

CFAS9.3

Devise sales strategies to suit procurement practices of key customers



Overview

This unit focuses on how customer organisations select suppliers as part of their supply chain.

If you are involved in winning key customer business you must know how organisations select their suppliers and be able to maximise opportunities for becoming key members of the supplier chain by achieving preferred supplier status.

You need to recognise the process that procurement organisations go through in order to select their suppliers and ensure that they influence your design of products or services and your procedures for their delivery.

This unit is for; Sales Managers, Key Customer Managers and Senior Sales Managers.

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Performance criteria

You must be able to:

- P1 evaluate the criteria your key customers use to choose suppliers and the impact they have on your customer's procurement practices
- P2 establish the approach taken by potential customers forecasting future demand for their own supply needs
- P3 determine how customers establish their information needs and how they access supplier information
- P4 establish how your organisation can influence the criteria that your key customers use to select suppliers
- P5 identify existing suppliers of a potential customer and carry out a competitor analysis to identify your organisation's strengths
- P6 discover how long existing contracts between competitors and your potential customer last and when they are available for renewal
- P7 ascertain customer practices in drawing up of specifications , buying and tendering processes and identify your customer's expectations in relation to the balance of quality and price
- P8 identify the range of assessments undertaken by customer organisations to measure supply capability and capacity
- P9 use information on supplier selection criteria to win long-term business from key customers and to become the preferred supplier

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Knowledge and understanding

You need to know and understand:

- K1 the supplier choice criteria of your key customers and how they affect procurement practices
- K2 the concept of 'preferred supplier' status
- K3 the variety of procurement practices used by a range of organisations
- K4 the various measures of quality relating to procurement
- K5 the types of capability assessments customers undertake on potential suppliers
- K6 ways in which organisations can aim to reduce supplier risk through detailed evaluation of suppliers and their products or services
- K7 supplier evaluation criteria, methods and procedures
- K8 how organisations develop product or service specifications for the purpose of procuring supplies
- K9 different approaches to making procurement decisions
- K10 the importance of reliable delivery in the context of procurement
- K11 technical and resource support provided by suppliers

Industry/Sector specific knowledge and understanding

- K12 legal and regulatory issues impacting upon procurement practices in your industry/sector
- K13 accredited quality programmes
- K14 competitive practices relating to procurement

Context specific knowledge and understanding

- K15 your organisation's sales objectives, targets and activity plans in relation to key accounts
- K16 your organisation's ability to respond to your customer's procurement
- K17 your level of responsibility and authority in relation to customer organisation procurement arrangements
- K18 your organisation's quality compliance policy and arrangements
- K19 your organisation's financial, hr and production or service delivery capability
- K20 product or service delivery arrangements
- K21 your organisation's practices relating to tendering for supplier status, including the balance of quality and price
- K22 who to go to for help and support when involved in procurement negotiations
- K23 the key people who should be involved in negotiating procurement of suppliers by potential customers
- K24 your organisation's contractual practices constraints relating to determining supply terms and conditions

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Additional Information

Behaviours

1. you are continuously customer focused
2. you proactively keep up to date with customer requirements and information needs
3. you are always accessible to customers
4. you influence your customer's criteria for choice of suppliers
5. you show how risk can be minimised through appointing your organisation as preferred supplier
6. you exploit your understanding of procurement practices to win long-term and high volume business
7. you are sensitive to your customer's information and procurement needs
8. you appreciate your customer's requirements in respect of the balance of quality and price in the procurement of products or services
9. you build personal trust and confidence in procurement relationships

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7129 Sales related occupations nec

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