

What is the Modular Learning System on International Purchasing & Supply Chain Management (MLS-IPSCM)

Explanatory Note

1. Introduction

The MLS-IPSCM programme consists of a series of complete and up to date training packs on supply chain management and professional certification programme available in English for the program in **Ethiopia**.

The programme is currently offered by 135 institutions in 50 countries. More than 1000 trainers attached to these institutions are involved in teaching the programme and more than 20,000 professionals have benefited from this training since the programme started in 2001. **BCaD-Consulting Management has signed a license agreement with ITC ECS in April 2009 with paying a licence fee to disseminate the program in Ethiopia. The program in Ethiopia will be launched right after the first training of trainers (TOT) is conducted latest by August 2009.**

The MLS-IPSCM programme was singled out as a model for sustainable training capacity development in the ITC programme evaluation in 2007. It offers an internationally recognised professional certification programme.

The MLS-SCM programme is based on the following three pillars:

1. High quality training materials provided by ITC
2. A professional certification programme provided by ITC
3. ITC support to the network

These three elements are described in some more detail below

2. The MLS-SCM Modules & Technical Materials

The MLS-SCM materials consists of a series of complete training modules covering all key aspects of purchasing and supply chain management in a practical and structured manner.

The MLS-SCM currently consist of the following Modules:

1. Understanding the Corporate Environment
2. Specifying Requirements & Planning Supply
3. Analysing Supply Markets
4. Developing Supply Strategies
5. Appraising & Short-listing Suppliers
6. Obtaining & Selecting Offers
7. Negotiating
8. Preparing the Contract
9. Managing the Contract and Supplier Relationships
10. Managing Logistics in the Supply Chain
11. Managing Inventory
12. Measuring and Evaluating Performance
13. Environmental Procurement
14. Group Purchasing
15. E-procurement
16. Customer Relationship Management

Coverage: The Total Supply Chain



Each Module training pack consists of:

- A Coursebook for the participants – in full colour – containing text materials and figures.
- A Workbook, also for the participants, with various levels of exercises and learning checks.

New modules are under development covering topics such as Operations Management, Public Procurement, Finance Management, Quality Management, Packaging and others. For certain Modules, games, role-plays and additional training resources are available and ITC also helps to develop local complementary materials, cases etc.

The MLS-IPSCM is aimed specifically at staff responsible for managing purchasing and supply chain operations in enterprises. It responds to enterprises' rapidly growing need to develop skills in Supply Chain Management, a key area for competitiveness and export performance. An International Advisory Board consisting of high level international subject experts oversee and validate the programme.

The MLS-IPSCM is currently available in three languages: English, Spanish and Chinese. Translations into French and Arabic are under way. The objective is to offer the full programme as well as the international exams in the six official UN languages. **In Ethiopia, the English language is preferred and made ready.**

3. The International Professional Certification Programme

International Exams leading to an International Certificate, Advanced Certificate and Diploma in Purchasing & Supply Chain Management based on the *MLS-IPSCM* have been organised every 6 months since 2002 in English, since 2005 in Spanish and since 2006 in Chinese. This programme offers three levels of professional recognition as follows:

- The **International Certificate in purchasing & supply chain management**, awarded after successful completion of the exams for Modules 1-6.
- The **Advanced International Certificate in purchasing & supply chain management**, awarded after successful completion of the exams for the above Modules plus Modules 7-12.
- The **International Diploma in purchasing & supply chain management**, awarded upon completion of all the 12 Modules plus 3 of the supplementary Modules (13-16) & successful completion of the Project report.

Exams are taken in the home country, with the local MLS-IPSCM network member institution being responsible for handling all local arrangements; in **the Ethiopian case BCaD-Consulting Management is in charge**. The exams themselves are developed and marked by an international panel of experts consisting of high-level specialists from all continents. Paper-based exams are organised twice a year and online exams (as an option) will become available during 2009.

The certificates & diplomas carry the logos of ITC and of the local network member institution **BCaD-Consulting Management in Ethiopia**. Certificates are signed by (1) the Executive Director of ITC (2) the head of the local network member institution **BCaD-Consulting Management in Ethiopia** and (3) by the Chairman of the Advisory Board.

