



*A 2 day intensive program on*

# ***Effective Contract Administration & Supplier Management***

## **Improving Procurement Performance & Cost Efficiency**

**16-17 November 2009**

One World Hotel  
Petaling Jaya

### **FOCUSING ON:**

- Principles Of Effective Procurement
- Managing Procurement By Contracts
- The Contract Drafting
- The Essential Preliminaries Of A Contract
- Risk Management
- Selection Of Suppliers
- Contract Performance And Progress Monitoring
- Supplier Development
- Software To Manage Contracts

## INTRODUCTION

Procurement is an essential function that contributes to cost efficiencies of an organization. Some companies major spending is in the areas of materials purchase, either, direct or indirect, and could run into hundreds of millions of dollars annually. When a robust system of managing these funds is absent, there could be a total chaos; fraud, unethical behaviours and maverick purchases.

By formulating a carefully drafted contract that creates a win-win situation for all parties of a business, major issues, conflicts and inefficiencies are driven out of the equation. The only way then is to understand how contracts help to achieve company strategies.

## COURSE OBJECTIVES

Effectively negotiating, executing and controlling agreements with suppliers is an important task, yet many organizations do a poor job of managing contracts. This failure leads to protracted contract development and negotiation cycles, improper contract approvals, limited contract visibility and control, and, an inability to ensure that suppliers comply with established contract terms.

**This 2-day course addresses all these issues and show participants how a planned contract management process ensures that inefficiencies are addressed at the earliest stage possible. Through interactive supplier-buyer participation and the management of the contract throughout its life cycle, supplier-buyer relationship is maintained at the highest level.**

## Day One Monday, 16<sup>th</sup> November 2009

### 9.00 PRINCIPLES OF EFFECTIVE PROCUREMENT

- Functions – Understanding The Basic Functions
- Type Of Buying Situations – How Buying Situations Differ And The Impact On Procurement Functions
- The Process – A Typical Process That Ensures Contract And Company Policy Compliance
- Responsibilities – The Role And Responsibilities Of Procurement To Ensure Compliance, Management And Monitoring Of Contracts

10.30 Morning Coffee

### 10.45 MANAGING PROCUREMENT BY CONTRACTS

- What Is A Contract – Definition, And What Constitutes Contract
- Importance – Why Contracts, The Essentials, How It Affects Performance And Cost Benefits
- The Need For Contracts – A Paradigm Shift That Looks At Contracts For Cost Efficiency And Consistency
- Type Of Contracts – Looks At Various Contracts That Can Be Considered For Businesses
- Legal Aspects To Consider – Essential Laws That Need To Be Understood And How The Legal Aspects Determine The Drafting Of Contracts

1.00 Lunch & Zohor

### 2.00 THE CONTRACT DRAFTING

- The Essentials Of Contract Drafting And The Traps To Look Out For
- Key Contract Provisions – The Opportunities A Contract Provides In Ensuring Fairness And Setting Obligations
- Key Elements Of A Contract – Ensuring Essential Requirements Are Included With Clarity
- Determine The Applicability Of Other Contract Terms To A Particular Contract Like Dispute Resolution, Etc.
- Contentious Clauses In Contracts - The Need To Understand Contentious Clauses And How To Include Them In The Contract

3.30 Afternoon Tea

### 3.45 THE ESSENTIAL PRELIMINARIES OF A CONTRACT

- Specification – Looks At Why Specification Is Important To Ensure The Contracts Begin On The Right Footing
- Preparation Of SOW & RFP – What Is A SOW & RFP; The Difference And Importance Of It, How It Helps Determine The Course Of The Contract
- Steps In SOW – Essentials Of Developing A Good SOW To Ensure The Contract Completes Its Terms Successfully
- Importance Of RFP – Ensuring The Important Details Are Included To Avoid Inconsistencies And How A Detailed RFP Avoids Litigation And Problems
- Tenders & Quotations – Looks At The Fundamental Differences And Usage In Business
- Rights – Conditions And Rights Of Buyers And Sellers

