supplier relationship management and the use of improvement plans	Ensure supplier relationship management processes and improvement plans are proactively executed to correct defective performance for the delivery of purchased goods or services
Transition and exit arrangements for contracts	Ensure security of supply in any transition period or exit of contracts with suppliers
Close out of contracts and learning from experience	Conduct activities to close out contracts and evaluate learning from experience
The use of budgets in contract management	Ensure budgets are monitored instigating actions for deviations from planned budgeted costs

MANAGERIAL COMPETENCY LEVEL



Segment 7.6 • Achieving Effective Supply Chain Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The sources of added value to organisations that can be achieved through effective supply chain management by improving:</p> <ul style="list-style-type: none"> • Prices or total costs • Timescales • Quality • Innovation • Sustainability or other source of added value 	<p>Identify and practice ways of delivering added value through effective supply chain management</p>
<p>The collaborative model of supply chain management through partnering and strategic relationship management</p>	<p>Work with suppliers and other stakeholders to achieve partnering and strategic relationship management to deliver value for the organisation and its supply chain</p>
<p>The competitive model of supply chain management</p>	<p>Evaluate circumstances for the application of competitive relationships to improve value in the supply chain</p>
<p>The creation of insourcing and outsourcing arrangements for work or services</p>	<p>Demonstrate added value to the organisation through the implementation of either insourcing or outsourcing of work or services</p>
<p>The development of global procurement, off shoring, low cost country sourcing or onshoring and how these can bring added value to the organisation and its supply chain</p>	<p>Demonstrate the added value to the organisation through the implementation of global procurement, off shoring, low cost country sourcing or onshoring, and identify and mitigate any potential supply chain risks</p>
<p>The use of segmentation models to assess suppliers</p>	<p>Apply segmentation models to prioritise and differentiate approaches to supplier relationship management with different tiers of suppliers</p>
<p>The use of business cases and return on investment</p>	<p>Develop and apply robust business cases that seek to achieve positive returns on investment for the implementation of supplier relationship management</p>
<p>The use of supplier relationship management programs to manage performance</p>	<p>Implement supplier relationship management to achieve added value outcomes for the organisation taking care to communicate performance and issues with stakeholders</p>
<p>The use of improvement plans in supplier relationship management</p>	<p>Ensure supplier relationship management processes are proactively executed to improve performance and service levels of suppliers</p>

PROFESSIONAL COMPETENCY LEVEL



Segment 7.7 • Achieving Supply Chain Improvements

Knowledge: Will know and understand:	Capabilities: Will be able to:
Achieving total quality approaches with the supply chain	Implement total quality approaches with suppliers to improve the cost, quality or delivery of purchased goods or services
The use of statistical analysis in developing quality of supplies	Improve the cost, quality or delivery of purchased goods and services through the implementation of statistical methods of analysis
Achieving Just in Time approaches to inventory management	Reduce inventories or work in progress through the implementation of Just in Time methods with the organisations supply chain
Achieving lean thinking and lean supply with the supply chain	Reduce cost, time to market, inventories or work in progress through the implementation of lean thinking and lean supply with the supply chain
The use of benchmarking in supply chains	Research and create benchmarks of processes or performance of the organisation's supply chain
The use of business process re-engineering in supply chains	Demonstrate added value solutions through the implementation of methods of business process re-engineering
Achieving sustainability in procurement and supply	Demonstrate improved aspects of sustainability through the implementation of standards, processes or other actions with suppliers
Supplier relationship management and the use of improvement plans	Develop supplier relationship management processes with colleagues and key stakeholders and ensure improvement plans are initiated and investigated for the effective delivery of purchased goods or services
Inputs from stakeholders which affect the procurement and supply process	Seek and assess feedback from stakeholders to monitor the success of procurement and supply activity



ADVANCED PROFESSIONAL COMPETENCY LEVEL




Segment 7.8 • Applying Improvement Methodologies for the Supply Chain

Knowledge: Will know and understand:	Capabilities: Will be able to:
Specifying data to support, problem diagnosis and decision making	Investigate procurement and supply chain issues through application and analysis of data to create appropriate recommendations
Deming's plan, do, check, action (PDCA) cycle and approaches to quality management	Apply systematic approaches to develop improvements in procurement and supply chain management
The use of statistical analysis to developing supplies to examine issues affecting the performance of the supply chain	Lead programmes to collate and analyse data to formulate strategies and plans for improving procurement and supply chain issues
Developing metrics to measure the performance of the supply chain	Evaluate metrics that can be applied to measure performance and develop improvement plans with suppliers and stakeholders
Project identification and improvement strategies	Evaluate development projects and create appropriate strategies for their implementation
Business case development and cost/benefit analysis	Create sound business cases for the purchase of goods or services built on statistical evidence
Root cause analysis and the use of six sigma tools	Apply root cause analysis to problems experienced in procurement and supply chain management and apply statistical methods for the development and implementation of improvement plans
Methodologies for the development of supply chains such as: <ul style="list-style-type: none"> • SC21 • EFQM • SCRIA • Balanced scorecard methodologies • Supplier relationship management 	Select and instigate supply chain improvement methodologies

Pillar: Performance Standards

Theme 8: Metrics and Measurement in Procurement and Supply

The metrics and measurement theme supports personnel with roles in procurement and supply to collate information and data to communicate performance to suppliers and stakeholders. To improve the organisations performance, critical aspects of procurement and supply such as prices and costs, quality, timescales and other value added activities should be continuously improved.

TACTICAL COMPETENCY LEVEL 	
Segment 8.1 • Delivering Value for Money	
Knowledge: Will know and understand:	Capabilities: Will be able to:
Value for money criteria such as pricing/costs, delivered quality, timescales, quantities and location requirements	Apply the balance of value for money criteria appropriate to the procurement of goods or services in your area of responsibility
Measuring achieved savings of goods and services to recognise efficiencies	Analyse data to report savings achieved for purchased goods or services
Comparing forecasts with actual expenditures to control expenditures	Analyse data showing forecasts for actual expenditures and examine variances between forecasted and actual expenditures taking account of market trends
Assessing the quality of supplies of goods and services to ensure that quality standards are achieved	Analyse reports and data on the quality of goods and services supplied and take actions with suppliers or internal stakeholders to remedy and prevent defects
Measuring internal and external lead times of supplies	Monitor internal and external lead times and take actions to remedy delays and improve lead time performance
Measuring the performance of supplies of goods and services	Anticipate and identify contractual delays or variations and take actions to remedy performance issues and improve lead time performance, escalating when necessary to the contract manager
Achieving functional targets in procurement and supply	Collate data required for the fulfilment of targets for the procurement and supply function as necessary to improve performance
Measuring service levels for supplies of goods and services	Compare service performance against planned service levels and take actions to improve performance

