# LEVEL 6
# Unit content guide

## Graduate diploma in purchasing and supply

### The units that make up the award are:

- Leading and influencing in purchasing
- Strategic supply chain management
- Supply chain management in practice – integrative unit

### Plus a choice of two optional units:

- Legal aspects in purchasing and supply
- Advanced project management
- Finance for purchasers
- Strategic public sector programme management
- Public sector stakeholders and governance

Revised
content
**September
2009**

# LEVEL 6
# Graduate diploma in purchasing and supply
## Introduction

The Chartered Institute of Purchasing & Supply qualifications ladder has six levels of awards. For details of the entry requirements for each level, please refer to **www.cips.org**

The CIPS Graduate diploma in purchasing and supply is a Level 6 higher level qualification. It has been accredited by the the Office of Qualifications and Examinations Regulator (Ofqual) and appears on the National Database of Accredited Qualifications (NDAQ). Please refer to www.accreditedqualifications.org.uk

The Level 6 Graduate diploma in purchasing and supply consists of three compulsory units. One of these, Supply chain management in practice, is an integrative unit which is designed to draw together the knowledge and understanding

achieved in the other two compulsory units and to demonstrate how these units combine and integrate in a working environment. The integrative unit should be taken after the compulsory units have been completed. Additionally you must choose two optional units from a choice of five.

Assessment for each unit is by examination, with the exception of the integrative unit when there is a choice for students in the UK. If your study centre has been approved you can choose either an open book examination or a work-based project.

If you wish to study for this award it is expected that you will undertake 50 guided learning hours per unit, ie a total of 250 guided hours. The definition of guided learning hours is:

*"A measure of the amount of input time required to achieve the qualification. This includes lectures, tutorials and practicals, as well as supervised study in, for example, learning centres and workshops."*

You will find that study centres vary on the exact format for delivery of the study programme. Additionally CIPS would recommend that you also commit 80 hours per unit of self-study, including wider reading of the subject areas and revision to give yourself the best chance of successful completion of the award.

Below is a list of the units, their NDAQ reference numbers and CIPS reference code which is used to identify the unit for examination purposes.

| LEVEL 6 – GRADUATE DIPLOMA IN PURCHASING AND SUPPLY NDAQ QUALIFICATION NUMBER 100/6114/9 | | |
|---|---|---|
| Leading and influencing in purchasing | F/500/1720 | CIPS ref code L6-01 |
| Strategic supply chain management | J/500/1721 | CIPS ref code L6-02 |
| Supply chain management in practice – integrative unit | L/500/1722 | CIPS ref code L6-03 |
| **Plus choose two options** | | |
| Legal aspects in purchasing and supply | R-/500/1723 | CIPS ref code L6-10 |
| Advanced project management | Y/500/1724 | CIPS ref code L6-11 |
| Finance for purchasers | D/500/1725 | CIPS ref code L6-12 |
| Strategic public sector programme management | K/500/5373 | CIPS ref code L6-13 |
| Public sector stakeholders and governance | M/500/5374 | CIPS ref code L6-14 |

## LEVEL 6
# Graduate diploma in purchasing and supply
## Glossary of terms

### Assessment

Assessment is the way in which CIPS will measure whether or not a student is able to demonstrate their knowledge, understanding and ability to apply their learning in any given situation.

An assessment could be an examination, assignment or project.

### Business essentials

These are commonly occurring themes through the CIPS qualifications, that do not warrant a unit in their own right, but that are important holistically to the learning undertaken within CIPS qualifications.

They are areas of importance, innovation and some emerging themes, such as:

- Quality management
- International issues
- Business finance
- Information management
- External factors

### Command words

Command words are generally verbs that are used to indicate the level of learning undertaken. They tend to be hierarchical in nature. For example, at Level 3, a command word will be 'demonstrate' or 'explain', whereas a command word at Level 6 will be 'synthesise', or 'critically evaluate'. These words reflect the level of complexity of your learning and ultimately your assessment at that level.

### Compulsory units

These are units that you must take either through CIPS or an alternative awarding body that constitute necessary knowledge and understanding to fulfil learning requirements for CIPS qualifications.

If you have undertaken equivalent learning or have equivalent related experience to the compulsory units from somewhere else you may either be exempt from learning, or gain accreditation for prior learning or experience.

### Entry level

This is the point at which you will enter the CIPS qualifications ladder. This entry will be based upon pre-requisite knowledge, understanding and experience.

### Exemptions

Students who have successfully completed certain post-school studies may apply for exemptions from equivalent courses in their programme of study. To earn an exemption from either levels of qualifications or option units within qualifications you should contact CIPS or see **www.cips.org**

Please note that gaining an exemption, does not mean that you gain an exit award at that level, rather that you bypass that level of learning because of equivalent learning and achievement gained elsewhere.

## LEVEL 6
## Graduate diploma in purchasing and supply
## Glossary of terms

### Exit award
An exit award is in essence a qualification. CIPS has six exit awards in total.
- Introductory certificate in purchasing and supply
- Certificate in purchasing and supply
- Foundation diploma in purchasing and supply
- Advanced diploma in purchasing and supply
- Graduate diploma in purchasing and supply
- Executive diploma in purchasing and supply

For each qualification you study, you will receive a certificate of achievement confirming your exit award.

### Indicative content
The knowledge required in order to fulfil the learning objectives and achieve the learning outcomes – in other words what you need to know.

### Integrative units
Integrative units are intended to help students see connections between all aspects of their learning within a particular level of qualification. For the purpose of CIPS qualifications, awards at levels 3 and 6 will have an integrative unit.

### Learning objectives
Determines the level of learning you must undertake in order to achieve the learning outcomes.

### Level
The level determines the complexity of learning, the depth of learning and the comparison of learning with other qualifications. CIPS has qualifications at levels 2 to 7. The levels are as follows:

- **Level 2**
  Introductory Level – this is for somebody new to the purchasing and supply profession and often in a junior capacity
- **Level 3**
  Junior technical – also potentially new to learning
- **Level 4**
  Operational/junior manager/new to the profession
- **Level 5**
  Manager/specialist role
- **Level 6**
  Senior managers/specialist professional
- **Level 7**
  Senior managers/specialist professional

The levels are determined by Ofqual, who are the Government regulator for education, and enable a clear understanding nationally of the level of a person's learning and ability in that field.

## LEVEL 6
# Graduate diploma in purchasing and supply
## Glossary of terms

**National Qualifications Framework**

This framework is a government framework, where qualifications that are approved by Government, as being fit for purpose, and meeting the quality criteria, are listed. Qualifications listed within this framework are monitored against a variety of measures to ensure quality of qualification, associated procedures and delivery.

**Ofqual**

Ofqual is the Government regulator for professional bodies such as CIPS, and act as the caretaker of qualifications included in the National Qualifications Framework.

**Optional units**

These are units where you have choice and opportunity to specialise in an area of interest. There is an opportunity to select two optional units at advanced diploma and two optional units at graduate diploma.

**Qualifications ladder**

This ladder represents the hierarchical nature of CIPS qualifications. The ladder has six steps within it. It starts with an Introductory Certificate through to the Graduate Diploma.

Each step of the ladder is represented by qualification with an 'exit award'.

**Statements of practice**

A goal for attainment, which indicates what you need to know and be able to do to complete your studies in a particular subject area.

Each unit has six to seven learning outcomes which outline what you will achieve as a result of your learning in that particular unit.

**Student**

Member who is studying a CIPS qualification.

**Unit**

A segment of learning within the CIPS qualifications, which has a value in terms of hours of learning. Each unit is individual, has its own title, rationale and content. A unit will also have an assessment attached to it in order to demonstrate achievement and conclusion of the learning.

**Weightings**

Weightings are allocated to each unit, to determine how the learning can be sensibly split.

Each unit has a content weighting of 100%. Within each unit, each subject area is given a weighting eg 20% or 25%.

This weighting indicates the level of input and learning required by the deliverer and the learner in order to complete the subject area. However, the weightings do not necessarily reflect the marks that may be allocated to a question in that subject area of the unit.

### ARR • Average rate of return

A method that attempts to compare the profit of a project with the capital invested in it. Normally expressed as a percentage (Source: Accounting for Non Accounting Students 4th Edition J.R Dyson, Pitman Publishing).

### ASEAN • Association of South East Asian Nations

Member countries include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The objectives are economic growth, social progress and cultural development, achieved through joint endeavours.

### CAPEX • Capital expenditure

These are funds used by an organisation to either purchase a new asset or upgrade an existing one, usually high in value.

### CIF • Cost, insurance and freight

Commonly described as an Incoterm. This is CFR with the additional requirement that the seller procure transport insurance against the risk of loss or damage to goods. The seller must contract with the insurer and pay the insurance premium. Insurance is generally important in international shipping because transport companies have restricted liability for loss or damage.

### COMESA • The Common Market for Eastern and Southern Africa

A trading area similar to the EU, ASEAN and NAFTA. It has twenty member states stretching across Africa from Libya to Zimbabwe. It was formed in December 1994, replacing a Preferential Trade Area which had existed since 1981.

### CSR • Corporate social responsibility

CSR means the commitment to a systematic consideration of the environmental, social and cultural aspects of an organisation's operations. This includes the key issues of sustainability, human rights, labour and community relations, as well as supplier and customer relations beyond legal obligations; the objective being to create long-term business value and contribute to improving the social conditions of people affected by an organisation's operations.

### DCF • Discounted cash flow

The value of a cash flow adjusted for the time value of money.

### DDP • Delivery duty paid

An Incoterm, represents the seller's maximum obligation. The term DDP is generally followed by words indicating the buyer's premises. It notes that the seller bears all risks and all costs until the goods are delivered. This term can be used irrespective of the mode of transport. If the parties wish to make clear that the seller is not responsible for certain costs, additional words should be added (for example, "delivered duty paid exclusive of VAT and/or taxes").

**DMAIC • Define, measure, analyse, improve, control**

DMAIC is an acronym used for a quality strategy found within the six sigma approach. It stands for define, measure, analyse, improve and control.