5.00 End of Day 1

## Day Two Tuesday, 17<sup>th</sup> November 2009

### 9.00 RISK MANAGEMENT

- Types Of Risks – Defining Risks And The Various Types Of Risks That Should Be Considered In Business
- Transfer Of Risks – 13 INCOTERMS – How International Trading Addresses Risk By Understanding Risk Transfer And Responsibilities
- Identifying Risks – Acknowledging Risks And Its Sources
- Responsibilities – Looks At Responsibilities Of All Parties Of A Contract In Addressing Risk
- Managing Risks – Looks At The Various Stages Of Managing Risks In A Contract

### SELECTION OF SUPPLIERS

- Supplier Rating – Suppliers Are Rated According Company Criteria Prior To Selecting Them For Any Business Deals
- Criteria – Looks At The Basics And Standards Expected That Will Ensure Consistency And Quality Of Potential Suppliers
- Selection – This Process Looks At All The Essentials After The Criteria Have Been Met
- Negotiation – Negotiation With Suppliers Prior To Contract Acceptance

10.30 Morning Coffee

10.45 **CONTRACT PERFORMANCE AND PROGRESS MONITORING**

- Measurement - Setting Measurement Methodology And Monitoring Principles
- The Experience Stage – Understanding How Relationships Are Developed And Addressing Key Contract Issues While Contracts Are On Going
- Monitoring Techniques – Setting Key Performance Indicators And Making The Contract Performance Based
- Change Control – Changes May Happen Periodically In The Life A Contract And How Changes Can Be Addressed With Derailing The Contract
- Contract Closure – All Contracts Will Come To An End And Needs To Be Closed Effectively

1.00 Lunch & Zohor

2.00 **SUPPLIER DEVELOPMENT**

- Understanding Supplier Relations – Why Work With Suppliers And How A Relationship Could Be Developed For Good Business Practices
- What Is Supplier Development? – Understanding Why Suppliers Have To Be Developed For Mutual Benefits, The Ways In Which Suppliers Are Developed
- The Process Of Development – Supplier Development And The Experience Factor And How Loyalty And Commitments Are Explored

3.30 Afternoon Tea

3.45 **SOFTWARE TO MANAGE CONTRACTS**

- The Need For Efficient Monitoring Mechanism – Looks At How Computer Systems Could Contribute To Cost Efficiency Of Managing Contracts
- Cost Benefits Of Software – While It Is Good To Automate Tedious Processes, Cost Benefits Have To Be Looked Into
- Functionality & Integration – Looks At How Compatibility Determines Decision Making In Systems Investment
- Risk Reducing & Compliance Monitoring – How Systems Take Away A Major Portion Of Standardized Processes And Provide Better And Effective Ways Of Monitoring Contract Progress

5.00 End of Course

**PROGRAM FACILIATOR**

**MANO HAARAN** has more than 21 years of practical work experience in contracts administration, supplier management, procurement, project management, supply chain and logistics, etc. He specializes in training, facilitation and consulting to both the public and private sector in areas like Procurement Efficiencies including addressing issues of contracts administration, fraud, cost management and product life cycle management, Warehouse Management, Operations Management, Total Cost Management, Supply Chain Management, Total Logistics management, Stock Taking and Auditing.

His landmark consulting experience was designing of materials part numbering and coding systems, preparation of standards, policies and procedures for a large rail network. He was also involved as a consultant for the development of an automated business solution for a wholesale/retail stationery business with off shore branches where he was instrumental in business process analysis, process improvement, project management and eventual successful completion and commission of the system.