OPERATIONAL COMPETENCY LEVEL



Segment 8.2 • Measuring Operational Performance of the Procurement and Supply Function

Knowledge: Will know and understand:	Capabilities: Will be able to:
Value for money criteria such as pricing/costs, delivered quality, timescales, quantities and location requirements	Apply value for money criteria to the procurement of goods and services in sourcing processes and performance measurement taking account of market trends
Measuring the achievement of quality, timescales, quantities and place considerations for procurement from external suppliers	Evaluate data on the achievement of quality, timescales, quantities and place considerations for procurements from external suppliers and take actions to improve performance
Delivering customer service and stakeholder satisfaction for procurement and supply and ways of improving it	Evaluate customer service and stakeholder satisfaction for procurement and supply and take actions to improve performance
Measuring cycle times for the sourcing process	Evaluate the timescales for sourcing processes analysing the causes of any delays and take actions to reduce timescales when appropriate
Assessing the performance and control of budgets	Analyse departmental budgets and evaluate the reasons for variances between forecasted and actual expenditures and take actions to mitigate future variances
The use of social media in obtaining feedback on performance	Monitor relevant social media to gauge feedback from customers and suppliers and take actions to deal with feedback

OPERATIONAL COMPETENCY LEVEL



Segment 8.3 • Measuring the Performance of Contracts

Knowledge: Will know and understand:	Capabilities: Will be able to:
The main types of risks in the performance of contracts such as internal, market economic, legal and ethical sourcing and performance based risks	Formulate SMART targets for supplier performance and agree their application with suppliers and other stakeholders
Defining contractual performance measures of key performance indicators (KPIs) to assess quality performance, cost management, resources and delivery	Define and agree processes to monitor contractual KPIs to assess quality performance, cost management, resources and delivery with suppliers and stakeholders
Analysing outcomes from a negotiation process with suppliers of goods and services	Compare planned outcomes for negotiations with suppliers with actual outcomes and evaluate the reasons for any differences
Assessing contractual risks	Liaise with suppliers and other stakeholders to complete risk registers and agree actions to mitigate risks
The use of data that relate to the performance and under performance of contracts	Collate and evaluate data on the performance of contracts and take actions to remedy or prevent under performance
The use of audits to verify performance and costs	Conduct audits with suppliers to verify performance and costs and take actions to remedy any queries on information and data gained

MANAGERIAL COMPETENCY LEVEL



Segment 8.4 • Managing Risks in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The development of risk evaluation tools including risk assessments, registers and other tools and assessing contractual risks for procurements of goods or services	Create risk assessments, registers or other risk evaluation tools and agree actions to mitigate risks with suppliers and other stakeholders
Measuring risks in procurement and supply such as: <ul style="list-style-type: none"> • Quality • Cost • Resilience • Sustainability • Achievement of timescales 	Compile risk assessments, registers or other risk evaluation tools for projects and agree actions with suppliers and other stakeholders to allocate or share risks to avoid claims, variations or disruption
Collating and analysing data and statistics on risks in procurement and supply and actions to mitigate their impact	Compile qualitative and quantitative data to measure risks in the procurement of goods or services and take actions to reduce the probability and impact of the risks
Monitoring and control in procurement and supply	Use monitoring and control processes or systems to manage risk in procurement and supply
The monitoring and control of sustainability in procurement and supply	Devise and monitor Key Performance Indicators (KPIs) for sustainability with suppliers and take appropriate actions to ensure delivery to agreed standards
Market factors that can impact on risks such as: <ul style="list-style-type: none"> • Industry dynamics • Competitiveness • Pricing behaviour • Technology drivers 	Research and use data on market change to inform decision making and mitigate risk



MANAGERIAL COMPETENCY LEVEL



Segment 8.5 • Measuring and Developing Performance in the Supply Chain

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The use of Key Performance Indicators (KPIs) on supply performance including:</p> <ul style="list-style-type: none"> • Cost • Quality • Delivery • Safety 	<p>Develop and agree with suppliers and other stakeholders appropriate KPIs for the supply chain</p>
<p>Devising measures for improving quality and actions to improve performance</p>	<p>Devise and monitor measures of quality for contracts or the function and take appropriate actions to improve performance</p>
<p>Measures for the control of prices and costs</p>	<p>Collate and analyse data that measure the control of prices and costs, and financial savings made taking actions to improve performance</p>
<p>Measures for achieving time to market and achieving deliveries to required timescales</p>	<p>Collate and analyse data that measure deliveries of goods and services and take actions to improve performance</p>
<p>Measures of innovation in procurement and supply</p>	<p>Collate and analyse data that measure innovations from suppliers and take actions to improve performance</p>
<p>Promote innovation in the supply chain by using tools and techniques such as:</p> <ul style="list-style-type: none"> • Cross functional working • Simultaneous engineering • Early supplier involvement • Supplier forums and associations 	<p>Encourage and manage innovation in the supply chain using appropriate tools and techniques</p>
<p>The application of E-Procurement technologies in supply chains</p>	<p>Create systems integration across the organisation and with the organisation's supply chain</p>
<p>The use of approaches for supplier development such as:</p> <ul style="list-style-type: none"> • Knowledge and technology transfer • Collaborative product/service development • Continuous improvement reviews • Supplier capability assessments 	<p>Identify opportunities to make use of methodologies for supplier development</p>
<p>Measures of costs and benefits that can be applied in procurement and supply</p>	<p>Measure the costs and benefits of investments affecting procurement and supply</p>
<p>Qualitative and quantitative measures of performance</p>	<p>Ensure that a balance is achieved between qualitative and quantitative measures of performance</p>
<p>Measuring return on investment in procurement and supply</p>	<p>Evaluate the return on investment for changes made affecting procurement and supply</p>

PROFESSIONAL COMPETENCY LEVEL



Segment 8.6 • Developing the Performance of the Procurement and Supply Chain Function

Knowledge: Will know and understand:	Capabilities: Will be able to:
The impact of supply chain management on corporate performance	Encourage added value outcomes achieved by the organisation's supply chain and report data to senior management and other stakeholders
The use of KPIs that measure the performance of the procurement and supply chain function	Collate, review and disseminate data on departmental KPIs to colleagues and senior management
The use of technology to communicate data in supply chains	Develop strategies for systems integration across the organisation and with the organisation's supply chain collating data to report to stakeholders
The measurement of safety, quality, costs and deliveries in supply chains	Create and monitor measures on safety, quality, costs and deliveries achieved by the organisation's supply chain and report data to senior management and other stakeholders
Matching supply with demand in supply chains	Monitor the performance of the organisation in achieving its contractual obligations with customers and report data on demand and supply to senior management and other stakeholders
The use of benchmarking in supply chains	Evaluate benchmarks of processes or departmental performance to develop gap analysis for performance improvement
The application of balanced scorecards in supply chains	Evaluate data recorded on balanced scorecards for supply chain performance and develop improvements with suppliers and other stakeholders