**EFQM • The European Foundation for Quality Management**

EFQM is based in Brussels and assists European businesses to deliver improved services through the effective use of leading edge management practices. The EFQM owns the intellectual property of the EFQM Excellence Model. The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing applications for The UK Business Excellence Award. It is the most widely used organisational framework in Europe where it has become the basis for the majority of national and regional quality awards.

**EU • European Union**

The European Union was created in 1992 following the signing of the Maastricht Treaty. Its aim is to create an environment for the free movement of goods, services, labour and capital across the member states. There is also an emphasis on the abolition of trusts and cartels, and the development of joint and reciprocal policies on labour, social welfare, agriculture, transport and international trade.

**EXW • Ex works**

An Incoterm. Means the seller's only responsibility is to make the goods available at the seller's premises, ie the works or factory. The seller is not responsible for loading the goods on the vehicle provided by the buyer unless otherwise agreed. The buyer bears the full costs and risk involved in bringing the goods from there to the desired destination. Ex Works represents the minimum obligation of the seller.

**FAS • Free alongside ship**

An Incoterm. Using FAS requires the seller to deliver the goods alongside the ship on the quay. From that point on, the buyer bears all costs and risks of loss and damage to the goods. FAS requires the buyer to clear the goods for export and pay the cost of loading the goods.

**FOB • Free on board**

An Incoterm. Using FOB the goods are placed on board the ship by the seller at a port of shipment named in the sales agreement. The risk of loss of or damage to the goods is transferred to the buyer when the goods pass the ship's rail (ie off the dock and placed on the ship). The seller pays the cost of loading the goods.

**ICT • Information, communications technology**

This is a broad subject concerned with technology and other aspects of managing and processing information, especially in large organisations.

**Incoterms • International consignment delivery terms**
There are 13 Incoterms developed which are intended to make international trade easier and help traders in different countries to understand one another. Using the term enables those reading them to understand who is responsible for risk, transport and costs as well as other issues.

**IPR • Intellectual property rights**
Is the general term for different types of ideas protected by different legal rights. The six intellectual property rights consist of confidential information, trade mark, copyright, registered design, design right and patent.

**IR • Industrial relations**
Looks at the relationship between management and workers, particularly groups of workers represented by a union.

**IRR • Internal rate of return**
IRR can be used to rank several prospective projects an organisation is considering. Assuming all other factors are equal among the various projects, the project with the highest IRR would probably be considered the best and undertaken first.

**NAFTA • North American Free Trade Agreement**
NAFTA was established in 1994 and comprises of a free trade agreement between Canada, US and Mexico. NAFTA was devised to create an expanded and secure market for the goods and services in their territories and reduce distortions to trade. It established clear rules governing their trade and built on their respective rights and obligations under the General Agreement on Tariffs and Trade and other multilateral and bilateral instruments of co-operation.

**NHS • National Health Service**
Founded in 1948, this organisation provides the majority of healthcare in the UK. NHS services are largely "free at the point of delivery," paid for by taxes. Employing well over one million people, the NHS is the largest employer in Europe and one of the largest employers in the world.

**NPV • Net present value**
Is a valuation method based on discounted cash flows. NPV is calculated by discounting of a series of future cash flows and summing the discounted amounts and the initial investment (a negative amount).

**OGC • Office of Government Commerce**
The Office of Government Commerce (OGC) is an independent office of HM Treasury (UK), established to help the UK Government deliver best value from its spending.

**OPEX • Operational Expenditure**
OPEX is the funds used to purchase day-to-day operating goods and services.

**PEM • Procurement excellence model**
The procurement excellence model provides a guide to applying the EFQM excellence model to procurement activities to identify areas of strength on which to build and opportunities for improvement. The guide provides procurement related comment and interpretation to each of the main criteria in order to give emphasis and direction when applying the excellence model.

**PESTLE • Political, economic, social, technological, legal, environmental**
An analytical tool that aids organisations developing strategies by helping them understand the external environment in which they operate now and in the future.

**PFI • Private finance initiative**
An agreement that promotes partnership between both private and public sectors which enables the utilisation of a wide variety of assets and services in the private sector. The objective is to improve the quality and quantity of public sector capital products and also to provide more efficient public services.

**PLC • Project life cycle**
A logical sequence of activities which leads to the completion of project goals and objectives.

**PLT • Purchasing leadership team**
Senior level practitioners with a direct reporting line to the Chief Procurement Officer

**PMBOK • Project management body of knowledge**
A collection of different processes and knowledge areas seen as best practice within the project management discipline. It is an internationally recognised standard (IEEE Std 1490-2003) and provides the fundamentals of project management, irrespective of the type of project.

**PP • Payback period**
An appraisal tool that is the simplest tool for appraising different investment projects.

**PPP • Public private partnership**
Any alliance between public bodies, local authorities or central government and private companies to produce capital projects or deliver public services.

**PRINCE2 • Projects in a Controlled Environment**
A process based approach for project management providing an easily tailored and scalable method for the management of all types of projects. Each process is defined with its key inputs and outputs together with the specific objectives to be achieved and activities to be carried out. PRINCE2 is Crown copyright.

**QCT • The iron triangle – quality, cost and time**
Most projects, including procurement projects, have three main objectives to be met, quality, cost and time.

**SIPOC • Supplier, input, process, output, customer**
This is another six sigma technique to give a high level view of a process. SIPOC stands for suppliers, inputs, process, outputs, customers. Its aim is to identify the movement within the system and the interdependencies.

**SMART • Specific, measurable, achievable, relevant, time framed** is a mnemonic used in project management at the project objective setting stage. It is a way of evaluating if the objectives that are being set are appropriate for the individual project.

**SMEs • Small and medium sized enterprises**
A small firm is an independent business, managed by its owner or part-owners and with less than 50 employees. A medium sized company must meet thresholds for annual turnover and have fewer than 250 employees.

**SRO • Senior responsible owner**
This is not a PRINCE2 term, but is used in many organisations. Its equivalent in PRINCE2 terms would be the 'Executive' role. This is a single individual with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits. This individual should ensure that the project or programme maintains its business focus, that it has clear authority and that the work, including risks, is actively managed.

**SRIE • Senior responsible industry executive**
The SRIE's role is to work in partnership with the SRO to ensure more successful delivery of IT-enabled change programmes in government. The SRO and SRIE are expected to keep their respective teams focussed on the achievement of the desired business outcomes and to be open with each other as to issues, problems, constraints and politics within their respective organisations.

**SWOT • Strengths, weaknesses, opportunities, threats**
This is a strategic planning tool used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture or in any other situation requiring a decision.

**TNA • Training needs analysis**
An analytical tool that helps an organisation to establish its training requirements. This analysis is undertaken at all levels within the organisation.

**TUPE • Transfer of undertakings (protection of employment)**
Legislation that aims to ensure that an employee whose company is taken over has his existing conditions respected by his new employer. They also apply in some cases for work transferred to contractors. This includes hours of work, pay, and pension entitlement and so on.

**VFM • Value for money**
Is the optimum combination of whole life costs and quality (or fitness for purpose) to meet the user's requirements. This is rarely synonymous with lowest price. (Source: http://www.ogc.gov.uk )

**WTO • World Trade Organisation**
The World Trade Organisation exists as the only international organisation responsible for overseeing the rules of trade between nations. The WTO agreements including the Agreement on Government Procurement (GPA) help producers, exporters and importers of goods and services conduct business across those nations which have signed the agreements.

**LEVEL 6**
# Graduate diploma in purchasing and supply
## Leading and influencing in purchasing

**COMPULSORY UNIT**

### UNIT CHARACTERISTICS

This unit is designed to develop students' leadership skills to enable them to lead, influence and provide direction to stakeholders within the supply chain.

Students should be able to operate at a strategic level. They should be able to lead in their defined area or part of the organisation and will be expected to motivate and support supply chain members and stakeholders in achieving objectives and success. Students will be expected to lead in a variety of situations and to ensure that they maintain the balance of power required to achieve success. They should be able to demonstrate effective leadership in a variety of contexts, including through change, adversity, conflict and success, in order to maximise the potential of the organisation.

### STATEMENTS OF PRACTICE

On completion of this unit, students will be able to:

- Critically evaluate the fundamental differences between management and leadership
- Assess a range of leadership styles and apply them effectively within the supply chain
- Propose how to develop an innovative and compelling vision for the purchasing function
- Determine how to create and maintain a culture that encourages and recognises creativity and innovation
- Evaluate how individuals and teams can be led and influenced effectively: encouraging, motivating, supporting and recognising achievement
- Propose how to develop a culture of productivity through leading others
- Assess and determine effective communication methods and messages to support change in the supply chain.

# Graduate diploma in purchasing and supply
## Leading and influencing in purchasing

**LEARNING OBJECTIVES AND INDICATIVE CONTENT**

**1.0 LEADING AND MANAGING IN PURCHASING**
*(Weighting 15%)*

**1.1 Critically evaluate the fundamental differences between a leader and a manager**
- The role of a individual leader and the activity of leadership
- The key traits of a leader that differentiate from a manager
- What leaders really do (Kotter), Adair's action-centred leadership
- The close relationship between leadership and management
- The need for a leader also to be a good manager
- The roles of leadership within a purchasing function
- The role of purchasing leadership in supporting corporate governance.

**1.2 Critically assess the behavioural traits of successful leaders**
- The role of the visionary in leadership
- The key components of emotional intelligence (Goleman) and the link with leadership skills
- The roles of integrity and values within leadership
- The place for authenticity as a leadership quality
- Purchasing ethics and the value of leading by example
- Key communication skills for leadership.

