

THE IN-HOUSE TRAINING COMPANY

Contract and commercial management for practitioners – an IACCM qualification (CCMP)



Overview

This five-day programme empowers participants with the skills and knowledge to understand and effectively apply best practice commercial and contracting principles and techniques, ensuring better contractor performance and greater value add.

This is an assessed programme, leading to the International Association for Contracts & Commercial Management (IACCM)'s coveted Contract and Commercial Management Practitioner (CCMP) qualification.

Business benefits

Through extensive surveys, the International Association for Contracts & Commercial Management (IACCM) has analysed the relationship between organisational capability and maturity on the one hand, and individual skills and competency on the other.

Not surprisingly, those individuals and organisations at the lower ends of the maturity and competence spectrum are most at risk of contract value 'leakage'.

What is surprising, perhaps, is that they've been able to put a number on it: 9.2% value loss through lack of best practice. Specific issues are:

- Disagreements over contract scope
- Disagreements over what was committed
- Inappropriate contract structure or responsibilities
- Weaknesses in contract change management

From these four main problem areas, they've identified the ten pitfalls of contracting:

- Lack of clarity on scope and goals
- Legal / contract team not involved early enough
- Failure to engage stakeholders
- Protracted negotiations

- Negotiations focus on the wrong terms and risks
- Inflexible contracts and insufficient focus on governance
- Contracts difficult to sue or understand
- Poor handover from deal team to implementation team
- Limited use of contract technology
- Poor post-award processes and governance

The cost of ignorance is high. The training investment required to avoid most of these problems is low. You will see a return. This programme will help the organisation reduce value 'leakage' (which IACCM research indicates is typically around 9%), by:

- Ensuring engagement of key stakeholders
- Ensuring clear scope and goals are created
- Ensuring the commercial team is involved early
- Avoiding protracted negotiations
- Avoiding negotiations that focus on risk allocation
- Ensuring relationship flexibility and governance
- Ensuring that contracts are easy to use and understand
- Ensuring effective handover and implementation
- Encouraging the use of contract and commercial management technology
- Avoiding weak post-award processes and governance
- Minimising claims, variations and disputes

Learning objectives

By the end of this comprehensive programme the participants will be able to:

- Develop robust contracting plans, including scopes of work and award strategies
- Undertake early market engagements to maximise competition
- Conduct effective contracting and commercial management activities, including ITT, RFP, negotiated outcomes
- Understand the legalities of contract and commercial management
- Negotiate effectively with key stakeholders and clients, making use of the key skills of persuading and influencing to optimise outcomes
- Undertake effective Supplier Relationship Management
- Appreciate the implications of national and organisational culture on contracting and commercial activities
- Appreciate professional contract management standards
- Set up and maintain contract and commercial management governance systems
- Take a proactive, collaborative, and agile approach to managing commercial contracts

- Develop and monitor appropriate and robust KPIs and SLAs to manage the contractor and facilitate improved contractor performance
- Appreciate the cross-functional nature of contract management
- Collaborate with clients to deliver sustainable performance and to manage and exceed client expectations
- Understand the roles and responsibilities of contract and commercial managers
- Use effective contractor selection and award methods and models (including the 10Cs model) and use these models to prepare robust propositions to clients
- Make effective use of lessons learned to promote improvements from less than optimal outcomes, using appropriate templates
- Effectively manage the process of change, claims, variations, and dispute resolution
- Develop and present robust propositions
- Make appropriate use of best practice contract and commercial management tools, techniques, and templates

Who should attend?

The practitioner level (CCMP) qualification is ideal for experienced (and semi-experienced) contract or commercial managers in both the public and private sectors who would like to demonstrate significant achievements in the field and gain knowledge and best practice insights. It is expected that participants will have had a range of experiences.

The typical participant needs to gain an in-depth knowledge of the contract, including what, how and when the contractor is expected to deliver, using a variety of methods to monitor progress against contract objectives. Management information is key to analysing performance, identifying trends and potential risks to delivery, risks which need to be managed or escalated as appropriate. The typical participant will need to be able to work with contractors to resolve business performance issues and agree actions for improvement.

The programme is also suitable for technical people whose role entails regular involvement in the procurement process, such as focal points, commercial managers, sales managers, account and relationships managers, business development managers, project managers, team leaders, finance managers and others – anyone with a responsibility for, or involvement in, managing contracts.

Course format and qualification process

This five-day programme can also be delivered virtually.

Offered here on an in-house basis, the programme is also run as an open programme, sometimes virtually and sometimes in classroom format in central London as circumstances dictate: call or email us for dates, formats and prices.