ADVANCED PROFESSIONAL COMPETENCY LEVEL




Segment 8.7 • Developing Metrics for the Supply Chain

Knowledge: Will know and understand:	Capabilities: Will be able to:
Collecting data, problem diagnosis and decision making	Identify opportunities to collate and analyse data to develop appropriate recommendations
The use of statistical analysis to develop supplies to examine issues affecting the performance of the supply chain	Lead programmes to collate and analyse data to formulate strategies and plans for improving procurement and supply chain issues
Developing metrics to measure the performance of the function and the supply chain	Create metrics for the measurement of performance of the function and the supply chain and develop improvement plans with colleagues, suppliers and other stakeholders
Project identification and improvement strategies for the supply chain and the function	Devise and implement projects and strategies for improvement of the supply chain and the function
Business case development and cost/benefit analysis such as: <ul style="list-style-type: none"> • Costs • Options • Commercial aspects • Risk • Alignment with organisational needs • Timescales 	Contribute to the development of business cases
Root cause analysis and the use of Six Sigma tools and methodologies	Devise root cause analysis to evaluate problems experienced in procurement and supply chain management and apply statistical methods for the development and implementation of improvement plans
Methodologies for the development of supply chains such as: <ul style="list-style-type: none"> • SC21 • EFQM • SCRIA • Balanced scorecard 	Be aware of current thinking in the development and improvement of supply chains and apply associated methodologies

Pillar: People Development Standards

Theme 9: Developing Individuals and Teams in Procurement and Supply

The developing individuals and teams theme emphasises the knowledge, understanding and capabilities required for coaching or leading people in the organisation, suppliers and other stakeholders to further the objectives of improved procurement and supply. The theme focuses on how staff support improved procurement and supply both internally and externally to the organisation.

TACTICAL COMPETENCY LEVEL 	
Segment 9.1 • People in Procurement and Supply	
Knowledge: Will know and understand:	Capabilities: Will be able to:
The personal knowledge, understanding and capabilities required to support the achievement of the aims of procurement and supply	Demonstrate personal knowledge, understanding and capabilities to further the aims of procurement and supply
The roles of staff with devolved responsibilities for procurement and supply	Advise other members of staff that have responsibilities for procurement and supply activities to comply with organisational procedures and processes and to work towards achieving value for money outcomes in procuring goods and services
People, objectives and the structure of procurement and supply in organisations	Explain the roles of personnel involved in procurement and supply activities, the structure of the procurement and supply function and its objectives
Procurement and supply as a service function	Serve internal stakeholders efficiently and effectively to promote customer support and service
Liaison with internal customers and other stakeholders and understanding their commercial needs for the procurement of goods and services including: <ul style="list-style-type: none"> • Pricing • Quality • Delivery • Quantities • Place aspects 	Establish the commercial needs of internal customers and other stakeholders for the procurement of goods and services
Resolving conflict with internal stakeholders in procurement and supply	Take appropriate actions with internal stakeholders to resolve any conflicts that occur on differing priorities of requirements

TACTICAL COMPETENCY LEVEL



Segment 9.2 • Teams in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Classifying internal and external stakeholders and the roles they can have in procurement and supply	Recognise the inputs that both internal and external stakeholders make to decision making in procurement and supply
The use of classification tools and frameworks to assess stakeholders	Use tools and frameworks to classify stakeholders
The use of cross functional teams in procurement and supply	Develop positive relationships with team members and other stakeholders, demonstrating behaviours to further the aims of procurement and supply
Barriers to team working	Recognise the existence of barriers to team working and take actions to overcome resistance and conflict from other team members
Team working in procurement and supply	Contribute to the achievement of team activities for procurement and supply
Characteristics of successful teams	Work to achieve positive relationships with other team members
The communication cycle	Ensure that all communications are appropriate and prompt, providing accurate and timely flows of information

OPERATIONAL COMPETENCY LEVEL



Segment 9.3 • Working with Stakeholders in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of organisational procedures and processes in sourcing goods and services required by the organisation	Advise other members of staff to comply with organisational procedures and processes for sourcing whilst working towards achieving value for money outcomes in procuring goods and services
Selection and award criteria commonly applied to the sourcing of goods and services from suppliers	Recommend the application of appropriate selection and award criteria with stakeholders
Communication skills for negotiations to help achieve desired outcomes	Demonstrate effective negotiation skills with suppliers and other stakeholders to help achieve desired outcomes
Team management and the influence of internal customers and other stakeholders in negotiations	Develop positive relationships with team members and demonstrate behaviours to overcome resistance and conflict from team members or other stakeholders
The responsibilities for contract management	Decide on responsibilities for contract management and provide guidance to those personnel involved in the performance of contracts on actions to help achieve value for money outcomes
The stages of team development through forming, storming, norming and performing	Develop effective relationships with other team members
Forming teams with stakeholders for the sourcing process	Create positive relationships in teams emphasising the positive contributions to the organisation of effective procurement and supply

MANAGERIAL COMPETENCY LEVEL



Segment 9.4 • Developing the Capabilities of Individuals in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Theories that explain the behaviour of people and understanding the differences between people	Promote positive working relationships by building on the different strengths of people in the team
Approaches to the development and measurement of individuals	Support the development of individuals' knowledge, capabilities and skills to further the aims of procurement and supply
Diversity in organisations	Promote diversity in the procurement and supply function and with the organisation's supply chain
Different learning styles of individuals including: <ul style="list-style-type: none"> • Explicit and tacit knowledge • Cognitive theories • Knowledge management and how they can affect individual development and performance 	Support the personal and professional development of individuals to enhance their performance
The dimensions of job satisfaction, alienation at work, and approaches to job design, enlargement and enrichment	Allocate the roles and responsibilities of personnel with responsibilities in procurement and supply to promote positive attitudes and outcomes
The use of job analysis and job skills to identify and agree personal development plans	Establish the knowledge and skill requirements for personnel working in procurement and supply and agree plans for their development
The use of recruitment and selection plans to meet the skills and knowledge needs of the procurement and supply function	Create plans for the recruitment and selection of staff to fulfil requirements of the procurement and supply function
The use of training needs analysis and the creation of personal development plans	Develop and implement plans for the training and development of staff and other stakeholders to further the organisation's capabilities in procurement and supply