**1.3 Propose leadership styles and evaluate when it is best to apply them.**
- Theory X and Theory Y (McGregor) and Theory Z (Ouchi)
- The three main classifications of leadership styles: authoritarian, democratic and laissez-faire
- The full continuum of different leadership styles from facilitative through to directive (Tannenbaum & Schmidt), including telling, selling, consulting and joining
- The merits of a situational approach to leadership
- The four main stages in Hersey's model of situational leadership and when each stage is appropriate to use in a purchasing context
- Transactional versus transformational leadership in purchasing
- The impact of different leadership styles on the operational function of a purchasing team.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Leading and influencing in purchasing**

**2.0 LEADING AND INFLUENCING IN THE SUPPLY CHAIN**
*(Weighting 20%)*

**2.1 Evaluate how to influence stakeholders within the supply chain**
- The difference between influencing and negotiation
- Key methods of influencing
- The range of internal and external stakeholders and effective influencing strategies for each group
- The importance of developing relationships when influencing and the key components in creating 'rapport'
- Stakeholder collaboration and how this may differ from competition, adversarialism and/or accommodation
- Appropriate stakeholder map for a given purchasing activity and how power and dependency issues are identified.

**2.2 Critically assess how the different sources of power are legitimate and acceptable when leading and influencing areas of the supply chain**
- Five sources of 'social power' (French & Raven) and applying them to the purchasing context
- Ethical use of power in both leadership and purchasing
- Use and abuse of power and coercion.

**2.3 Analyse a range of influencing styles and explain how to lead and influence effectively in four different directions**
- Manage your manager and key methods for managing upwards
- A range of influencing styles for leading direct reports and purchasing teams, and understanding of the term 'readiness' in relation to individuals being led (Hersey)
- A range of influencing styles for cross-functional leadership, both within and outside the bounds of formal teams
- The relative merits of escalation as a means of influencing.

**2.4 Propose a range of tactics to effectively influence the supply chain**
- Proactive influencing tactics (Yukl)
- Psychological principles of influence (Cialdini)
- Application of influencing skills to purchasing and supply management
- Managing the response to influence (internalisation, compliance and/or resistance).

LEVEL 6
**Graduate diploma in purchasing and supply**
**Leading and influencing in purchasing**

**3.0 DEVELOPING A CULTURE OF PRODUCTIVITY THROUGH LEADING OTHERS**
*(Weighting 30%)*

**3.1 Analyse and explain the need for people to work effectively, both individually and in work-based teams**

- The range of preferred styles for working effectively (including personality type preferences) and their relative merits in the workplace
- The classification of team roles and the role(s) of the leader
- Herzberg's motivational and hygiene factors for leadership
- The merits of cross-functional teams and the role of the leader in terms of sponsorship and governance
- The role of the leader during each stage of team development
- The merits of diversity within purchasing teams
- The merits of leaderless teams.

**3.2 Propose strategies for developing a consensus on how to work together, identifying potentials for pitfalls and conflicts within the team**

- Relative merits of conflict and/or consensus within purchasing teams
- Sources of conflict within purchasing teams (Mullins)
- Methods of conflict resolution (Thomas & Ruble).

**3.3 Critically assess diversity issues relating to the success of people and propose approaches to managing them**

- What is meant by the terms equality, diversity and inclusion
- The benefits of diversity to a high-performance culture
- Impact of discrimination, harassment and victimisation in the purchasing function
- Potential areas of discrimination in the workplace and the regulatory framework to protect against it: gender, race, religion, disability, sexual orientation and age
- Proactive measures required to promote equality and diversity in the workplace: reasonable adjustments, positive action and positive discrimination
- Consequences of failing to pursue a proactive approach to equality and diversity.

## LEVEL 6
## Graduate diploma in purchasing and supply
## Leading and influencing in purchasing

**3.4 Determine and justify ways of developing organisational competencies so that purchasing can increase its productivity and effectiveness**

- Why it is important to develop people in the workplace
- Role of organisational competencies and the need to align purchasing competencies with functional and corporate strategies
- The range of skills and competencies for purchasing and supply that can be reliably assessed and measured
- The purpose of training needs analysis (TNA) and skills assessment
- The processes of TNA and the merits of independent assessment
- Contrast between training and development
- A range of training and development solutions for purchasing, including the merits of blended learning and action-learning.

**4.0 LEADING CHANGE IN THE SUPPLY CHAIN**
*(Weighting 35%)*

**4.1 Propose how to develop compelling and innovative vision, values and culture for a purchasing function**

- The meaning of the term 'vision' and its need to be compelling
- How vision can be created and the actions required to gain buy-in
- How vision should be communicated and reinforced
- The meaning of the term 'culture' in the context of the purchasing function
- Role of the leader in promoting cultural change
- An appropriate range of values and organisational behaviours for the purchasing function and the benefits of having explicit value statements
- The importance of corporate social responsibility (CSR) and ethics in building sustainable values within the purchasing function.

**4.2 Critically evaluate different models of change management in the purchasing function and the wider organisation as a whole**

- Factors driving change and their impact
- The relative merits of evolutionary versus revolutionary change (Balogun & Hope Hailey) and the respective implementation strategies these require in the purchasing context
- Lewin's models for planned change and behavioural modification
- The merits of employing external resources to lead organisational change.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Leading and influencing in purchasing**

**4.3 Critically evaluate styles for leading and managing strategic change within the purchasing function**

- Crainer's seven skills required for managing change
- The importance of stakeholder involvement
- Principal methods of consultation and engagement of purchasing's stakeholders, and the role of communication as a vehicle to assist the change process
- Methods of resolving conflict with stakeholders.

**4.4 Assess how to delegate responsibility effectively for the implementation of change within a purchasing function**

- What is meant by delegation
- The requisite leadership behaviours that enable effective delegation within purchasing
- Link to Hersey's model of situational leadership
- Process of delegation, monitoring and feedback
- Developing appropriate rewards and recognition associated with the successful delivery of delegated activities
- How a leader might take corrective action and re-direct activities that have previously been delegated.

**4.5 Evaluate the forces and barriers to change and determine what needs to be done to develop and assist change**

- Why many change programmes fail (Kotter)
- How individuals personally respond to change (Kubler-Ross)
- Forcefield analysis (Lewin)
- The principal barriers to effective change and the mitigating actions required to overcome resistance (Kotter and Schlesinger).

**4.6 Evaluate how to negotiate effectively in difficult leadership and management situations**

- The term industrial relations and the contexts in which such relations are appropriate
- When and how the purchasing function may become involved in IR situations
- How to approach an IR negotiation and the key differences from a commercial negotiation.

# LEVEL 6
# Graduate diploma in purchasing and supply
## Strategic supply chain management

**COMPULSORY UNIT**

**UNIT CHARACTERISTICS**

The supply chain manager is responsible for specific activities and processes which can contribute to achieving corporate strategic goals.

This unit is designed to provide students with an understanding of strategic aspects of supply chain management.

Students will analyse the supply chain to identify where value is added within it, identifying where and how strategic competitive advantage can be achieved.

Students will be able to propose a range of innovative proposals which will allow supply chain stakeholders to effectively interact and contribute towards developing and exploiting opportunities to grow and expand the business, through new product and service development, innovation , diversification and differentiation strategies.

**STATEMENTS OF PRACTICE**

On completion of this unit, students will be able to:

- Analyse the concept of strategy and the process of developing corporate strategy
- Identify how strategy is converted into action through effective alignment and implementation
- Explain the contribution of strategic supply chain management to corporate strategy
- Understand the nature of supply chains
- Assess the role of strategic supply chain management in achieving competitive advantage
- Distinguish and assess various models of supply chain structures and relationships.

# Graduate diploma in purchasing and supply
# Strategic supply chain management

**LEARNING OBJECTIVES AND INDICATIVE CONTENT**

**1.0 THE CONCEPT OF STRATEGY AND THE PROCESS OF DEVELOPING CORPORATE STRATEGY**
*(Weighting 25%)*

**1.1 Evaluate the concepts of strategy, strategic planning, deliberate and emergent strategies and strategic management**
- Definitions of strategy (Grant, Ohmae, Johnson and Scholes, Mintzberg)
- Strategic planning models (Ansoff, Bryson, Mintzberg)
- Rational and incremental approaches to formulating strategy
- Deliberate and emergent strategies (Quinn, Mintzberg)
- Levels and components of strategic management.

**1.2 Assess and evaluate models of the strategy process**
- Models of the strategy process
- The position, choice, action (PCA) model of strategic management (Johnson and Scholes)
- Rational planning models and strategic management
- The logical incremental model (Quinn) and strategic management
- Strategic management and deliberate and emergent strategies
- Strategic management in small businesses, multinational corporations, manufacturing, services, and the public sector.

**1.3 Conduct a strategic analysis of the supply chain**
- Techniques for analysing the external environment: PESTLE analysis, Porter's 5 forces analysis.
- Techniques for analysing the internal environment: SWOT analysis, resource audit, skills audit, knowledge audit, portfolio analysis
- Stakeholder mapping (internal and external).

**1.4 Assess the importance of organisational structures, cultures, and power to the development and implementation of corporate strategy**
- Characteristics of organisational structures: simple, functional, matrix, network, machine and professional bureaucracy
- Centralisation and decentralisation
- Nature of power in the organisations: overt, covert and structural
- Sources and indicators of power in organisations
- Organisational culture and the cultural web
- The role and influence of stakeholders
- The importance of ethics and corporate social responsibility.

LEVEL 6
Graduate diploma in purchasing and supply
Strategic supply chain management

**1.5 Critically evaluate innovative strategies for organisational growth and expansion**
- Generic strategies: price, differentiation and focus
- Directional strategies: consolidate or withdraw from a market, penetrate further into a market, product or market development, diversification.
- Methods of developing strategies: internal development, mergers and acquisitions, joint ventures, strategic alliances.

**1.6 Analyse the means of managing and controlling resources to support corporate strategy**
- The resource-based approach to corporate strategy
- Resources to support key corporate strategies: financial, human, intellectual, physical, informational
- Resource planning (forecasting, developing, and allocating resources)
- Methods of controlling resources: planning systems, supervision, performance targets, social and cultural control, market mechanisms, self-control
- Management information as a key resource.

**1.7 Review and evaluate the corporate strategy process**
- Corporate strategy review and evaluation
- Methods of testing the suitability of corporate strategies
- Methods of testing acceptability of corporate strategies
- Methods of testing feasibility of corporate strategies
- Ways of improving corporate strategies
- Selection of appropriate corporate strategies.