Modular Learning System on International Purchasing and Supply Chain Management

Module 1 - Understanding the Corporate Environment

The corporate environment, including ownership and size, corporate culture, mission, goals, policies and strategy directly influence the way in which the purchasing & supply chain management function is organised and operates. The objectives, policies and strategies of the purchasing & supply chain management function must be aligned with those of the rest of the enterprise.

Module 2 - Specifying Requirements & Planning Supply

Specifying what an enterprise needs to purchase – along with how much it needs and when and where it is required – is the first, critical step in the purchasing & supply process. It must be done correctly if the rest of the process is to be successful.

Module 3 - Analysing Supply Markets

Knowing supply markets is the basis for understanding supply risks, opportunities and costs, and for making correct supply decisions. Monitoring and analysing supply markets helps the buyer to recognise how supply markets function and to compare and assess supply market options.

Module 4 - Developing Supply Strategies

Supply strategy should be based on assessed requirements and supply market conditions. It will depend on the buyer's levels of expenditure and of the supply risks involved. Supply strategy involves considering issues such as: the number and types of suppliers to use, the type of supplier relationships to develop and of contracts to use, and which types of purchase operations (such as e-purchasing) to apply.

Module 5 - Appraising & Short listing Suppliers

Selecting the right supplier is the fundamental basis for effective purchasing & supply. Alternative suppliers must be located, screened, further researched and assessed using appropriate criteria that relate to the type of purchase that is being carried out. This will involve reviewing suppliers' motivation and capabilities, including their financial situation.

Module 6 - Obtaining & Selecting Offers

Purchasing & supply practice means knowing how to best obtain and select offers from suppliers. Depending on the type of purchase being made, different purchasing approaches and processes will be used (ranging from simple informal contacts to formal tendering). The method of evaluating offers will also vary depending on what is being bought.

Module 7 - Negotiating

Negotiation starts with effective preparation, including setting realistic and achievable negotiation objectives and determining the best possible strategy to be used. Conducting the negotiation itself involves applying the arts of active listening and of questioning, and using appropriate tactics and persuasion techniques.

Module 8 - Preparing the Contract

The contract specifies the buyer's and seller's main obligations, and determines the overall context under which the business relationship will be developed. It is important to understand which terms and conditions relate to the desired type of contractual relationship, and how to deal with issues such as applicable law, contractual default and the settlement of disputes.

Module 9 - Managing the Contract & Supplier Relationships

Once a contract is signed, it is important to ensure its effective implementation and to successfully manage the relationship with suppliers. The various issues involved in managing the contract must be understood, as well as the roles and responsibilities of each side's contract management team.

Module 10 - Managing Logistics in the Supply Chain

Managing logistics means dealing with the processes and operations of importation, internal distribution, scheduling and routing, the selection of transport partners, the choice of logistics equipment and packaging, and the implementation of improvements and cost reductions in the logistics process.

Module 11 - Managing Inventory

Good management of inventories is essential to improving enterprise effectiveness. This involves optimising inventory levels, evaluating opportunities to reduce variety of supplies and holding costs, achieving high levels of internal and external customer service, minimising stock error rates and achieving international standards of traceability and quality.

Module 12 - Measuring and Evaluating Performance

Evaluating purchasing and supply performance requires identifying which measurements are best suited to a company's needs. It involves collecting, analysing and interpreting evaluation data, and using this information to improve purchasing & supply effectiveness and efficiency.

Module 13 – Environmental Procurement

This Module gives comprehensive information and practical examples of approaches to environmentally preferable purchasing

Module 14 – Group Purchasing

Group purchasing can bring significant benefits for both buyers and suppliers. This Module gives practical advice on how to go about this with special emphasis on SMEs

Module 15 – E-Procurement

This Module will allow readers to take full advantage of the opportunities and cost savings potentially offered by e-procurement. It covers practical guidance to readers at the planning, preparation and implementation stages.

Module 16 – Customer Relationship Management

This Module offers a framework CRM model, highlights the main competencies required to be a successful CRM company, as well as practical guidelines and advice for making it happen.