MANAGERIAL COMPETENCY LEVEL



Segment 9.5 • Motivating Individuals in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The meaning of motivation	Understand the motivations and behaviours of stakeholders, suppliers and individuals, and use this knowledge to fulfil the roles required for effective procurement and supply
Sources of extrinsic (financial rewards, security, promotion, the work environment and work conditions) and intrinsic (psychological rewards, challenge and achievement, receiving appreciation and recognition) motivational approaches for working with staff	Display effective motivational capabilities applying these within the function, with stakeholders and suppliers
Frustration induced and constructive behaviours and how they can affect performance	Encourage constructive behaviours amongst staff in the procurement and supply function and take appropriate actions to mitigate frustration related behaviours
Content (Maslow's hierarchy of needs, Herzberg's dual factor theory, McClelland's achievement motivation) and process (Vroom's expectancy, Adams' equity, Locke's goal) theories of motivation	Apply relevant content and process theories with staff in the procurement and supply function to enhance performance
Approaches for performance review and appraisal	Conduct effective performance reviews and appraisals with members of staff from procurement and supply

MANAGERIAL COMPETENCY LEVEL



Segment 9.6 • Developing the Capabilities of Teams in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The importance of work groups or teams for effective performance in procurement and supply	Build confidence in work groups or teams for effective performance in procurement and supply encouraging their development and improvement
Factors that shape the behaviour of groups or teams including: <ul style="list-style-type: none"> • Its size • The capabilities of the members • The nature of the task • Physical environment • Communications • The use of technology 	Use an understanding of the factors that shape the behaviour of teams to help create positive conditions for teams in the workplace
Stages of group dynamics and development	Support the development of effective teams by promoting positive group dynamics dealing effectively with any team conflict that may arise
Alternative models for team working including: <ul style="list-style-type: none"> • Self-managed teams • Remote working • Virtual teams 	Support the development of effective teams in the workplace through using an appropriate model for team working
The sources of role conflict including: <ul style="list-style-type: none"> • Role incompatibility • Ambiguity • Over or under-load 	Minimise conflict in the team by defining clear roles and agreeing levels of authority and responsibility for staff with roles in procurement and supply

PROFESSIONAL COMPETENCY LEVEL



Segment 9.7 • Effective Leaders for Procurement and Supply Chain Management

Knowledge: Will know and understand:	Capabilities: Will be able to:
The role of a leader, the activity and importance of leadership	Promote the procurement and supply chain function at senior management level and to key stakeholders
Approaches to change management	Identify changes that can help transform flexibility, responsiveness and quality of service provided by the function and the organisation
Resources to develop effective procurement and supply chain management	Recruit, select and appoint personnel and other resource to achieve effective procurement and supply chain management
The main approaches to leadership such as: <ul style="list-style-type: none"> • The qualities or traits approach • Functional or group approaches such as action centred learning • Styles of leadership such as autocratic, democratic and laissez-faire • Contingency theories such as path-goal theory 	Demonstrate appropriate methods of leadership to guide individuals, teams and the organisation and supply chains to help achieve effective procurement and supply chain management
Behaviours for effective leadership such as situational leadership, transformational and inspirational leadership, solo versus team leadership	Demonstrate effective behaviours to win the support of colleagues and other stakeholders to achieve effective procurement and supply chain management
Approaches for the effective delegation of responsibilities to staff to improve individuals' capabilities in understanding strategies, plans and processes	Plan work commitments and delegate effectively to staff and promote understanding of strategies, plans and processes, taking accountability for outcomes achieved
The development of knowledge and skills to achieve effective procurement and supply chain management	Develop the knowledge and skills of self colleagues and other stakeholders in procurement and supply chain management

PROFESSIONAL COMPETENCY LEVEL



Segment 9.8 • Leading and Influencing Stakeholders in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Developing and implementing a vision for improved procurement and supply chain management	Articulate a clear, achievable and compelling vision which sets out the direction and plans of procurement and supply chain management
Stakeholder analysis and mapping including primary, secondary and key stakeholders	Use appropriate stakeholder analysis and mapping techniques to evaluate stakeholder needs, interests and influence and use the analysis to provide an efficient and effective service
The impact and consequences of contradictory requirements from stakeholders	Manage the trade offs and conflicts between stakeholders in sourcing activities and complex contracts and advise on commercial priorities
Obtaining buy in to procurement and supply chain strategies from stakeholders	Develop and plan a strategy to achieve the 'buy in' to objectives and plans for procurement and supply chain management taking into account stakeholder feedback
Procurement expenditure approval levels and corporate governance	Develop and implement policy for procurement expenditure approval levels and aspects of corporate governance for procurement and supply
Perspectives on influencing behaviours, and sources of both individual and organisational power	Guide colleagues successfully through difficulties and challenges from key personnel
Approaches to change management including transformational and transactional change, the change/performance curve, techniques for problem solving and overcoming resistance to change	Inspire colleagues and other stakeholders to adopt the plans and strategies created to achieve effective procurement and supply chain management

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 9.9 • Championing Culture Change

Knowledge: Will know and understand:	Capabilities: Will be able to:
The dynamics of organisational culture, formation, evolution and change	Evaluate the support for improved procurement and supply chain management within the organisation and its supply chains
Defining organisational culture and types of organisational culture	Classify the type of organisational culture and formulate plans for the supply chain that can fulfil the expectations of stakeholders
The levels and dimensions of culture	Critically assess the dimensions of culture in the supply chain and create appropriate communications to convince stakeholders of planned changes
Models for the assessment of culture including: <ul style="list-style-type: none"> • Quinn and Cameron's matrix • Johnson's cultural web • Hofstede's dimensions of culture • Trompenaars' dimensions of culture 	Develop approaches to adapt behaviours and communication to accommodate for differences in culture in the organisation's supply chain
The bases of differentiation in culture such as: <ul style="list-style-type: none"> • Functional • Geographical • Divisionalisation • Mergers, acquisitions and joint ventures 	Develop approaches to adapt behaviours and communication that allow differences in culture internally and in the organisation's supply chain
Managing the internal integration of culture	Develop strategies and engagement plans that convince stakeholders of plans for improved procurement and supply chain management
How the impacts of mergers, acquisitions and divestitures can impact on organisational culture, formation, evolution and change	Develop strategies and engagement plans that anticipate and mitigate the risk of negative impact on culture change following significant organisational change

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 9.10 • Managing Ambiguity in Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The influences on the behaviour of individuals, groups, organisations and societies	Critically evaluate the different behaviours adopted by individuals, groups organisations and societies and use appropriate approaches to enhance the organisation's effectiveness
Causal models of organisational performance and change	Evaluate the internal and external factors that impact on organisational performance assessing the impact of the supply chain on these factors
Complex decision making and making trade-offs	Assesses evidence and data for complex situations and presents recommendations and conclusions
Coaching skills for managing teams	Provide guidance and support to colleagues and other key stakeholders and monitor actions taken to achieve effective procurement and supply chain management
Managing conflict and difficult situations	Contribute to the leadership of the procurement and supply chain function taking steps to mitigate challenges and difficulties using conflict resolution within the organisation and with its supply chains
Contemporary developments in human resources policies that can be adopted to encourage productive working such as: <ul style="list-style-type: none"> • Flexible working • Workplace design • Work life balance • Talent management • Metrics to measure workplace standards 	Provide guidance and create policies to improve the motivation of colleagues and enhance performance
The planning of resources to develop procurement and supply chain management	Develop plans for the effective resourcing of staff, systems and infrastructure to achieve effective procurement and supply chain management
The design of the supply chain function to encourage productive working	Create and implement plans to enable the supply chain function to improve its environment and to encourage productive working
Models for understanding organisational behaviour such as Chorn's PADI (pragmatism, administration, divergence and integration) model	Critically assess the divergence of organisational behaviour and align the requirements of the organisation with its supply chain
Behaviour modification and change management	Adopt and promote behaviours to support the successful implementation of change
Approaches to change management including transformational and transactional change, the change/performance curve, techniques for problem solving and overcoming resistance to change	Inspire colleagues and other stakeholders to adopt the plans and strategies created to achieve effective procurement and supply chain management
The use of emotional intelligence	Demonstrate resilience and emotional maturity to deal with ambiguity in complex decision making