LEVEL 6
**Graduate diploma in purchasing and supply
Strategic supply chain management**

**2.0 CONVERTING STRATEGY INTO ACTION THROUGH EFFECTIVE ALIGNMENT AND IMPLEMENTATION**
*(Weighting 15%)*

**2.1 Analyse the methods of achieving commitment to corporate strategy across all functions and levels of the organisation**
- Purpose and value of corporate visions and mission statements
- Integration of functional and corporate plans
- Internal and external communications policy and processes
- Rewards and sanctions reinforcing commitment to corporate goals.

**2.2 Assess the need for alignment between strategy and structure**
- The 7S framework: strategy, structure, super-ordinate goals, staff, style, skills and systems
- Alignment of strategy and structure
- Alignment of strategy with super-ordinate goals, staff, style, skills and systems.

**2.3 Diagnose resistance to change and strategic drift, and identify how to address them through change management processes**
- Types of strategic change: incremental and transformational, managed and imposed
- Symptoms of strategic drift
- Forces blocking and facilitating change
- Change management styles through education, collaboration, intervention, direction, coercion
- Role of symbolic and political processes in managing change
- Strategic change roles: change agent, middle manager, other organisational member, stakeholder or outsider.

**3.0 THE CONTRIBUTION OF STRATEGIC SUPPLY CHAIN MANAGEMENT TO CORPORATE STRATEGY**
*(Weighting 15%)*

**3.1 Analyse the relationships between functional, business and corporate strategies, and the integration of supply chain strategies with corporate and business strategies**
- Relationships between functional, business and corporate strategies
- Integration of supply chain strategies with corporate and business strategies
- Formal and informal processes through which supply chain strategies may be integrated with corporate strategy: involvement in planning processes, role of main board, supportive chief executive.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Strategic supply chain management**

**3.2 Assess the contribution of strategic supply chain management to corporate strategy**

- Contribution of strategic supply chain management to corporate strategy: cost reduction, quality, innovation, delivery
- Contribution of strategic make, do or buy decisions to corporate strategy
- Core competence analysis: core, complementary and residual competences
- Relational competence analysis (Cox).

**3.3 Analyse and align organisational structures and processes, with supply chain strategies**

- Alignment of organisational structures and processes with strategic supply chain strategies
- Centralised, decentralised and mixed structures
- Future trends in purchasing organisation and processes (Carter and Narasimhan, VanWeele and Rozemeijer)
- Use of cross-functional teams to support supply chain strategies
- Use of inter-organisational networks to achieve supply chain strategies.

**3.4 Propose innovative supply chain strategies to meet corporate and business targets**

- Benefits and difficulties in developing better supplier relationships
- Methods of cost reduction and cost improvement
- Strategies for quality improvement
- Strategies for repositioning the organisation on the supply or value chain.

**4.0 THE NATURE OF SUPPLY CHAINS**
*(Weighting 15%)*

**4.1 Assess the validity of the supply chain concept both in terms of the nature of supply and the chain metaphor**

- Concepts of supply and supply chain
- Assumptions about the nature of supply (Lamming and Cox 1997)
- Supply chain metaphors: chain, pipeline, network, channel
- Critiques of the supply chain concept (New and Ramsay 1997)
- Types of supply networks and supply chain models: internal supply chains, dyadic supply relationships, inter-business chains, inter-business networks (Harland 1996)
- Arguments and evidence for and against the application of supply chain management.

# Graduate diploma in purchasing and supply
## Strategic supply chain management

**4.2 Analyse internal and external supply chains and the flows across organisational boundaries upstream and downstream**

- Internal and external supply chains
- Interface and integrated models (Syson 1992)
- Roles of internal and external customers within supply chains
- Flows across organisational boundaries upstream and downstream
- Problems with forecasting demand accurately within supply chains.

**4.3 Compare and contrast the nature of supply chains in different sectors**

- Nature of supply chains in the manufacturing, retail and financial sectors
- Nature of supply chains in different public sector organisations: health and social care, defence, transportation.

**4.4 Diagnose drivers of change in global supply chains and propose strategies to address them**

- Nature and impact of globalisation
- Drivers of change in global supply markets: competition, cost reduction, technological advances, speed of new product
- Development, changing customer demand, environmental factors, collaborations and joint ventures, outsourcing
- Impact of drivers of change in global supply markets
- Strategies to address drivers of change in global supply chains.

**5.0 THE ROLE OF STRATEGIC SUPPLY CHAIN MANAGEMENT IN ACHIEVING COMPETITIVE ADVANTAGE**
*(Weighting 15%)*

**5.1 Assess the validity of global sourcing as a means of achieving competitive advantage**

- The global supply market as a source of competitive advantage
- Arguments for and against local, regional, national and global sourcing
- Regulation of the global supply market by WTO, EU, NAFTA, ASEAN
- Obstacles to trade imposed by national or regional anti-competitive policies
- Cultural barriers to trade in global supply markets.

**5.2 Evaluate the concept of lean supply as a means of achieving competitive advantage**

- The concept of lean
- The seven types of waste
- Critique of the lean approach (New and Ramsay 1997)
- Alternatives to lean (agility) and hybrid approaches (leagility).

LEVEL 6
Graduate diploma in purchasing and supply
Strategic supply chain management

**5.3 Critically evaluate the concepts of value, added value and value chain**

- Concepts of value and added value
- The value chain concept
- Porter's (1985) value chain model
- Critiques of Porter's model (Hines 1993)
- Strategies for adding value: repositioning on the value chain, value constellations.

**5.4 Analyse the sources, nature and role of power in supply chains**

- Sources of power in supply chains
- Nature and role of power in supply chains
- Ways in which power may be exercised in supply chains: overt, covert and structural
- Power relationships between large customers and small suppliers in supply chains.

**5.5 Evaluate the use of supply chains to deliver ethical and socio-economic outcomes alongside commercial goals**

- Ethical considerations in supply chains
- Types of socio-economic goals pursued through supply chains: environment, employment, equality, small and medium enterprises, prompt payment
- Arguments for and against the use of supply chains to pursue non-commercial goals.

**6.0 MODELS OF SUPPLY CHAIN STRUCTURES AND RELATIONSHIPS.**

*(Weighting 15%)*

**6.1 Assess the validity of the development of a "best practice" strategic supply chain model**

- Arguments for and against the existence of a "best practice" strategic supply chain model
- Contingent approach to strategic supply chain management (Cox and Lamming 1997)
- Network sourcing as a "best practice" strategic supply chain model (Rich and Hines 1997).

# LEVEL 6
# Graduate diploma in purchasing and supply
# Strategic supply chain management

**6.2 Compare the characteristics of adversarial and co-operative strategies and analyse their appropriateness in different circumstances**

- Characteristics of adversarial and co-operative strategies
- Partnership
- Appropriateness of adversarial and co-operative strategies in different circumstances.

**6.3 Understand and apply competence-based approaches for determining supply chain structures and relationships**

- Hamel and Prahalad's core competence model
- Core, complementary and residual competences
- The resource based view, especially in relation to replicable and non-replicable competences.

**6.4 Assess the lean supply model as a prescription for supply relationships**

- Partnership and lean supply
- Trust in buyer-supplier relationships
- Appropriateness of lean supply and partnership for different organisations.

# Graduate diploma in purchasing and supply
## Supply chain management in practice

*Please note that Supply chain management in practice has two separate briefs, one for the case study option and one for the work-based project.*

### COMPULSORY AND INTEGRATIVE UNIT
### WORK-BASED PROJECT

**Currently only students who are registered with a UK Study Centre approved by CIPS, will be able to choose this method of assessment.**

### UNIT CHARACTERISTICS
This unit is designed to enable students to gain a deeper understanding of supply chain theory and practice by examining how particular theories relate to real-world situations or how particular theories offer advantages over others. As the unit is project-based and requires the submission of a report, the student will also develop investigative, analytical and communication skills, including the use of primary and secondary research where appropriate.

### Where students are likely to undertake a work-based project
This can take two alternative forms: either (i) it will seek to test the explanatory power of an existing body of theoretical knowledge against a case example; or (ii) it will seek to test the explanatory power of an existing body of theoretical knowledge to make predictions about the likely outcome of an impending test case.

If it is not possible to undertake a work-based project, then students can opt for a desk-based version. Again, there are two alternative formats: either (i) it will critique an existing theory in order to develop a better explanation of a set of phenomena; or (ii) it will critique a set of competing theories in order to say which has the greater explanatory power.

It is important to remember that the project is driven by theory. Students must identify a theory or set of theories by referring to the learning outcomes of the other two Level 6 units: Leading and influencing in purchasing and Strategic supply chain management.

### STATEMENTS OF PRACTICE
On completion of this unit, students will be able to:
- Synthesise conceptual and case study data into a coherent structure
- Diagnose supply chain problems within a case study situation
- Research and investigate issues arising within supply chain management, using analytical and communications skills
- Critically evaluate the validity and applicability of a range of possible solutions
- Predict the consequences of each alternative course of action
- Judge the appropriateness of supply chain principles to a particular supply chain context
- Solve problems with reference to supply chain principles
- Propose solutions that will enable the case study organisation to operate more effectively
- Justify the solutions in terms of their feasibility and appropriateness
- Develop a suitable plan for implementing the proposed course of action.

# Graduate diploma in purchasing and supply
## Supply chain management in practice

**Work-based project:**
- Diagnose supply chain problems within the test case organisation
- Propose solutions to organisational problems with reference to supply chain theories through the use of research activities
- Propose solutions that will enable the organisation to operate more effectively.

**Desk-based project:**
- Judge the appropriateness of supply chain theories to particular organisational contexts
- Use a range of research information/data gathered and predict how supply chain theories can explain certain phenomena
- Critique supply chain theories in relation to each other.

**The project report**
The project report has a maximum of 6,000 words and should be presented to a professional standard and format.

