

Advanced Purchasing Skills
Petrochemicals, Derivatives & Related Raw Materials

2 – 5 March 2021

Start time: 1PM GMT

Module #1:

13:00 – 13:15	Overview of the course and class introduction
13:15 – 14:45	Understanding the petrochemicals industry and markets <ul style="list-style-type: none">• Key petrochemical value chains and their inter-relationship• Market Intelligence
14:45 – 15:00	Break
15:00 – 15:10	Pre-session interactive poll
15:10 – 16:15	Analytical approaches to purchasing (part 1) <ul style="list-style-type: none">• Opportunity Analysis – a tool for identifying and ranking opportunities based on return, effort and probability of success• Examples of formulas used in petrochemicals purchasing

Module #2:

13:00 – 14:15	Analytical approaches to purchasing (part 2) <ul style="list-style-type: none">• Price history vs. market or formula• Cost Models, price forecasting and margins
14:15 – 14:30	Break
14:30 – 15:30	Analytical approaches to purchasing (part 3) <ul style="list-style-type: none">• Contract Model – legal & mathematical• Price versus total cost
15:30 – 15:45	Key terms quiz

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Module #3:

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| 13:00 – 13:15 | Interactive live poll |
| 13:15 – 14:15 | <p>Strategy development: Spend classification and Risk Management</p> <ul style="list-style-type: none">• Spend Classification<ul style="list-style-type: none">○ Strategic, Critical, Tail spend• Risk management<ul style="list-style-type: none">○ Internal vs External Sourcing○ Hedging○ Global vs Regional○ Contract vs Spot○ Supplier viability & natural disasters○ Strategy alignment via supply/sales agreements |
| 14:15 – 14:30 | Break |
| 14:30 – 15:30 | <p>Strategy development: Strategic sourcing and improving supplier cooperation</p> <ul style="list-style-type: none">• Strategic Sourcing to insure the lowest cost.• Improving supplier cooperation |
| 15:30 – 15:45 | Interactive poll |

Module #4:

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| 13:00 – 14:30 | <p>Execution</p> <ul style="list-style-type: none">• Alignment with strategy• Tracking to plan• Purchasing procedures• RFQ (Request for Quote) process• Supplier development = competition; Supplier Score Cards with weighting that reflects impact on cost• Quarterly supplier meetings - to provide feedback• Negotiation |
| 14:30 – 14:45 | Break |

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14:45 – 15:15	Evaluation – Performance metrics <ul style="list-style-type: none">• PPV – tracking to budget – short term performance• YoY price inflation / deflation vs. index – longer term performance• Price - volume - mix analysis• Individual metrics aligned
15:15 – 15:35	Class insight exchange
15:35 – 15:45	Summary & Conclusion