Pillar: People Development Standards

Theme 10: Developing Self and Personal Skills in Procurement and Supply

The developing self and personal skills theme helps individuals with procurement and supply roles to advance their own knowledge, capabilities and skills. Gaps with current levels of knowledge, capabilities and skills can be identified and development plans created to fulfil the needs of the individual to help achieve organisational objectives.

TACTICAL COMPETENCY LEVEL 	
Segment 10.1 • Develop Your Capabilities for Procurement and Supply	
Knowledge: Will know and understand:	Capabilities: Will be able to:
Self-development	Seek and respect the comments of others to improve efficiency and effectiveness at work
Problem solving	Work with others in the team to solve problems that may arise in your area of responsibility reporting any difficulties to your supervisor or line manager
Honesty and integrity	Maintain personal and professional honesty and integrity
Coping with change	Be open and flexible to change seeing it as an opportunity not a threat
Dealing with conflict	Recognise that conflict can occur with colleagues and work to minimise conflict situations that could affect the team
Equality and diversity	Promote best practice in valuing and respecting people's diversity
Negotiating requirements	Contribute to the effective negotiation of requirements with internal stakeholders and create best value for money outcomes achieved with suppliers

OPERATIONAL COMPETENCY LEVEL



Segment 10.2 • Develop Your Capabilities for Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Self-development and emotional intelligence	Learn from mistakes, seeking and accepting feedback from others in the team and from senior staff to improve own emotional intelligence and performance
Problem solving	Identify problems and work to develop solutions to improve the effectiveness of the team
Honesty and integrity	Maintain and promote to others personal and professional standards of honesty and integrity
Coping with change	Be open and flexible to change adapting approaches to meet requirements
Dealing with conflict	Recognise that conflict can occur with colleagues and work to establish the causes of conflict and to minimise conflict to improve team performance
Equality and diversity	Promote best practice in valuing and respecting people's diversity
Negotiation techniques	Contribute to the effective negotiation of requirements with internal stakeholders and create best value for money outcomes achieved with suppliers acting within limits of authority

MANAGERIAL COMPETENCY LEVEL



Segment 10.3 • Develop Your Capabilities to Manage Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Self-development	Learning from mistakes, seeking and accepting feedback from others in the organisation and provide constructive comments to others to improve own performance and the performance of the team
Problem solving	Assess situations and identify the causes of problems proposing appropriate solutions
Honesty and integrity	Maintain, promote and monitor personal and professional honesty and integrity
Coping with change	Recognise the need for change and promote change in a positive manner to the team, encouraging their comment and contribution to the process
Dealing with conflict	Identify and minimise areas of potential conflict between colleagues and team members whilst recognising the positive contribution that managed conflict can make to reaching shared solutions
Equality and diversity	Maintain and promote best practice in valuing and respecting diversity recognising the positive contributions that such differences can bring to effective work practices
Negotiation in procurement and supply	Actively help internal stakeholders to achieve desired outcomes in commercial dealings with third parties through practicing effective negotiation

PROFESSIONAL COMPETENCY LEVEL



Segment 10.4 • Develop Your Capabilities to Lead Procurement and Supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
Self-development	Be open in recognising and learning from own mistakes and the mistakes of others. Seek, accept and provide feedback in a positive and constructive way to improve outcomes
Problem solving	Assess situations that may be unfamiliar and/or unpredictable to identify potential problems and propose effective and innovative solutions demonstrating resilience in resolving issues
Honesty and integrity	Maintain, promote and evaluate personal and professional integrity that furthers the aims and well being of the organisation
Coping with change	Respond constructively to change coping with uncertainty and manage the expectations of others in relation to change
Dealing with conflict	Manage conflict between stakeholders both internal and external to the organisation recognising the positive contribution that managed conflict can make to reaching shared solutions
Equality and diversity	Maintain and promote best practice in valuing and respecting diversity and cultural differences within the organisation, across teams and functions, recognising the positive contributions that such differences can make to work practices
Negotiation in procurement and supply	Create advice and guidance for colleagues and other internal stakeholders and act as a role model, using advanced negotiation techniques and tactics, for achieving negotiated outcomes that achieve positive outcomes for the organisation
The use of emotional intelligence in commercial negotiations	Appreciate the different aspects of emotional intelligence that can be applied to improve performance and outcomes sought in commercial negotiations and create development plans to improve key skills

ADVANCED PROFESSIONAL COMPETENCY LEVEL



Segment 10.5 • Strategic Leadership in Procurement

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use of vision statements	Create an appropriate shared vision in the organisation and recognise the potential impact of developments in the wider profession
The management of resources	Manage resources to ensure effective and efficient service to customers and key stakeholders instigating appropriate actions to address related issues
The creation of networking opportunities to help establish benchmarks of organisational and individual performance	Develop best practice by evaluating and adopting new ideas from inside and outside of the organisation
Best practices for improved procurement and supply chain management	Proactively seek out new opportunities to take on new responsibilities and to share expertise across the organisation and its supply chains
Effective communications in the organisation and its supply chain	Develop and implement communication strategies and plans using appropriate techniques at an appropriate level for the target audience
Personal accountability in decision making	Create, support and promote a culture of personal accountability decisions made
Developing knowledge management	Support the personal and professional development of individuals to enhance their performance
The use of Continuing Professional Development (CPD) programmes in procurement and supply	Develop and promote a culture of CPD monitoring the progress of colleagues
The value of external engagement/representation to raising the profile of the procurement and supply profession	Proactively seek out opportunities to represent organisation/market/sector in externally facing activities that positively support the profession and the market/sector as a whole
Leadership styles to gain the trust, confidence, commitment and collaboration of colleagues and stakeholders	Use and promote appropriate leadership styles and behaviours

Pillar: People Development Standards

Theme 11: Ethics in Procurement and Supply

This theme helps individuals to recognise and evaluate the importance of ethics and responsible procurement in organisations and supply chains. Procurement and supply personnel should promote ethical practices and behaviours with all stakeholders. The theme identifies good practices to achieve commitment by individuals and at an organisational level.