The content of the project report should include:
a) Introduction, including the background, rationale and objectives (600 words)
   *Weighting 10%*
b) Review of the theory and the development of a set of predictions, supported with primary and secondary research (1,300 words)
   *Weighting 25%*
c) Case analysis, including application and synthesis (3,000 words)
   *Weighting 50%*
d) Conclusions and recommendations (600 words)
   *Weighting 10%*
e) Reflective learning statement (500 words)
   *Weighting 5%*

It is important that the project report:
- Contains a logical structure divided into sections
- Consists of proper paragraphs
- Is supported by an approved system of references
- Contains evidence of primary and secondary research where appropriate
- Contains a full bibliography of literature and research sources
- Has a high standard of English
- Is properly proof-read.

**Learner approach**
A study centre-based support tutor will be appointed who will be able to offer general help and advice, and generic report writing and referencing classes or materials should also be offered by the college. It is not envisaged that classes or workshops on specific supply chain subjects are offered. This is because students will be selecting subject areas that are covered in the other two Level 6 units, Leading and influencing in purchasing and Strategic supply chain management. Students are therefore strongly advised to complete these other two units before attempting the project.

# LEVEL 6
# Graduate diploma in purchasing and supply
# Supply chain management in practice

*Please note that Supply chain management in practice has two separate briefs, one for the case study option and one for the work-based project.*

## COMPULSORY AND INTEGRATIVE UNIT
## CASE STUDY OPTION

### UNIT CHARACTERISTICS
This unit is designed to give candidates an examination-based alternative to the work-based project unit. The case study approach facilitates hands-on experience of complex supply chain issues by replicating real-life situations in a controlled environment. It will enable candidates to gain a wider understanding of supply chain issues by examining how a range of concepts and principles can be applied to real-world problems and situations in order to improve best practice.

The unit consists of a substantive case study which corresponds as closely as possible to one which might be met in real life. It is designed to test the ability of the candidate to analyse supply chain situations and to write clearly and effectively on them. The case study is circulated prior to the examination, which enables candidates to analyse the case study situation, conduct supplementary investigations and prepare appropriate solutions in advance. Assessment is by means of a three-hour, open-book examination with unseen questions.

### STATEMENTS OF PRACTICE
On completion of this unit, students will have achieved the following learning outcomes.
- Synthesise conceptual and case study data into a coherent structure
- Diagnose supply chain problems within a case study situation
- Evaluate the validity and applicability of a range of possible solutions
- Predict the consequences of each alternative course of action
- Judge the appropriateness of supply chain principles to a particular supply chain context
- Solve problems with reference to supply chain principles
- Propose solutions that will enable the case study organisation to operate more effectively
- Justify the solutions in terms of their feasibility and appropriateness
- Develop a suitable plan for implementing the proposed course of action.

# LEVEL 6
# Graduate diploma in purchasing and supply
# Supply chain management in practice

**DELIVERY OF THE UNIT**

The role of the college provider is likely to be as a facilitator. Classes should focus on case analysis techniques and practice based around past papers, as well as general help and advice. It is not envisaged that classes or workshops on specific supply chain subjects are offered for this unit. This is because examination questions are based on the content of the other two Level 6 units: Leading and influencing in purchasing and Strategic supply chain management.

**Suggested case study analysis technique**

**Step one: Determine the problem**

The case should be read several times, starting with a quick review of the overall situation and culminating in a detailed identification of the problems involved and a thorough understanding of the organisational context. The important aspect of this step is to determine whether a particular occurrence is a problem or whether it is a symptom of the real problem. Determination of problems invariably requires delving beneath the surface of the case to uncover factors that are relevant but not obvious in a casual review.

**Step two: Determine alternative courses of action**

During this step there is a great deal of brainstorming in an attempt to account for as many alternatives as possible. Obviously not all alternatives will be equally viable but it is important not to arbitrarily discard any at this stage.

**Step three: Evaluate alternative courses of action**

After identifying alternative courses of action, it is necessary to evaluate the strengths and weaknesses of each alternative. Some will obviously have more merits than others but the main point is to determine the alternative that addresses the case problem with respect to both the short term and the long term. It is critical that the consequences of each alternative are considered because what may appear to be an obvious course of action now, may lead to dysfunctional effects in the future.

**Step four: Select and justify alternatives**

After weighing the pros and cons of each alternative, it is then necessary to select the alternative that has emerged as the most attractive course of action for dealing with the particular problems at hand. It is important that factual ammunition is obtained that will enable a clear justification for the choice that is made.

**Step five: Implement selected alternative**

The case analysis process is not concluded until a suitable plan has been developed for implementing the selected course of action. Improper implementation will negate the time and effort spent up to this point.

**Case study examination**

The case study assessment is via a three-hour open-book examination. The examination questions will draw on material from the other two Level 6 units: Leading and influencing in purchasing, and Strategic supply chain management. Students are therefore strongly advised to complete all other units before attempting the case study. The examination is testing the ability of the candidate to apply relevant principles to address particular circumstances and solve specific problems.

# Graduate diploma in purchasing and supply
## Legal aspects in purchasing and supply

**OPTIONAL UNIT**

**UNIT CHARACTERISTICS**
This unit seeks to familiarise students with the law that regulates the purchasing function.

The purchasing and supply manager needs to understand where legal issues may impact on the organisation and when to take action to avoid risk. They should also be able to recognise situations when the appropriate action would be to seek legal expertise.

The content provides an essential overview of different legal issues with particular emphasis on contractual issues and sale of goods legislation. Other areas covered include the legal aspects of outsourcing, competition law, intellectual property law, electronic trading and international trade. It is designed to assist professionals who work in either the public or private sector.

**STATEMENTS OF PRACTICE**
On completion of this unit, students will be able to:
- Analyse the process of contract formation and assess the validity of a range of contract clauses
- Assess the legal rules governing the sale of goods and services, third party rights and agency arrangements
- Diagnose the impact of specific UK and EU regulations on the purchasing and supply function
- Analyse the statutory provisions applicable to a range of intellectual property rights (IPRs).

LEVEL 6
# Graduate diploma in purchasing and supply
## Legal aspects in purchasing and supply

## LEARNING OBJECTIVES AND INDICATIVE CONTENT

### 1.0 CONTRACT LAW
*(Weighting 35%)*

**1.1 Analyse the legal problems that may arise from the process of contract formation and the problems of reconciling the buyer's terms and conditions with those of the seller when faced with the battle of the forms**
- Offer and acceptance
- Consideration
- Battle of the forms
- Letters of intent
- Letters of comfort
- Electronic contracting.

**1.2 Distinguish between different types of contractual terms and assess the legal validity of specific types of contractual clauses**
- Expressed and implied terms
- Conditions, warranties and innominate terms
- Exclusion and limitation clauses
- Indemnity clauses
- Force majeure clauses
- Penalty and liquidated damages clauses
- Retention of title clauses.

**1.3 Determine the factors that may vitiate consent to a contract**
- Duress misrepresentation
- Mistake
- Undue influence.

**1.4 Evaluate the different common law methods by which a contract is terminated and the remedies available should a contract be breached**
- Performance
- Frustration
- Agreement including variation of a contract
- Breach
- Assessment of unliquidated damages
- Equitable remedies.

**1.5 Evaluate the alternative methods of resolving commercial disputes**
- Litigation
- Arbitration
- Mediation
- Conciliation
- Adjudication
- Expert determination
- International arbitration.

### 2.0 SALE AND SUPPLY OF GOODS AND SERVICES, INCLUDING THIRD PARTY RIGHTS AND OBLIGATIONS
*(Weighting 30%)*

**2.1 Define different types of contract and analyse the statutes applicable to each type**
- Contracts for goods and services
- Contracts for the sale of goods
- Contracts for work and materials
- Contracts for services
- Contracts of hire
- Sale of Goods Act 1979 (as amended)
- Supply of Goods and Services Act 1982.

# LEVEL 6
## Graduate diploma in purchasing and supply
## Legal aspects in purchasing and supply

**2.2 Differentiate between ownership, risk, delivery and acceptance of goods and analyse when each passes from the seller to the buyer**

- S16 - S20 Sale of Goods Act 1979 (ownership and risk)
- S30 - Sale of Goods Act 1979 (Delivery)
- S31 - Sale of Goods Act 1979 (Instalment deliveries)
- Common law rules relating to instalment deliveries
- S34 - S35 Sale of Goods Act 1979 (Acceptance).

**2.3 Analyse the rules relating to the passing of title by a non-owner under legislation and the exceptions to these rules**

- The Nemo dat rule
- Romalpa clauses
- Estoppel
- Sale by a mercantile agent
- Sale under a voidable title
- Sale by a seller in possession
- Sale by a buyer in possession
- Sale of a motor vehicle on hire purchase
- Sale under a court order.

**2.4 Evaluate the various methods for circumventing the problems created by privity of contract**

- Collateral contracts and warranties
- Negligence
- Indemnity clauses
- Agency arrangements
- Consumer Protection Act 1987 part one
- Contract (Rights of Third Parties) Act 1999
- Assignment and novation of rights and obligations to a third party.

**2.5 Identify and analyse the legal principles that apply to agency and bailment**

- Creation of agency
- Rights and duties of agents and principals
- Relationship of principal /agent with third parties
- Responsibilities that arise from a bailment relationship.

**3.0 SPECIFIC UK AND EU REGULATIONS AFFECTING THE PURCHASING FUNCTION**

*(Weighting 25%)*

**3.1 Determine the collateral legal obligations that arise from a tendering process (including e-tendering)**

- Tendering processes
- Legal status of the tender bid
- Open and closed tenders
- Duty to consider all compliant tenders
- Equal and timely access to information
- Fair treatment and good faith
- Post award negotiations
- Avoidance of the battle of the forms.

LEVEL 6
Graduate diploma in purchasing and supply
Legal aspects in purchasing and supply

**3.2 Analyse the main provisions of the Public Contract Regulations 2006 and explain how it affects the purchasing function**
- Thresholds, time limits, advertising
- Evaluation criteria
- Right to feedback
- Framework agreements
- Open, restricted, negotiated and competitive dialogue procedure
- E-procurement mechanisms
- Central purchasing bodies
- Social and environmental considerations
- Standstill procedure
- Common vocabulary.

