



Advanced Purchasing Skills Petrochemicals, Derivatives & Related Raw Materials

Module 1 (3 hours and 30 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
15 minutes	Summary & Conclusion

Module 2 (3 hours)

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
15 minutes	Summary & Conclusion

Module 3 (3 hours)

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



- 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

- Strategic Sourcing to insure the lowest cost.
- Improving supplier cooperation

15 minutes

Interactive poll

15 minutes

Summary & Conclusion

Module 4 (3 hours)

1 hour & 30 minutes

Execution

- 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

- PPV – tracking to budget – short term performance
- YoY price inflation / deflation vs. index – longer term performance
- Price - volume - mix analysis
- Individual metrics aligned

25 minutes

Class insight exchange

20 minutes

Summary & Conclusion