TACTICAL COMPETENCY LEVEL – UPDATED	
Segment 11.1 • Maintaining ethical and responsible procurement and supply	
Knowledge: Will know and understand:	Capabilities: Will be able to:
The overall impact of ethics and responsible procurement on business success	Appreciate the importance of promoting and supporting sound ethical practice, such as: <ul style="list-style-type: none"> • Business continuity impact • Reputational impact • Financial impact • The extended supply chain • Enhancing proficiency and stature of the profession • Ensuring compliance with international laws and regulations
The application of the CIPS Corporate Code of Ethics in procurement and supply	Explain the key aspects of the CIPS Corporate Code of Ethics that apply to your role within procurement and supply
The details included in ethical codes affecting procurement and supply	Explain the key features of ethical codes that affect procurement and supply and how you should identify and address, and when and who you should notify internally of any breaches in ethical business practice
The use and roles of ethical codes in procurement and supply	Ensure that you comply with ethical practices when sourcing goods or services for your organisation
The use of documented policies and procedures to ensure ethical and responsible practice throughout the procurement and supply process, such as: <ul style="list-style-type: none"> • The responsibilities for procurement • Regulations relating to competition • Levels of delegated authority • Responsibilities for the stages of the sourcing process • Segregation of duties • Whistleblowing policy and practice • Use of sanctions 	Monitor documented policies and procedures used in procurement and supply and how they should be used

<p>The monitoring of ethical and responsible practice amongst internal and external stakeholders</p>	<p>Appreciate the importance of monitoring ethical and responsible practice amongst internal and external stakeholders and the processes required for reporting any suspected breaches</p>
<p>The principles of corporate governance that applies to procurement and supply</p>	<p>Explain the main principles of corporate governance that applies to the organisation's procurement and supply function</p>
<p>The impact of bribery, corruption and fraud on procurement and supply and related issues, such as:</p> <ul style="list-style-type: none"> • Associated legislative frameworks e.g.: UK Bribery Act 2010 • Reputational impact • Risk assessment • Due diligence, monitoring and audits • Paying and receiving bribes • The importance of integrity • Types of corruption - political, petty, grand and systematic 	<p>Appreciate the impact of bribery, corruption and fraud on procurement and supply activity and be able to identify and report suspect breaches</p>
<p>The concept of Corporate Social Responsibility (CSR) and related issues and drivers, such as:</p> <ul style="list-style-type: none"> • Minimising negative effects of business on local communities • Promoting good citizenship • Social, economic and cultural diversity • The triple bottom line - People/Profit/Planet • Extending procurement and supply decisions away from just price and quality 	<p>Recognise the importance of CSR for the profession and the associated challenges, methods and approaches to address these</p>
<p>Sustainability and its importance in procurement and supply decision making, including considering the environmental merits and social impacts of alternative solutions</p>	<p>Recognise the impact of sustainability on the supply chain and the importance of meeting present need without compromising the ability of future generations to meet their needs</p>
<p>Modern slavery and the associated considerations for the procurement and supply profession, such as:</p> <ul style="list-style-type: none"> • Human trafficking • Forced and bonded labour • Child slavery and marriage • Domestic slavery • Decent working practices • Slavery in the supply chain • Legislative frameworks e.g. UK Modern Slavery Act 2015 • United Nations Guiding Principles on Business and Human Rights (UNGP, 2011) 	<p>Apply the concept of modern slavery and identify potential impacts on procurement and supply activity, recognising when breaches have occurred and the associated reporting actions</p>



OPERATIONAL COMPETENCY LEVEL – UPDATED



Segment 11.2 • Developing approaches for ethical and responsible procurement and supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
<p>The application of the CIPS Corporate Code of Ethics in procurement and supply, such as:</p> <ul style="list-style-type: none"> • Enhancing and protecting the standing of the profession • Maintaining the highest standard of integrity in all business relationships • Promoting the eradication of unethical business relationships • Enhancing the proficiency and stature of the profession • Ensuring compliance with laws and regulations 	<p>Ensure and encourage full compliance with the CIPS Corporate Code of Ethics across all stages of the procurement and supply cycle</p>
<p>The use of codes of ethics in procurement and supply and the reporting of ethical malpractice</p>	<p>Develop and monitor the processes and procedures adopted by internal and external stakeholders to ensure that ethical and responsible procurement and supply principles are upheld, escalating to senior management any suspected breaches</p>
<p>The development of documented policies and procedures to ensure ethical and responsible practice throughout the procurement and supply process, such as:</p> <ul style="list-style-type: none"> • The responsibilities for procurement • Regulations relating to competition • Levels of delegated authority • Responsibilities for the stages of the sourcing process • Segregation of duties • Whistleblowing policy and practice • Use of sanctions 	<p>Develop, interpret, communicate and monitor documented policies and procedures for procurement and supply that should be implemented to ensure ethical practice</p>
<p>The potential impact of bribery, corruption and fraud on procurement and supply</p>	<p>Develop and monitor processes and procedures to identify and address potential Bribery, Corruption and Fraud in the supply chain</p>
<p>The potential impact of Corporate Social Responsibility (CSR) on procurement and supply</p>	<p>Advise other members of the organisation on the requirements of CSR and develop policy and procedures to ensure CSR compliance i.e.: ISO26000:Social Responsibility</p>
<p>The requirement for sustainable procurement and supply</p>	<p>Advise other members of the organisation on sustainability and develop and monitor processes and procedures to support sustainable procurement and supply activity ensuring compliance with ISO20400: Sustainable Procurement</p>
<p>The potential impact of Modern Slavery on procurement and supply activity</p>	<p>Advise other members of the organisation on the potential impact of Modern Slavery and develop policy and procedures to identify and act on any suspected breaches of associated legislature</p>