**3.3 Analyse the main provisions of the Freedom of Information Act 2000 and explain how it affects the purchasing function**
- Publication scheme
- Right to request information
- Absolute exemptions
- Qualified exemptions
- Partial disclosure.

**3.4 Assess whether outsourcing a service or operation is compliant with legal requirements**
- TUPE
- Consultation
- Redundancy law
- Alternatives to redundancy.

**3.5 Analyse and explain the circumstances when anti-competitive behaviour and abuse of a dominant market position can be a breach of legal requirements in the UK and EU**
- Competition Act 1998
- Article 81 EC Treaty
- Article 82 EC Treaty
- Enterprise Act 2002.

**4.0 INTELLECTUAL PROPERTY RIGHTS**
*(Weighting 10%)*

**4.1 Analyse the statutory provisions applicable to a range of intellectual property rights (IPR)**
- Patents
- Trade marks
- Design rights
- Copyright
- IPR protection through contractual clauses.

**4.2 Examine the common law rules relating to confidentiality and the protection of trade secrets in English law and analyse their importance in purchasing and supply**
- Tort of passing-off
- Solus agreements
- Breach of confidence
- Restraint of trade clauses.

## LEVEL 6
# Graduate diploma in purchasing and supply
## Advanced project management

**OPTIONAL UNIT**

### UNIT CHARACTERISTICS

Projects can range from construction to refurbishment of premises, introduction of new information technology systems to outsourcing/offshoring of work previously tackled in-house, and re-design or re-engineering of products, services and processes. At the same time projects should align and contribute to the overall strategic objectives of the organisation.

This unit will help students to develop a knowledge of the principles, practices and techniques vital to the successful leadership and commercial management of projects, with a particular emphasis on the role of the purchasing and supply chain professional.

Purchasing and supply chain specialists in both the private and public sectors should have a pivotal role in the initiation, planning and control of projects, and in the development and on-going management of resulting contracts.

Project management is concerned with achieving objectives relating to quality, cost and time. Purchasing specialists often have a key role to play in the management of projects: this may include developing the procurement strategy for the project, and the operational activities of planning and monitoring supplier performance.

Students also need to understand the architecture and culture of project-orientated organisations. The focus is subsequently directed towards roles such as project manager, project planner and procurement specialists from the project management point of view.

### STATEMENTS OF PRACTICE

On completion of this unit, students will be able to:
- Identify and evaluate organisational and strategic management issues concerned with project management
- Assess and justify the approach to managing projects using a variety of methodologies, tools and techniques
- Apply a range of practical project management tools and techniques to the overall management of a project from initiation to completion
- Evaluate key success factors in successful project management.

# Graduate diploma in purchasing and supply
## Advanced project management

**LEARNING OBJECTIVES AND INDICATIVE CONTENT**

**1.0 ORGANISATIONAL AND STRATEGIC MANAGEMENT ISSUES CONCERNED WITH PROJECT MANAGEMENT**
*(Weighting 20%)*

**1.1 Explore various definitions of a 'project' and evaluate the implications of the 'iron triangle' (QCT) concept**
- Project Management definitions - PMBOK, Burke (1999), Meredith and Mantel (2003), Maylor (2003)
- The balance between quality, cost, time on a project
- Impact on project objectives, Slack et al (2004).

**1.2 Critically assess how the structure of an organisation can impact on the performance of project management**
- Functional structures
- Pure-project structures
- Mixed structures
- Matrix structures.

**1.3 Assess the different sorts of activities which can be implemented as projects, and distinguish between 'hard and soft' projects**
- New product/process development
- Re-design of products and processes
- Infrastructure development
- Technology project development
- People-based approaches to culture, structure, training and development.

**1.4 Analyse the external business environment within which a project is undertaken**
- Political, environmental, social, technological, legal and environmental (PESTLE) factors
- Resource constraints
- Time constraints
- Strategic fit with business strategy and environment.

**1.5 Explore and evaluate the different contracting options and policies open to a project manager**
- Project management strategy
- Relationships with main contractors
- 'Make or buy' decisions
- Project staffing strategies – in-house/contract staff.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Advanced project management**

**2.0  ASSESS AND JUSTIFY APPROACHES TO MANAGING PROJECTS**
*(Weighting 20%)*

**2.1  Critically evaluate PRINCE2 and justify a tailored approach suitable for projects in different organisational contexts**
- PRINCE2, Projects in controlled environments.

**2.2  Analyse alternative approaches to managing projects and justify an approach suitable for purchasing and logistics projects in different industry sectors**
- PMBOK, Project managers body of knowledge
- Critical Chain methodology, Goldratt (1997).

**2.3  Evaluate, select and apply a variety of problem solving approaches to a project scenario**
- Thought showers/ meta-planning
- Ishikawa Fishbone analysis
- Cause-effect-cause
- Decision tree.

**2.4  Assess and critically evaluate the benefits of various electronic and computer-based tools available to a project manager**
- Project management software
- Communications tools (synchronous/ asynchronous)
- Web based systems.

**2.5  Critically evaluate and apply the principles of knowledge management, knowledge communities, and organisational learning to projects**
- Knowledge management and links to project management good practice, especially in purchasing and logistics
- 'The learning organisation', Senge (1990)
- Knowledge communities and knowledge creation, Nonaka I and Tageuchi H (1995).

**3.0  THE APPLICATION OF PRACTICAL PROJECT MANAGEMENT TOOLS AND TECHNIQUES TO THE MANAGEMENT OF A PROJECT FROM INITIATION TO COMPLETION**
*(Weighting 40%)*

**3.1  Analyse the project life cycle (PLC) model, and its contribution to project management**
- 3-stage PLC, Meredith and Mantel (2003)
- 4-stage PLC, Maylor (2003)
- 5-stage PLC, Weiss and Wysocki (1992).

# LEVEL 6
## Graduate diploma in purchasing and supply
## Advanced project management

**3.2 Develop a project plan, working through the various phases of a project, and the activities to be considered in each phase**

3.2.1 Initiation and definition
- Stating the problem
- Identifying project goals and objectives
- Defining the scope of work
- Determining preliminary resources
- Identifying assumptions and risks
- Developing project initiation document (PID).

3.2.2 Planning
- Identifying activities (work breakdown structure)
- Estimating time and cost
- Sequencing activities in network diagram
- Applying critical path analysis
- Developing Gantt charts and baselines.

3.2.3 Organisation and implementation
- Determining personnel needs
- Recruiting project manager
- Recruiting project team
- Creating the organisation breakdown (management) structure
- Assigning work packages.

3.2.4 Measurement, monitoring, control and improvement
- Establishing project tracking and control mechanisms
- Reviewing project progress and costs expendititure
- Implementing remedial actions (crashing) where necessary
- Issuing change orders.

3.2.5 Project closure
- Obtaining client acceptance
- Installing deliverables
- Conducting project audit/lessons learned
- Communicating the review, evaluation and learning.

**3.3 Select and use project management concepts, models, tools and techniques, which are relevant to purchasing and supply chain projects in different organisational contexts**
- Assessing the characteristics of purchasing and logistics projects
- Applying concepts to purchasing and logistics projects
- Applying models to purchasing and logistics projects
- Applying tools and techniques to purchasing and logistics projects.
- Applying project software to purchasing and logistics projects.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Advanced project management**

**4.0 KEY SUCCESS FACTORS IN SUCCESSFUL PROJECT MANAGEMENT**
*(Weighting 20%)*

**4.1 Analyse the importance of the human aspects of project management, including leadership, management, teamwork and communication**
- The role and skills of the project manager. Maylor, Meredith and Mantel, Lock
- Leading and managing projects. Managing in Four Directions, Buchanan and Boddy (1992)
- Effective teamwork theories applied to projects, Belbin (1981), Tuckman (1965).

**4.2 Critically evaluate the concept of power and influence relating to a project**
- Project stakeholder assessment and management
- Stakeholder mapping, Mendelow (1991)
- Changing stakeholder positioning over the life of a purchasing and logistics project.

**4.3 Analyse and evaluate the key distinctions between leadership and management relating to projects**
- Bennis and Nanus (1985) efficiency and effectiveness
- Kotter (1990) leadership versus management
- Mintzberg (1977) ten roles of leadership.

**4.4 Evaluate and explain how to apply risk management techniques in project management**
- Greer (1999) Ten ways that projects fail
- A structured approach to project risk management (identification, analysis – impact/probability assessment – and response)
- Risk logs and risk management as a continual process.

# LEVEL 6
# Graduate diploma in purchasing and supply
## Finance for purchasers

**OPTIONAL UNIT**

**UNIT CHARACTERISTICS**
Purchasing managers are responsible for specific activities and processes which can contribute to achieving corporate strategic goals.

This unit is designed to provide students with an understanding of strategic aspects of finance in relation to the decision-making process and detailed analysis necessary to deliver effective procurement.

Students will understand how to navigate around the world of finance in an effective and efficient manner so they can identify the where, when, how, and what a professional purchaser needs, in order to use and interpret the key financial models and tools required to deliver robust and sustainable procurement solutions.

Students will be expected to propose a range of tried and tested models, as well as innovative tools and techniques, which will allow key business stakeholders to interact and contribute towards developing and exploiting opportunities to grow and expand a business, through new supply arrangements, channels to market, diversification, outsourcing and differentiation strategies.

It will help students to develop an understanding of the terminology and different sectors within the financial and accounting profession which allows an engagement and exchange that will guide and benefit the decision-making process in an efficient manner.

**STATEMENTS OF PRACTICE**
On completion of this unit, students will be able to:
- Evaluate the appropriate cost and benefit models for a wide variety of scenarios
- Evaluate and assess reports that have their origins in finance and accounting and relate them back to the business
- Compare the value and relevance of financial information in the context of the decision-making process for evaluation and selection of supplier and service providers
- Use the wide variety of finance and accounting terminology
- Propose financial management tools and techniques and be able to apply these in relation to the total procurement and supply chain process
- Evaluate the elements that make up a complex business case for a capital acquisition, including downstream maintenance, service provisions for the life of the acquisition, and disposal
- Assess the non-financial factors that are interrelated with financial modelling and analysis, and predict their impact.

