

THE IN-HOUSE TRAINING COMPANY

Advanced contract and commercial management

Overview

This very practical, action-oriented, two-day course is designed to make commercial managers and other relevant staff aware of current best practice in commercial management, drawing on lessons learned in a variety of sectors and industries.

The course will help broaden participants' knowledge around commercial and service delivery management, sharing proven techniques for improving commercial performance, not least in relation to third party suppliers and subcontractors.

Learning objectives

This course will help participants:

- Appreciate the real meaning of Commercial Excellence, how world-class organisations achieve it, and how to move towards it in your organisation
- Understand the leadership and influencing behaviours needed for successful contract and commercial management
- Take a more strategic and proactive approach to their role
- Consciously seek out opportunities to add value
- Develop a more nuanced understanding of risk and how to manage it
- Broaden their understanding of current best practice as regards the use of different commercial tools and models
- Better appreciate the legal aspects of commercial management

Who should attend?

This course is designed for all those involved with commercial issues in a middle to senior management role, including technical managers, commercial managers, contract managers, finance managers, sales and business development managers, account and customer relationship managers, and service delivery managers.

Course format

This two-day programme can be delivered on-site or virtually.

The expert trainer takes a proactive, participative, and participant-centred approach with an emphasis on the practical application of the tools, techniques and templates discussed. The creation of Action

Plans by the participants is a key element in the experiential dimension to all our courses. The learning needs to be embedded into the fabric of the organisation and the trainer uses context-based case studies and other tasks to achieve this.

Special features

The content of this course has been cross-mapped with established competency frameworks and other international standards.

Certificates of attendance are provided on request (for CPD purposes: the programme qualifies for twelve hours, which for most professional bodies translates as twelve points).

The majority of the training we deliver is either tailored or completely bespoke. This workshop can therefore be delivered entirely as advertised, or it can be tailored to your particular requirements, or we can simply take it as a starting point for a conversation with you before we draft a completely bespoke programme for you – the choice is yours.

Expert trainer

Dr Ray Carter runs his own international training and development consultancy, specialising in procurement. A prolific author, his books include *Practical Procurement*, *Practical Supplier Selection and Relationship Management* (with Sharon Croome), *Practical Contract and Commercial Negotiations* (with Kenny Campbell) and *Practical Contract Management* (with Steve Kirby, Alan Oxenbury and Geoff Kontzle). He has also had numerous articles and papers published in journals such as *Supply Management* and the Centre for Advanced Procurement's *Praxis* publication. Ray is Chairman of the Procurement Best Practice Forum, which is made up of many large blue-chip organisations, the purpose of which is to identify and disseminate supply chain management best practices. Ray's now famous '10 Cs' of supplier evaluation model, first published in 1995, has become an accepted model for the evaluation of suppliers and contractors and has been adopted by many organisations. It is also part of the CIPS level 3 syllabus. Ray is an external examiner for Salford University and a Fellow of Leicester University.

In recent years, he has undertaken training and consultancy assignments across the UK and around the world for organisations such as Prudential, Virgin Media, Cobham, The Home Office, Ministry of Justice, Low Carbon Contracts Company, IBM, Ministry of Defence, NHS, Royal Botanic Gardens Kew, Bapco, AA, Coca-Cola, Foster Wheeler, Pfizer, British Nuclear Group, Honeywell, Total, Qinetiq, John Lewis, DeLaRue, Serco, Williams F1 Team, Hitachi Rail Europe, Rolls-Royce, Boots, RBS, DWP, NHS, Lucas Engineering and Systems, Abu Dhabi Company for Onshore Oil Operations (ZADCO), NDC, Ericsson, BAe, Marconi, BBC, Magnox, Ordnance Survey, Chevron, Caspian Pipeline Consortium, Tengzichevroil Company, Coca-Cola, Shell International BV, IMechE, African Development Bank, United Healthcare, MLM, SEPA, Yorkshire Water, East Lothian Council, Medway Council, Wigan Council, National Grid, City of Bradford MDC, London Fire Brigade, etc, etc, etc.