Whether the programme is delivered virtually or face-to-face, open or in-house, participants are required to submit for assessment a series of ten specially designed case studies and assignments. These will be reviewed and discussed during class time and participants are required to then write up and submit their assessments within a reasonable time. These are then assessed by the trainer and submitted to IACCM for moderation. Participants who successfully complete all assignments and the end of course one-hour multiple-choice test and one-hour 'open book' case study exam will be recommended to IACCM for Practitioner level (CCMP) certification.

Special features

The content of this course has been framed around the IACCM contract and commercial management process.

Expert trainer

Dr Ray Carter runs his own international training and development consultancy, specialising in procurement. A prolific author, his fourth book, Practical Contract Management, with Steve Kirby and Alan Oxenbury, was published in 2012. 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 4 syllabus.

In recent years, he has undertaken training and consultancy assignments across the UK and around the world for organisations such as DWP, NHS, Shell, Lucas Engineering and Systems, the Chartered Institute of Purchasing and Supply, BRC, Nederlandse Aardolie Maatschappij BV, Abu Dhabi Company for Onshore Oil Operations (ZADCO), NDC, Ericsson, British Aerospace, 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, National Grid, City of Bradford MDC, etc.

Programme outline

DAY ONE

1 Introduction

- Aims
- Objectives
- KPIs
- Learning strategies
- Plan for the programme

2 The contracting context

- Key objectives of contract management
- Importance and impact on the business

3 Critical success factors

- Essential features of professional commercial and contract management and administration
- The 6-step model

4 Putting the 'management' into commercial and contract management

- Traditional v 'new age' models
- The need for a commercial approach
- The added value generated

5 Definitions

- 'Commercial management'
- 'Contract management'
- 'Contracting'
- ...and why have formal contracts?

6 Stakeholders

- Stakeholder mapping and analysis
- The 'shared vision' concept
- Engaging with key functions, eg, HSE, finance, operations

7 Roles and responsibilities

- Contract administrators
- Stakeholders

8 Strategy and planning

- Developing effective contracting plans and strategies

DAY TWO

1 Contract control

- Tools and techniques, including CPA and Gantt charts
- A project management approach
- Developing effective contract programmes

2 Tendering

- Overview of the contracting cycle
- Requirement to tender
- Methods
- Rationale
- Exceptions
- Steps
- Gateways
- Controls
- One and two package bids

3 Preparing effective specifications

- Developing robust scopes of works
- Use of performance specifications
- Output-based SOWs

4 Tender assessment and contract award I – framework

- Tender board procedures
- Role of the tender board (including minor and major tender boards)
- Membership
- Administration
- Developing robust contract award strategies and presentations

DAY THREE

1 Tender assessment and contract award II – processes

- Pre-qualification processes
- CRS
- Vendor registration rules and processes
- Creating bidder lists
- Disqualification criteria
- Short-listing
- Using the 10Cs model
- Contract award and contract execution processes

2 Minor works orders

- Process
- Need for competition
- Role and purpose
- Controls
- Risks

3 Contract strategy

- Types of contract
- Call-offs
- Framework agreements
- Price agreements
- Supply agreements

4 Contract terms I: Pricing structures

- Lump sum
- Unit price
- Cost plus
- Time and materials
- Alternative methods
- Target cost
- Gain share contracts
- Advance payments
- Price escalation clauses

5 Contract terms II: Other financial clauses

- Insurance
- Currencies
- Parent body guarantees
- Tender bonds
- Performance bonds
- Retentions
- Sub-contracting
- Termination
- Invoicing

6 Contract terms III: Risk and reward

- Incentive contracts
- Management and mitigation of contractual risk

DAY FOUR

1 **Contract terms IV: Jurisdiction and related matters**

- Applicable laws and regulations
- Registration
- Commercial registry
- Commercial agencies

2 **Managing the client-contractor relationship**

- Types of relationship
- Driving forces
- Link between type of contract and style of relationships
- Motivation – use of incentives and remedies

3 **Disputes**

- Types of dispute
- Conflict resolution strategies
- Negotiation
- Mediation
- Arbitration

DAY FIVE

1 **Performance measurement**

- KPIs
- Benchmarking
- Cost controls
- Validity of savings
- Balanced scorecards
- Using the KPI template

2 **Personal qualities of the contract manager**

- Negotiation
- Communication
- Persuasion and influencing
- Working in a matrix environment

3 **Contract terms V: Drafting skills**

- Drafting special terms

4 Variations

- Contract and works variation orders
- Causes of variations
- Risk management
- Controls
- Prevention
- Negotiation with contractors

5 Claims

- Claims management processes
- Controls
- Risk mitigation
- Schedules of rates

6 Close-out

- Contract close-out and acceptance / completion
- HSE
- Final payments
- Performance evaluation
- Capturing the learning

7 Close

- Review
- Final assessment
- Next steps

Any questions?

Please just give us a call on 01582 463463 – we're here to help!
Or visit www.theinhousetrainingcompany.com