# Graduate diploma in purchasing and supply
# Finance for purchasers

## LEARNING OBJECTIVES AND INDICATIVE CONTENT

### 1.0 FINANCIAL MANAGEMENT TOOLS
*(Weighting 10%)*

**1.1 Evaluate the difference between management accounting and financial accounting**
- Management accounts
- Company secretaries
- Financial accountants
- Cost accountants.

**1.2 Assess the importance of corporate governance, regulation and corporate social responsibility (CSR) and sustainability in relation to economic performance and value creation**
- Examples of CSR and sustainability in practice
- Importance of CSR and sustainability to customer satisfaction
- Contemporary developments in the area of CSR and sustainability
- Regulatory mechanisms – EU Directives for Procurement.

**1.3 Understand and use the terminology associated with finance and accounting**
- Accounting standards and their role
- International issues in accounting standards
- Effects of the convergence of accounting standards and practices.

**1.4 Identify which goods and services can be categorised as capital and which will be expense items**
- Capital items – plant and equipment, building vehicles, high value office equipment, construction
- Expense items – cleaning materials, stationery, office supplies, consumables, cleaning services, services contracts.

### 2.0 FINANCIAL AND NON-FINANCIAL FACTORS IN DECISION-MAKING
*(Weighting 20%)*

**2.1 Analyse key financial statements to inform decisions**
- Profit and loss accounts/income statements
- Balance sheet
- Cash flow statement
- Five-year summary.

**2.2 Use descriptive and inferential statistics**
- Definitions
- How and when to use them
- Assess the outcomes of analysis.

**2.3 Determine alternative pricing strategies and assess their impact upon transfer pricing within an organisation**
- Market price
- Total cost
- Transfer pricing
- Variable cost
- Negotiated price.

# Graduate diploma in purchasing and supply
# Finance for purchasers

**2.4 Use contribution analysis and marginal costing to evaluate a range of decision-making situations**
- Cost-volume-profit and break-even analysis
- Make or buy decisions
- Deciding on product range
- The analysis, and most profitable use, of limiting factors.

**3.0 SOURCES OF FINANCE AVAILABLE FOR BUSINESS AND MAJOR CAPITAL ACQUISITIONS AND PROJECTS**
*(Weighting 10%)*

**3.1 Analyse the use of the different types of expenditure**
- Capital expenditure (CapEx)
- Operational expenditure (OpEx)
- Public sector expenditure.

**3.2 Evaluate and select a range of sources of finance to assessing funds for capital acquisitions and projects**
- Retained profit
- Controlling working capital
- Sale of assets
- Factoring
- Overdrafts
- Grants
- Venture capital
- Debentures
- Share issues
- Bank loans - medium or long term
- Leasing
- PPP/PFI
- Public borrowing for public sector (Bank of England and HM Treasury).

**4.0 BUDGET AND COST MANAGEMENT CONTROL PROCEDURES**
*(Weighting 25%)*

**4.1 Explain how to develop and management budgets to achieve target performance**
- The importance of setting and controlling budgets to achieve performance targets
- The importance of setting a realistic budget
- Financial objectives
- Motivational objectives
- SMART objectives
- How to create and present a budget to support a business plan
- The importance of financial forecasting.

**4.2 Analyse resource requirements and their application in purchasing activities**
- Time
- People
- Money
- Quality.

LEVEL 6
Graduate diploma in purchasing and supply
Finance for purchasers

**4.3 Communicate findings and recommendations effectively**
- Target audience: finance professionals and other parts of a business
- Budget presentation
- Presenting the business case.

**4.4 Develop process and plans for managing costs**
- Estimating
- Controls
- Review stages
- Contingency planning
- Who should be involved
- Tools and techniques
- Procurement spend authorities.

**4.5 Develop a plan to manage the cost base of the purchasing function**
- The principles of cost management
- Planning
- Co-ordination
- Control
- Reporting
- Effective programme and project management.

**5.0 EFFECTIVE CAPITAL PURCHASING PLANS**
*(Weighting 20%)*

**5.1 Evaluate the nature and importance of investment decision-making for home and international markets**
- Accounting rate of return (ARR)
- Payback period (PP)
- Discounted cash flow (DCF)
- Net present value (NPV)
- Internal rate of return (IRR)
- Opportunity costs of capital
- The impact of depreciation on running costs.

**5.2 Assess the impact of external factors upon the decision-making process and how these might be factored into the modelling and ultimate business case**
- Inflation
- Customs and Excise
- Taxation
- Exchange rates and currency management
- Social and political factors
- CSR and sustainability
- PESTLE and regulatory factors.

**5.3 Evaluate the most appropriate decision-making tools for projects across a variety of sectors**
- Whole life costing
- Target costing
- Value engineering
- Value for Money (VFM).

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Finance for purchasers**

**5.4** **Evaluate the roles of the functions of an organisation in the reduction and control of costs**
- Design and engineering
- Purchasing
- Marketing
- Distribution
- Finance.

**6.0** **FINANCIAL RISK IN PROCUREMENT**
*(Weighting 15%)*

**6.1** **Assess the different types of risk and their impact on each of the following:**
- Suppliers
- Own organisation
- Customers.

**6.2** **Carry out a financial appraisal and risk analysis of suppliers, own organisation, and customers, using a range of financial performance ratios:**
- Profitability ratios
- Efficiency ratios
- Liquidity ratios
- Investment ratios.

**6.3** **Evaluate and select financial risk management options.**
- Debt
- Futures and derivatives
- Insurance.

## LEVEL 6
# Graduate diploma in purchasing and supply
## Strategic public sector programme management

### OPTIONAL UNIT

### UNIT CHARACTERISTICS

This unit provides a strategic overview of how the public sector manages major programmes and projects. Students will need to demonstrate a critical appreciation of managing major programme and project risks, the importance of knowledge management as a culture not a process, and strategic supplier communications, in particular relating to Public private partnerships (PPP) and Private finance initiative (PFI) projects and those projects with high risk ratings.

There is a particular focus upon the critical analysis of funding methods and financial models, and the selection of programme and project management techniques, including the use of OGC Gateway ™ and/or other gateway processes applicable to the public sector.

By the end of this unit, therefore, students should be able to demonstrate their ability to manage major public sector programmes effectively, taking into account the complexities of managing significant resources, stakeholders and activities.

### STATEMENTS OF PRACTICE

On completion of this unit, students will be able to:
- Critically examine programme and project management structures and processes for major service, IT or construction projects
- Analyse major programme and project risks and their management through knowledge management and strategic supplier relationships in the public sector
- Arguments and principles underlying the selection of funding methods and financial models for major projects
- Justify the selection of major programme and project monitoring and management strategies.

# Graduate diploma in purchasing and supply
## Strategic public sector programme management

**LEARNING OBJECTIVES AND INDICATIVE CONTENT**

**1.0 PROGRAMME AND PROJECT MANAGEMENT STRUCTURES AND PROCESSES FOR MAJOR COMPLEX PROJECTS**
*(Weighting 25%)*

**1.1 Critically evaluate the differences between major programmes and projects, the relationship between them and the similarities and differences in their management**
- Understand the different contexts for programmes in Central and Local Government, National Health Service (NHS), Defence, Non-departmental public bodies (NDPBs,) and other public sector organisations
- Management connections between project managers and programme managers.

**1.2 Analyse models designed to ensure rigorous and ethical programme and project management procedures and principles are in place and adhered to**
- Major projects are delivered to time, cost, quality standards and with minimum disruption to services
- The reasons for ensuring proper programme and project management procedures and principles
- Programme and project management tools and models
- Public sector track record of project delivery and failures of delivery
- Political and practical consequences of public sector project failures.

**1.3 Critically evaluate the effectiveness of programme and project boards, project sponsors, senior responsible owners (SRO) for various kinds of major complex projects**
- Composition and membership of project boards within all the different public sector organisations
- Composition and membership of programme boards in different public sector organisations
- SRO (senior responsible owner) and their role and effectiveness
- SRIE (senior responsible industry executive) and their role and effectiveness.

**LEVEL 6**
# Graduate diploma in purchasing and supply
## Strategic public sector programme management

**1.4 Develop proposals for improvement in programme management through the application of good practice principles**

- Thorough project plans with realistic objectives and timescales
- Risk management
- Clear roles and responsibilities
- Senior manager responsible for the project
- Clear shared understanding of the requirement between client, potential contractors and other parties
- Regular reviews of progress
- Skilled, experienced and qualified staff.

**2.0 RISK MANAGEMENT AND MITIGATION FOR KNOWLEDGE MANAGEMENT AND STRATEGIC SUPPLIER RELATIONSHIPS IN THE PUBLIC SECTOR**

*(Weighting 25%)*

**2.1 Critically evaluate theories of risk, models of risk management, policy guidance and from the academic literature, policy guidance and practice**

- Risk management theories and systems
- Risk management in practice
- Appropriate risk and issues registers.

**2.2 Assess evidence from major public sector programmes and projects on the successful identification, assessment and allocation of major project risks**

- Types of risk including: design and construction; commissioning and operating; technology and obsolescence; regulation; project financing; contractor default
- Transfer of risks between public, voluntary and private sectors and between different parts of the public sector
- Managing risks through incentivisation of contracts.

**2.3 Critically assess existing financial and management information against the need for available information**

- Spend with each contractor
- Information on specific contracts
- Spend against plan
- Milestone information
- Variations of cost and time
- Management of disputes and claims.

LEVEL 6
**Graduate diploma in purchasing and supply
Strategic public sector programme management**

**2.4 Analyse client-contractor relationships where the requirement cannot be clearly specified in advance**

- The need for senior level involvement by the client, contractor and other participants
- Frequent and structured interaction between client, contract manager and contractor project manager and other relevant levels
- The provision of financial and management information appropriate to each level of interaction in a timely manner.

