
Overview

This standard focuses on how customer organisations select suppliers as part of their supply chain. If you are involved in winning 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 and/or services and your procedures for their delivery. This standard is for sales professionals.

**Performance
criteria**

- You must be able to:
- P1 evaluate the criteria the customers use to choose suppliers and the impact they have on the 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 the organisation can influence the criteria that the customers use to select suppliers
 - P5 identify existing suppliers of a potential customer and carry out a competitor analysis to identify the organisation's strengths
 - P6 discover how long existing contracts between competitors and the 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 the 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 customers and to become the preferred supplier

Knowledge and understanding

You need to know and understand:

- K1 legal and regulatory issues impacting upon procurement practices
- K2 competitive practices relating to procurement
- K3 organisational procedures relating to tendering
- K4 the organisation's sales objectives, targets and activity plans in relation to accounts
- K5 the supplier choice criteria of the customers and how they affect procurement practices
- K6 the concept of 'preferred supplier' status
- K7 the variety of procurement practices used by a range of organisations
- K8 the various measures of quality relating to procurement
- K9 the types of capability assessments customers undertake on potential suppliers
- K10 ways in which organisations can aim to reduce supplier risk through detailed evaluation of suppliers and their products and/or services
- K11 supplier evaluation criteria, methods and procedures
- K12 how organisations develop product and/or service specifications for the purpose of procuring supplies
- K13 different approaches to making procurement decisions
- K14 the importance of reliable delivery in the context of procurement
- K15 technical and resource support provided by suppliers

Developed by	Skills CFA
Version number	2
Date approved	December 2013
Indicative review date	December 2016
Validity	Current
Status	Original
Originating organisation	Skills CFA
Original URN	CFASLS93
Relevant occupations	Marketing and sales managers; Business sales executives; Sales accounts and business development managers; Telephone salespersons; Sales related occupations
Suite	Sales (2013)
Key words	Selection of supplies; supply chain management; maximise selling opportunities; procurement; understanding the customer's procurement practices; competitor analysis; identify customer practices; supplier selection criteria; competitive practices; preferred supplier status; capability assessments