Mr. Haaran's sample of illustrious clients list for training include Shell, UMW Toyota Motor, Celcom, Samsung, Proton, Colgate-Palmolive, Eon Finance, Philips, Hicom-Yamaha, Malaysian Oxygen, NEC, Petronas, General Electrics, Gamuda, Johnson & Johnson Medical, JVC, Kontena Nasional, Glaxo Wellcome, Hitachi, Hong Leong Lurssen Shipyard, National Heart Institute (IJN), Kenwood, Macfood Service, Nestle, Mattel, Matsushita Industrial Corporation, Maybank, Minolta Precision Engineering, MISC, Perwaja Steel, Seagate, Canon, BASF and UPS, Petronas Carigali, Sidel, Western Digital, Perodua, Sharp, Panasonic

He holds Masters in Business Administration (MBA) USA.

**WHAT YOU WILL LEARN**

1. Understanding The Essentials Of Procurement
2. How To Manage Procurement By Contracts
3. How To Design And Draft A Contract
4. The Essential Preliminaries Of A Contract
5. Risk Management
6. Selection Of Suppliers
7. Contract Performance And Progress Monitoring
8. Supplier Development
9. Software To Manage Contracts

**METHODOLOGY**

- Interactive Lectures
- Group Discussions
- Exercises/Cases
- Questions & Answers

**WHO SHOULD ATTEND**

- Purchasing Managers & Executives
- Contract & Client Managers & Executives
- Supply Chain Managers & Executives
- Procurement Managers & Executives
- Professional Buyers
- Material Managers & Executives
- Inventory Control Managers & Executives
- Project Managers/Leaders
- Finance & Admin Managers & Officers
- GLC And Government Contract Officers
- Legal Officers
- Heads of Department
- Entrepreneurs, Etc.

# Contract Administration & Supplier Management

16-17 NOVEMBER 2009 | PETALING JAYA

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## Preparing Financial Proposals

21-22 October 2009 | Kuala Lumpur

## Best Practices in Plant Piping Systems – Design, Operation & Maintenance

22-23 October 2009 | Kuala Lumpur

## Financial Analysis For Non-Finance Managers

26-27 October 2009 | Kuala Lumpur

## Pengagihan & Pemasangan Sistem Bekalan Elektrik

28-29 Oktober | Petaling Jaya

## Effective Costs & Risks Planning In Incoterms Management

26-27 October 2009 | Kuala Lumpur

## HOW TO REGISTER

ONLINE: [www.cmtevents.com](http://www.cmtevents.com)  
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POST TO: Lot 7.03, 7th Floor, North Block,  
The Ampwalk, 218 Jalan Ampang,  
50450 Kuala Lumpur

## FEES

The full Registration Fee includes cost of all sessions, luncheon, coffee/tea & documentation.

1 Person	Group fee per person for 3 or more* (from the same company)
RM2495	RM2095 (MIN SAVINGS OF RM1200)

\* Terms and conditions apply.

**Cancellations, Refunds & Transfers:** A full refund will be promptly made for all written cancellations 3 weeks before the meeting. Thereafter, cancellations are not refundable. A substitute may be made at any time.

## PAYMENT

### By Telegraphic Transfer

ACCOUNT NAME:

**Centre for Management Technology Sdn Bhd**

A/C No: **3 - 0903390 - 12**

BANK: Public Bank Berhad

BRANCH: Grd Floor, Menara Public Bank  
Jalan Ampang

swift code: PBBEMYKL

*TT must include additional RM10 for Beneficiary's Bank charges. Delegates must bear all bank charges and local taxes (if applicable). Fees must be NETT of ALL charges.*

CHEQUES: Crossed & payable to

**"Centre for Management Technology Sdn Bhd"**

## CERTIFICATE OF COMPLETION

A Certificate of Completion will be awarded upon successful completion of each course. This serves as evidence of your personal and professional commitment to your career.

## COURSE TIMING

Registration: 8.30 am, Course Begins: 9.00 am,  
Morning Coffee: 10.30 am,  
Lunch: 1.00 pm to 2.00 pm,  
Tea Break: 3:30 pm, Course Ends: 5.00 pm

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