Workshop outline

DAY ONE

1 Introduction

- Learning outcomes
- Learning styles
- Plan for the day

2 Commercial excellence

- The role contract and commercial management professionals play in supporting the delivery of commercial excellence
- Becoming a 'Trusted Advisor'
- Commercial excellence defined
- Strategic thinking
- Outcome-based contracts
- Collaboration / coordination / agility

3 Leadership and influencing behaviours

- Leadership styles defined
- Understanding:
 - ... how the business works
 - ... the opportunities and risks
 - ... the external environment
- Harnessing information / technology / AI
- Seeking innovation

4 Market awareness

- Appreciating the marketing process and different tools and pricing models
- Strategic objectives
- Undertaking research
- Market segmentation
- Market and competition analysis
- Penetration and premium pricing
- Determining the marketing mix

5 Achieving commercial excellence

- Analysing what the best organisations do differently to get demonstrably superior results
- Transforming data into intelligence

- Developing a culture that empowers people to do things in new ways
- Implementing a structure to enable the sharing of intelligence throughout the organisation and across functions and geographies
- Actively engaging with clients and contractors

6 Customer / supplier relationships

- Understanding the fundamental structure of key relationships
- Growing complexity of relationships leading to collaborative relationships
- Increased interdependence between buyers and sellers
- Relationships are often too vague to be sustainable
- Challenging the traditional approaches to relationship management

7 Cultural awareness

- Understanding the importance of organisational cultural awareness and the key role it plays in cross-cultural communication
- Common values, ideas, norms, beliefs, customs and practices – and how they affect communication
- Different cultures and their effects:
 - Power culture – power is concentrated centrally
 - Role culture – hierarchical
 - Person culture – a consensus model
 - Task culture – very fluid and dynamic

8 Benchmarking

- How benchmarking can drive positive change.
- Assessing the maturity of the contract and commercial capability of the organisation
- Assessing the maturity of the contract and commercial capability of the personnel
- Assessing, gaining control over, and improving the quality or results achieved
- Three key areas to benchmark – and the potential benefits

DAY TWO

9 Costing and pricing models

- TCO and life cycle models
- Target costing
- VFM
- Break-even points
- Marginal costs

10 Margins

- Appreciating the need for margin improvement – and ways of achieving it
- Spend management and compliance
- Identification and ranking of key cost drivers
- Value analysis and NVA
- Standardisation, collaboration and aggregation
- Supply market analysis – a non-traditional approach
- Leveraging the spend and the relationship
- Monitoring and evaluation

11 Managing sub-contractors

- The commercial manager's role in providing oversight and leadership in relation to sub-contractor activities
- Leadership
- Segmentation of customers
- Analytics
- Portfolio management
- Oversight of channels
- Contracts and pricing decisions

12 Outcome / performance-based contracting models

- How performance measurement can create value by driving continuous, informed improvement
- Multi-level performance measurement:
 - Organisational
 - Relationship process
 - Specific terms or conditions
- Challenges of using outcome-based contracts
- Typical elements of an outcome-based contract:
 - Setting a baseline on which both parties can agree
 - Defining what is the expected level of service and what represents 'exceptional' standards
 - A reliable method for demonstrating benefit
 - Defining events outside the contractor's control

13 Key legal issues

- Confidentiality clauses – unilateral or bilateral?
- Intellectual property rights:
 - How to protect them

- Background IP – what is it and who owns it?
- Foreground IP – what is it and who owns it?
- Third party IPR – the importance of indemnities

14 Key drafting issues

- Methods for drafting clear operational terms in complex agreements
- Need for clarity (especially as regards business intent)
- Holistic approach (all parties need to review the entire contract)
- Consistency of language, form and content
- Who drafts? The role of subject matter experts (including engineers and other technical specialists) and contract specialists

15 Outsourcing

- Types of outsourcing
- How different models affect the issues, risks or areas for focus
- Objectives of outsourcing
 - Establish the project plan and schedule
 - Allocate resources
 - Assign responsibilities and accountabilities
- Outsourcing strategy
- Designating who is responsible for delivery of what by when

Any questions?

Please just give us a call on **01582 463463** – we're here to help!

Or visit www.theinhousetrainingcompany.com