OPERATIONAL COMPETENCY LEVEL – UPDATED



Segment 11.3 • Achieving ethical and responsible sourcing

Knowledge: Will know and understand:	Capabilities: Will be able to:
International and industry that apply against criminal conduct	Ensure adherence to international standards that apply against criminal conduct, such as: <ul style="list-style-type: none"> • Bribery, corruption and fraud • Human rights abuse including modern slavery, child labour and decent working principles • Industry schemes, voluntary codes and legislation and escalating any suspected breaches • United Nations Guiding Principles on Business and Human Rights (UNGP, 2011)
The incorporation of practices to support the implementation of ethical/responsible sourcing in procurement processes	Engage with stakeholders to devise specifications, contract terms, KPIs and other instruments to encourage suppliers to prevent, detect and eradicate breaches of ethical standards
The use of prequalification and assessment criteria across all tiers of the supply chain that can be applied to encourage ethical/responsible sourcing in the procurement process	Engage with stakeholders to agree prequalification and assessment criteria that can be applied to encourage ethical/responsible sourcing and undertake a risk based approach to segmenting sub-tiers of the supply chain to fully assess ethical risks
Sources of information and databases that examine ethical practices	Carry out research and map supply chains to assess vulnerabilities and risks in supply that may result in breaches of ethical standards
The importance of obtaining supporting information on ethical practices in supplier quotations and tenders	Undertake due diligence on suppliers to evaluate the risks of breaching ethical standards
The use of audits and other feedback mechanisms to evaluate workplace standards	Monitor performance and encourage dialogue with suppliers on how improvements to workplace standards can be made and recommend to senior management appropriate remedies that can be taken with suppliers that may have committed breaches of ethical policies
The potential impact of Bribery, Corruption and Fraud on sourcing activity in procurement and supply	Undertake due diligence checks on suppliers to evaluate the risks of bribery, corruption and fraud, and monitor for potential breaches in associated contract negotiations
The potential impact of Corporate Social Responsibility (CSR) on sourcing activity in procurement and supply	Undertake due diligence checks on suppliers to evaluate compliance to CSR principles and develop contracts which ensure future CSR adherence and the ability to monitor for potential breaches
The potential impact of Sustainability on sourcing activity in procurement and supply	Undertake due diligence checks on suppliers to evaluate compliance to Sustainability principles and develop contracts which ensure future Sustainability and the ability to monitor for potential breaches
The potential impact of Modern Slavery on sourcing activity in procurement and supply	Undertake due diligence checks on suppliers to evaluate on Modern Slavery and develop policy and procedures to identify and act on any suspected breaches of associated legislature e.g.: UK Modern Slavery Act 2015

MANAGERIAL COMPETENCY LEVEL – UPDATED



Segment 11.4 • Managing ethical and responsible practice in procurement and supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use, application and promotion of ethical codes in procurement and supply	Manage internal and external stakeholders to develop and implement appropriate ethical codes for procurement and supply
Standards that apply to ethical and responsible sourcing that impact on the globalisation of supply chains such as: <ul style="list-style-type: none"> • the United Nations (UN) Trafficking Protocol • the International Labour Organisation (ILO) • the Ethical Trading Initiative (ETI) • Social Accountability International Standard SA8000 • UK Modern Slavery Act 2015 • ISO20400: Sustainable procurement • ISO 26000: Social responsibility • Associated International laws i.e. France, USA, Australia, Netherlands etc. • United Nations Guiding Principles on Business and Human Rights (UNGP, 2011) 	Monitor compliance with ethical practices and standards that apply to global supply chains taking appropriate actions in the event of detecting any breaches by colleagues or other stakeholders
Equality of opportunity affecting underrepresented groups	Investigate, encourage and promote equality and diversity opportunity for underrepresented groups in the supply chain
The potential advantages of leveraging natural support within the business for ethical behaviour	Support the roles and functions of internal partners in areas such as compliance, audit, legal etc. and encourage their support in establishing ethical behaviours and cultures
The potential impact of bribery, corruption and fraud on procurement and supply activity	Manage internal and external stakeholders and communicate standards and identify and eliminate bribery, corruption and fraud in supply chains and take appropriate actions in the event of any alleged breach of standards
The requirement for Corporate Social Responsibility (CSR) and Sustainability in the supply chain	Manage internal and external stakeholders and communicate CSR and sustainability standards (ISO14000; ISO26000; ISO20400) identifying any alleged breach of standards and taking appropriate actions
Modern Slavery and its potential impact on procurement and supply	Manage internal and external stakeholders and communicate Modern Slavery standards (e.g.: UK Modern Slavery Act 2015 or equivalent international standard) identifying any alleged breach of standards and taking appropriate actions

PROFESSIONAL COMPETENCY LEVEL – UPDATED



Segment 11.5 • Leading ethical and responsible practice in procurement and supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The use, application and leadership of ethical codes in procurement and supply	Influence a culture of commitment to the achievement of ethical codes and practices in the organisation's supply chains
Techniques for stakeholder mapping including primary, secondary and key stakeholder classifications	Analyse stakeholders and develop plans to establish ethical priorities and behaviours in the organisation's supply chains
Techniques for mapping suppliers and high risk sub-tiers of the supply chain to gauge associated ethical sourcing risks	Devise matrices to assess the likelihood of risks of non-compliance in ethical sourcing and the importance to the organisation of other relevant commercial and technical criteria, and encourage their application by colleagues and stakeholders
The main regulations that impact on the employment of people in supply chains such as: <ul style="list-style-type: none"> • Discrimination, equality and diversity • Employee redundancy and dismissal • Working time and staff payment • International labour codes • Health and safety at the workplace • Minimum wage • Other country specific employment issues 	Lead compliance with legislation and regulations initiatives affecting the employment of people and offer advice when there are concerns about non-compliance
Ethical practices and standards that apply to global supply chains	Encourage and lead commitment to achieve ethical practices and standards that apply to global supply chains taking appropriate actions in the event of identifying any breaches by stakeholders

<p>The use of audits and other systems for performance measurement applied by purchasers</p>	<p>Collaborate with other purchasers to drive out duplication of effort and to focus on streamlining audit processes, the collation and analysis of data and any remedial actions to be taken</p>
<p>The sources of conflict that can affect ethical practices between stakeholders and suppliers</p>	<p>Steer the procurement and supply chain function through difficulties and challenges including conflict within the organisation and with its supply chains that can affect ethical practices</p>
<p>Initiatives and policies created by leading bodies, such as:</p> <ul style="list-style-type: none"> • CIPS • Traidcraft • the Walk Free Foundation • United Nations • ILO • Unseen • Anti-Slavery 	<p>Act as a champion of change to promote the highest standards of ethical practice</p>
<p>The use of communication plans to identify and eradicate bribery, corruption, fraud in all procurement and supply activity</p>	<p>Influence internal and external stakeholders and develop a culture to take actions to eradicate bribery, corruption and fraud</p>
<p>Tools and techniques required to support Corporate Social Responsibility (CSR) and Sustainability in the supply chain</p>	<p>Lead and influence internal and external stakeholders to develop cultures that support CSR and sustainability standards (ISO14000 ; ISO26000; ISO20400) and identify and report any alleged breach of standards, taking appropriate actions</p>
<p>The concept and impact of Modern Slavery on procurement and supply activity</p>	<p>Lead and influence internal and external stakeholders on the knowledge and adoption of Modern Slavery standards (eg: UK Modern Slavery Act 2015 or equivalent international standard) identifying any alleged breach of standards and taking appropriate actions</p>



ADVANCED PROFESSIONAL COMPETENCY LEVEL – UPDATED



Segment 11.6 • Establishing strategic, ethical and responsible procurement and supply