**3.0 PRINCIPLES UNDERLYING THE SELECTION OF FUNDING METHODS AND FINANCIAL MODELS FOR MAJOR PROJECTS**
*(Weighting 25%)*

**3.1 Critically assess the arguments and principles underlying the selection of conventional or privately financed funding for major projects**

- PPP/PFI rules and guidance
- Types of projects eg IT, building and civil engineering
- Other quasi-public funding sources eg grants, awards, lottery funds
- Proposals for improving guidance and procedures for the selection of conventional or private finance, drawing upon best practice and evidence from completed projects.

**3.2 Critically evaluate the most appropriate financial models for major projects**

- Estimating whole life costs
- Benefits and income streams of completed projects to determine correctness of assumptions
- The accuracy of forecasts and robustness of the data on which they are based
- Non-quantifiable factors which may have impacted on the project.

## LEVEL 6
# Graduate diploma in purchasing and supply
# Strategic public sector programme management

**4.0 THE SELECTION OF MAJOR PROGRAMME AND PROJECT MONITORING AND MANAGEMENT STRATEGIES**

*(Weighting 25%)*

**4.1 Justify the rationale and criteria for the selection of:**

- PRINCE2 (projects in controlled environment)
- Management of risks
- Managing strategic programmes (MSP).

**4.2 Critically evaluate the principles underlying the OGC Gateway ™ and other gateway type processes**

- Risk profile assessment (RPA)
- The significance of each 'gate'
- The roles of both internal and external participants in the process
- OGC's changing role in the OGC Gateway ™ process.

**4.3 Justify the selection of specific major programme and project monitoring and management techniques**

- The nature, scale and complexity of the project
- Clarity of and agreement on objectives and targets between stakeholders
- The availability of skills either in-house or bought-in
- The extent to which project decisions are programmable and quantifiable or require the regular exercise of qualitative judgement by decision makers
- Differences between programme and project monitoring in different parts of the public sector.

# Graduate diploma in purchasing and supply
## Public sector stakeholders and governance

**OPTIONAL UNIT**

**UNIT CHARACTERISTICS**
The focus of this unit is on the strategic management of key and critical stakeholders of the public sector. This unit looks at providing tools and techniques for developing a range of relationship strategies, including:
- Communication strategies
- Collaborative strategies
- Conflict management strategies

The unit also examines the significance of changing social and political agendas, such as corporate social responsibility (CSR) and the small medium enterprises (SME) agenda, for your procurement organisation and processes.

By the end of this unit, students should be able to demonstrate the ability to critically evaluate the above strategies and agendas, as well as to analyse governance of the procurement process and the effectiveness of financial accountability and performance evaluation arrangements.

**STATEMENTS OF PRACTICE**
On completion of this unit, students will be able to:
- Investigate relationships with key and critical stakeholders relevant to public procurement
- Develop conflict management strategies to resolve differences with stakeholders
- Critically evaluate the significance of changing social and political agendas for public procurement
- Analyse the effectiveness of governance and oversight arrangements for procurement
- Critically evaluate methods and processes of performance evaluation of procurement.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Public sector stakeholders and governance**

**1.0 RELATIONSHIPS WITH STAKEHOLDERS RELEVANT TO PUBLIC PROCUREMENT.**

*(Weighting 30%)*

**1.1 Identify and evaluate critical internal and external stakeholders relevant to public procurement**
- Rationale for distinguishing between internal and external stakeholders
- Internal stakeholders: clients, budget holders, finance, audit
- External stakeholders: elected representatives, suppliers, trade unions, industry organisations, community groups.

**1.2 Assess the role, interests and resources of internal and external stakeholders in relation to procurement**
- Stakeholder identification model - Mendelow (1991)
- Stakeholder analysis methods and systems
- Weighting the resources and influence of stakeholders.

**1.3 Analyse approaches for influencing and managing stakeholders by engaging them at an early stage in procurement plans and specific strategic procurements**
- The benefits of incorporating stakeholders into the planning process at an early stage
- Managing diversity amongst stakeholders
- Reasons for project failures where stakeholders were not fully informed.

**1.4 Critically evaluate communication and collaborative strategies that may be developed to improve relationships with internal and external stakeholders**
- Theories, models, policy documents and practice in relation to communication and collaborative strategies
- The importance of developing communication and collaborative strategies to improve relationships
- The concept of shared services in the public sector.

**1.5 Critically assess the effectiveness of the purchasing organisation's internal and external communications policy and processes**
- How to devise and apply tests of communication effectiveness
- The importance of demonstrating the effectiveness of chosen communication policies and processes
- Methods of review of communications in comparable organisations
- Learning from examples of effective communications demonstrated in other sectors and industries.

# Graduate diploma in purchasing and supply
# Public sector stakeholders and governance

**1.6 Critically evaluate marketing communication methods to improve internal and external stakeholder awareness of the role and purpose of procurement organisations**
- The importance of collecting and disseminating 'good news stories' about procurement success
- The impact of collecting and broadcasting convincing data on the importance of good procurement for organisational success
- The importance of and how to evaluate the success of marketing activities.

**1.7 Analyse and explain how partnerships with appropriate stakeholders may be developed**
- The nature and purpose of partnerships
- Appropriate stakeholders with which to develop partnerships
- How to build partnerships with appropriate internal and external stakeholders.

**2.0 CONFLICT MANAGEMENT STRATEGIES TO RESOLVE DIFFERENCES WITH STAKEHOLDERS**
*(Weighting 20%)*

**2.1 Critically evaluate theories, models, policy documents and practice in relation to conflict management strategies**
- Causes and types of conflict
- Methods of handling conflict
- Examples of successful and unsuccessful conflict management in various contexts: public and private sectors, central, local government and the NHS.

**2.2 Assess the effectiveness of procedures for resolving differences with internal and external stakeholders**
- Internal procurement procedures and methods of disseminating changes to procedures in relation to resolving differences with stakeholders.
- Methods of conflict resolution in contractual and non-contractual situations.
- Effective procedures for resolving differences with stakeholders.
- The importance of and how to assess the effectiveness of procedures for resolving differences with internal stakeholders.

**LEVEL 6**
**Graduate diploma in purchasing and supply**
**Public sector stakeholders and governance**

**2.3 Critically assess the effectiveness of procedures for resolving differences with external stakeholders in the contracting process**

- The effectiveness of referring up management information systems (MIS) queries and management issues for senior level action
- The 'two pyramids' of management structures within client and contractor organisations and how to bridge them
- The importance of and how to assess and apply lessons from experiences of the effect of high-level involvement on successful projects: ministers, members of parliament, industry leaders, the media.

**3.0 THE SIGNIFICANCE OF CHANGING SOCIAL AND POLITICAL AGENDAS FOR PUBLIC PROCUREMENT**
*(Weighting 15%)*

**3.1 Critically evaluate the significance of CSR and 'conscience procurement' for procurement organisation, policy and procedures, internal and external stakeholders**

- CSR and 'conscience procurement'
- The implications of CSR and 'conscience procurement' for procurement organisation, policy and procedures
- How to involve internal and external stakeholders in developing policy and procedures in relation to CSR and 'conscience procurement' and why this is important
- The impact of changes in policy: Simms Sustainability Task Force Policy.

**3.2 Critically assess the significance of the SME agenda for procurement policy and procedures.**

- The role and significance of SMEs in the UK and international markets
- Strategies for engaging SMEs in public procurement in conjunction with internal and external stakeholders
- How to identify and apply methods and procedures for engaging minority owned SMEs in public procurement: Supply2.gov.uk

LEVEL 6
Graduate diploma in purchasing and supply
Public sector stakeholders and governance

**3.3** **Analyse and explain how plans can be developed to take appropriate action to address the issues arising from the sustainability agenda together with internal and external stakeholders.**

- The sustainability agenda and its implications for procurement
- How strategies may be developed for sustainable procurement in conjunction with internal and external stakeholders
- The differences between local, regional, and national policy agendas in relation to sustainability.

**4.0** **GOVERNANCE AND OVERSIGHT ARRANGEMENTS FOR PROCUREMENT**
*(Weighting 20%)*

**4.1** **Critically evaluate relevant theories, models, policy documents and practice in relation to governance arrangements for procurement**

- The role of internal and external stakeholders in the governance of procurement
- The roles of elected representatives at national, regional and local levels in oversight arrangements for procurement
- The effectiveness of the provision of advice and guidance for ministers, council leaders, key decision makers and committee members
- The effectiveness of governance arrangements for procurement.

**4.2** **Critically evaluate the effectiveness of financial accountability arrangements for procurement**

- The role of finance in public sector organisations and its relationships with procurement
- The procedures in place to give assurance to Permanent Secretaries and Chief Executives in their exercise of personal accountability
- The effectiveness of financial accountability arrangements for procurement.

**4.3** **Analyse the adequacy and robustness of procurement financial and management information systems**

- Sources of procurement financial and management information
- The robustness of procurement financial and management information
- The usefulness and appropriateness of procurement financial and management information available to various levels of management and stakeholders
- How to identify and propose improvements to procurement financial and management information systems to improve performance.

## LEVEL 6
## Graduate diploma in purchasing and supply
## Public sector stakeholders and governance

**5.0 METHODS AND PROCESSES OF PERFORMANCE EVALUATION OF PROCUREMENT**
*(Weighting 15%)*

**5.1 Critically evaluate the relevance of excellence models**
- Total quality management (TQM), European Foundation for Quality Management (EFQM) and the Procurement Excellence Model (PEM) models
- The importance of stakeholder commitment to, and involvement in, the development and application of performance evaluation
- Compare and contrast PEM with other relevant models
- The value of adapting performance evaluation models to suit different organisations and types of procurement functions.

**5.2 Critically evaluate the methods and outcomes of performance evaluation of procurement against appropriate models and remedy any weaknesses**
- Models of process or outcomes
- Data validation models for procurement effectiveness
- How to plan for delivering improvements to identified weaknesses
- How and why to benchmark against organisations with similar procurement functions.

**5.3 Develop and apply a process with internal and external stakeholders, which incorporates their feedback on the performance of a procurement organisation**
- How to gather and assess stakeholder views of procurement performance
- How distinguish between more influential / significant and less influential / significant stakeholder views and react accordingly
- How to engage with stakeholders who are critical of procurement to understand their views and improve performance.