

Qualification Unit

This unit forms part of a regulated qualification and is only available for delivery in Wales.

Unit Title: Planning for the Procurement and Supply Process

Open Awards Unit Reference Number: CBL507

Level: 4

Credit Value: 9

Minimum Guided Learning Hours: 30

| Learning Outcome (The Learner will): | Assessment Criterion (The Learner can): |
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| 1. Be able to establish business requirements of own organisation for the procurement and supply process | 1.1 Identify at least three factors that would need to be considered when establishing own organisation's requirements for the procurement of goods and services |
| | 1.2 Devise a Stakeholder map to identify internal and external stakeholders who contribute to procurement planning in own organisation |
| | 1.3 Reflect on own organisational processes and sources of obtaining market research |
| 2. Be able to review own organisation's readiness for the procurement process | 2.1 Demonstrate the processes within own organisation that prepares for procurement activity: <ul style="list-style-type: none"> - Optional appraisals - Ethical and sustainable considerations - Policy drivers - Interdependencies - GDPR - Budget implications - Capital investment - Revenue implications Whole life costing |
| 3. Ensure compliance with internal and external rules and regulations related to procurement | 3.1 Describe the mandatory rules and regulatory requirements of own organisation related to procurement |

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| | 3.2 | Demonstrate the considerations required to ensure compliance with internal and external rules and regulations within own organisation |
| 4. Engage with suppliers prior to procurement | 4.1 | Explain the different ways to engage with suppliers |
| | 4.2 | Reflect on at least two engagement activities with suppliers within own organisation |
| 5. Produce a procurement strategy | 5.1 | Assess the need for goods or services |
| | 5.2 | Identify key stakeholders and their influence and responsibilities |
| | 5.3 | Apply at least two market analysis tools to the strategy. |
| | 5.4 | Compare the market analysis tools selected for the procurement strategy |
| | 5.5 | Comment on the impact of supplier and purchaser positioning matrices on the procurement strategy |
| | 5.6 | Reflect on how the analysis of the goods/service for own organisation influences the supplier relationship |
| | 5.7 | Explain how risks identified during market analysis can be mitigated through the procurement strategy |
| | 5.8 | Produce a procurement strategy including the sourcing strategy |
| | 5.9 | Reflect on how the procurement strategy delivers value for money |
| | 5.10 | Reflect on the importance of the following in achieving positive procurement outcomes: (a) communication (b) clear documentation (c) timelines and reporting |

Indicative Content

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| LO1 | This learning outcome is intentionally written to give learners a full understanding of stakeholder engagement and market research. This will be built upon further in LO 5. |
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| | <p>1.1 The Learner is required to demonstrate an appreciation of factors which their organisation considers to be key in the procurement of goods and services. These may be related to organisational priorities, strategic alignment, costs, benefits, efficiencies, legislation, the environment, the locality, etc. The Learner should be able to identify at least three factors and explain, with suitable evidence, their importance to the organisation.</p> <p>1.2 The Learner is required to create a Mendelow Power Grid/Stakeholder Map, showing how stakeholders may be categorised in terms of power and interest and how this relates to involvement in a project.</p> <p>1.3 The Learner is required to reflect on reference methods, systems and processes which provide market data for analysis by own organisation, explaining how this information is used and for what purpose and how useful the information acquired has been.</p> |
| LO2 | <p>2.1 The Learner must show an awareness of the internal and external environment, and the implications on the organization in preparing for the procurement, or, because of procuring the goods and services in question.</p> <p>Potential improvements or drawbacks can be identified, and sustainable risks assessed according to organisational procedures. It may be necessary to extend this preparation to a financial risk assessment if the transactions are large, complex or long-term.</p> |
| LO3 | <p>3.1 The Learner is required to show awareness of, and compliance in, at least four relevant organisational, sector and legislative considerations that competing organisations must observe to tender successfully. This may be documented within a formal process or through Learners own detailed account, and examples may include, but may not be restricted to Health & Safety, Competition, Employment, Anti-Corruption, Data, Security, Bribery, Fraud, Modern Slavery, etc.</p> <p>3.2 The Learner must be able to show how the organisation is compliant with the requirements chosen in 3.1. This may be demonstrated through assessment activity during the sourcing process, systems, auditing, and monitoring during contract management.</p> |
| LO4 | <p>4.1 The Learner must show an awareness of benefits associated with fair and transparent engagement with Suppliers. Evidence could include examples from Supplier Days, Meetings and Discussions, Expressions of Interest, Conferences, Seminars, Exhibitions, Online Supplier Briefings, Published Notices, and other Events.</p> <p>4.2 The Learner is required to provide evaluative feedback on engagement with Suppliers, commenting on the extent to which shared objectives for the meetings have been met, explaining where they have not been met and what further action was discussed/agreed as a result.</p> |
| LO5 | <p>5.1 Learners are required to assess the need for goods and services. For example, could this be completed in-house? Are products and services already available? Could goods be re-used? The Learner should be able to assess the organisation's "make vs buy" capabilities, asking appropriate questions to clarify</p> |

or challenge the needs for goods or services. Uses of data can also be explored in the Learner's response.

5.2 The Learner **is required to** utilize the Stakeholders Map developed in 1.2 and position the stakeholders into a power/interest matrix. The Learner is encouraged to recognize how the position of the stakeholder will impact the strategies the learner will put in place to work with and/or communicate.

5.3 The Learner **is required to** evidence using **at least two** market analysis tools when producing their procurement strategy. These would include, but are not restricted to: STEEPLED, Porter's "5 Forces", SWOT analysis, Cost/Benefit analysis, Market Segmentation analysis, Supplier Evaluation analysis.

5.4 The Learner **is required to** justify their choices of analysis tools by identifying the particular strengths and shortcomings of their choices. This may be summarised in a Learner statement or asked verbally as a question or as part of a broader Professional Discussion. (NB. Resulting evidence of verbal answers and professional discussion, etc. needs to be made available for IQA/EQA.)

5.5 The Learner **is required to** demonstrate how the Kraljic matrix (Processing Portfolio Matrix) helps organisations to create appropriate procurement strategies, by analysis of supply risk and profit impact of procuring products and services. Learners **are required to** distinguish the four types of "items" and categorise examples from their own role and organisation accordingly. Where workplace examples are not available, a Learner written statement **must** be presented to ensure coverage of the entire "quadrant". Learners **are required to** identify the type of relationship required with the supply due to the good/service position.

5.6 Learners **are required to** understand how their own organisation goods and services needs can influence relationships with suppliers, and how to influence this through the procurement and sourcing strategy. This may be in terms of outcomes; i.e., strong partnerships, shared goals, KPIs, cultural alignment, ethical and social responsibility.

5.7 Learners **must** be able to show clearly where, in their organisational processes, risks can be managed through the procurement process. Examples of this may include terms & conditions, evaluation criteria, ethical sourcing, sustainability, total cost ownership, specifications, due diligence, KPI's etc.

5.8 In addition to the Learner's composed strategy, the Learner **is required to** provide a supporting statement showing how they have designed and developed the sourcing to ensure an assessment of the needs and the market have been considered.

5.9 The Learner **is required to** identify ways in which a procurement strategy can help to deliver value for money. The Learner should be able to explain on how at least two of the following aspects of the procurement strategy can develop improved value for money: setting and defining objectives, market research, the bidding process, supplier evaluation, performance monitoring, long-term relationships, continuous improvement.

5.10 The Learner **is required to** provide conclusions informed by their own examples from activities in their own organisation and role.

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