Knowledge: Will know and understand:	Capabilities: Will be able to:
The strategic use of ethical codes in procurement and supply in support of business success	Influence the strategic application of ethical codes or standards across the organisation, its internal and external stakeholders and associated industry sectors
Techniques for mapping and the auditing of suppliers to gauge risks in ethical sourcing	Contribute to the strategic direction of the mapping and auditing of suppliers to gauge risks in ethical sourcing
The use of standards or legislation to eradicate bribery, corruption, fraud and breaches of human rights	Contribute to the development of standards or legislation to eradicate bribery, corruption, fraud and breaches of human rights
The main regulations that impact on the employment of people in supply chains such as: <ul style="list-style-type: none"> • Discrimination, equality and diversity • Employee redundancy and dismissal • Working time, staff payment and minimum wage • International labour codes • Health and safety at the workplace • Other country specific employment issues 	Lobby for the strategic improvement of regulations that impact on the employment of people in supply chains
Ethical practices and standards that apply to global supply chains	Act as a strategic leader and role model in the application of ethical practices and standards that impact on global supply chains
The sources of expert knowledge and resources that can be leveraged to continually improve the development and adoption of ethical standards in procurement and supply	Support Industry/Government/NGO's with the development of ethical codes of practice and share learnings to help drive improved national and global standards of ethical and responsible practice
The strategic benefits of identifying and eradicating bribery, corruption, fraud in all procurement and supply activity	Strategically influence and drive all stakeholders to support and develop a culture to eradicate bribery, corruption and fraud in all procurement and supply activity
The strategic importance of adopting Corporate Social Responsibility (CSR) and Sustainability policies and procedures in the supply chain	Act as a professional role model for all stakeholders to develop cultures that support CSR and sustainability standards (ISO14000 ; ISO26000; ISO20400) in all procurement and supply activity
The strategic impact of Modern Slavery on procurement and supply	Lead the profession in meeting Modern Slavery standards (eg: UK Modern Slavery Act 2015 or equivalent international standard; United Nations Guiding Principles on Business and Human Rights UNGP, 2011) and set strategic goals to eradicate such practice in the future

Contributors

CIPS is proud of the Global Standard and of the obvious relevance that the contents has to the procurement and supply profession and to those colleagues working within other associated professions.

We are also conscious that a document of this kind cannot be developed and its currency maintained without the willing and dedicated set of suitably experienced reviewers. Whilst acknowledging the key role that all of the panel of 3000+ practitioners and academics who were consulted in the development of this Standard have played, we are particularly grateful to the following list of individuals for their significant and continuing contribution to the annual review and developmental process.

Name	Country	Company
Amanda O'Brien FCMI FIoD	UK	CIPS
Andrew Coulcher FCIPS	UK	CIPS
Andrew Quincey FCIPS	UK	Transport for London
Antoinette Brandi, FCIPS	Australia	Group Manager OZ Minerals
Claire G Younghusband FCIPS MBA	UK	CYTY Limited
David L Loseby FCMI, FCIPS, FRSA	UK	Inchcape Plc
Demet Gülerman	Turkey	Standard Profil Group, Group Indirect Purchasing Director
Dipl. Ing. Hagen Helm FCIPS, FRAeS, MBA	Czech Republic	AERO Vodochody AEROSPACE a.s.
Dr Alan Carroll FCIPS	UK	
Dr Beverley Lee FCIPS	UK	
Dr Gary Ramsden MCIPS FCMI CMgr FCILT SFHEA	UK	CIPS
Duncan Brock FCIPS	UK	CIPS
Edet Richard		Nigerian Army Headquarter
Enoch Dugbatey MCIPS	Ghana	Graphic Communications Group Limited
Fiona Nissen FCIPS	Australia	
Fiona Revell FCIPS	USA	Siemens Energy Inc
Gordon Donovan MSc FCIPS	Australia	Metro Trains Melbourne
Hans Lindblom	Sweden	Hiab (part of Cargotec Corp)
Helen Alder FCIPS	UK	CIPS
Jacqueline Hart	UK	

Employers Knowledge Academics Advocates
 Research Excellence Senior Leaders
 Experience Practitioners

Name	Country	Company
Jane Wagner	Australia	ACT Regional Chair (Canberra, Australia)
Kevin Hickman FCIPS	UK	CIPS
Larry Beard FCIPS	UK	EIPSC
Leonard K Torsu MBA, FCIPS	UK	Healthcare4Africa
Lisa Campbell FCIPS Chartered Status	Saudi Arabia	King Abdullah University of Science & Technology
Lucas D'Souza FCIPS	India	Qatar Foundation
Mark Chamberlain FCIPS	UK	BAE Systems Plc
Mark Moore FCIPS	UK	
Mattia Zerbinati	Hungary	MOL Group
Mr Mark Kuipers	South Africa	National Treasury
Newton Matope	UAE	Sevenseas Group
Professor Danny Samson	Australia	University of Melbourne
Professor Douglas Boateng MSC, ENGD, FCILT, FSOE, FIPLANTE, FCMI, FIC, FINST.D FIOM FCIPS, FIOD, CDIR	South Africa	IPP Resources
Ronald Mlalazi FCIPS	South Africa	Commerce Edge Academy
Salisu Alhaji Uba MCIPS	Nigeria	Ministry of Defence, Nigeria
Sam Achampong FCIPS	UAE	CIPS, MENA
Stephen Rowe FCIPS	Australia	Spotless Group
Tett Walters FCIPS	South Africa	
Wael Safwat FCIPS Chartered Status	Canada	

CIPS Group Easton House, Easton on the Hill, Stamford, Lincolnshire, PE9 3NZ, United Kingdom
T +44 (0)1780 756777 F +44 (0)1780 751610 E info@cips.org

CIPS Africa Ground Floor, Building B, 48 Sovereign Drive, Route 21 Corporate Park, Irene X30, Centurion, Pretoria, South Africa
T +27 (0)12 345 6177 F +27 (0)12 345 3309 E southafrica@cips.org

CIPS Asia Pacific 1 Wallich Street, Guoco Tower, Level 14-01, Singapore, 078881
T +65 6403 3940 E infosg@cips.org

CIPS Australasia Level 2, 520 Collins Street, Melbourne, Victoria 3000, Australia
T 1300 765 142/+61 (0)3 9629 6000 F 1300 765 143/+61 (0)3 9620 5488 E info@cipsa.com.au

CIPS MENA Office 1704, The Fairmont Hotel, Sheikh Zayed Road, PO Box 119774, Dubai, United Arab Emirates
T +971 (0)4 311 6504 F +971 (0)4 332 8810 E mena.enquiries@cips.org

ISBN 978-1-86124-272-3



*Printed on stock containing
50% post consumer
recycled content*

CIPS™ is a registered trademark of the
Chartered Institute of Procurement & Supply

www.cips.org