



Advanced Purchasing Skills Petrochemicals, Derivatives & Related Raw Materials

Module 1 (3 hours and 15 mins)

15 minutes	Overview of the course and class introduction
1 hour & 30 minutes	Understanding the petrochemicals industry and markets <ul style="list-style-type: none">• Key petrochemical value chains and their inter-relationship• Market Intelligence
15 minutes	Break
10 minutes	Pre-session interactive poll
1 hour & 5 minutes	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 (2 hours and 45 minutes)

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



Module 3 (2 hours and 45 minutes)

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| 15 minutes | Interactive live poll |
| 1 hour | Strategy development: Spend classification and Risk Management <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 |
| 15 minutes | Break |
| 1 hour | Strategy development: Strategic sourcing and improving supplier cooperation <ul style="list-style-type: none"> • Strategic Sourcing to insure the lowest cost. • Improving supplier cooperation |
| 15 minutes | Interactive poll |

Module 4 (2 hours and 45 minutes)

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| 1 hour & 30 minutes | Execution <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 |
| 15 minutes | Break |
| 30 minutes | 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 |
| 20 minutes | Class insight exchange |
| 10 minutes | Summary & Conclusion |