

Global Commercial Strategy [L6M2]

Target Audience: For those who are successful in completing the CIPS Level 5 Advanced Diploma in Procurement and Supply; this represents the final level of CIPS qualifications for those working towards MCIPS Chartered Procurement and Supply Professional.

Hours: 120 Hours

Pre-requisite: You will need to have achieved the CIPS Level 4 Diploma in Procurement and Supply.

1.0 Understand and apply the concept of commercial global strategy in organisations

1.1 Evaluate characteristics of global strategic decisions in organisations

- The characteristics of strategic decisions
- The vocabulary of strategy
- Strategic versus operational management
- The strategic position
- Strategic choices
- Strategy in action

2.0 Understand and apply tools and techniques to address the challenges of global supply chains

2.1 Assess methods to analyse the global supply chain

- STEELED
- The use of benchmarking
- Determining measurable outcomes of success
- Devising metrics of performance
- The macro environment and the STEELED (social, technical, economic, environmental, legislative, ethical and demographic) framework
- Competitive forces- the five forces framework
- The industry and product life cycle
- Cycles of competition

2.2 Evaluate the regulatory influences on the global

supply chain

- Licensing of imports and exports
- Controls through import and export tariffs and duties
- Price and service controls exercised by industry

regulators and international bodies

- The regulations that impact on the employment of people, such as:

- Discrimination, equality and diversity
- Redundancy and dismissal
- Working time and payment
- Health and safety
- Minimum/fair wages
- Modern slavery

3.0 Understand strategy formulation and implementation

3.1 Evaluate how corporate and business strategic

decisions impact on supply chains

- Strategic directions: market penetration, consolidation, product development and market development
- Diversification: related and unrelated
- Portfolio matrices: growth/share, directional policy and parenting matrix
- Drivers of internationalisation
- Global, regional and local dimensions to strategic choice

3.2 Evaluate how organisational strategy can be implemented in supply chains

- Methods of pursuing strategies: organic, mergers and acquisitions or strategic alliances
- Strategy evaluation: suitability, acceptability and feasibility

- Managing intended and realised strategy
- Strategy development in uncertain and complex conditions

3.3 Analyse the relationship between strategy and corporate, business and functional structures in organisations

- Structural types: simple, functional, multidivisional, matrix and transnational
- Aligning the supply chain to the organisational structure
- Centralised, devolved and hybrid structures
- Forming structures on lead buyers networks

3.4 Analyse the management of resources to support the development and implementation of strategy

- People as a resource
 - Managing information
 - The role of technology
 - Managing finance: the financial aspects of value creation
 - Funding strategy development and implementation
- cips.org/qualifications

4.0 Understand financial aspects that affect procurement and supply

4.1 Assess how costs and finance can impact on supply chains

- The financial objectives of different organisations (e.g. value for money, maximising shareholder wealth)
- The costs of materials, labour and overheads
- Funding working capital and credit insurance

- Project funding
- Medium and long term financing options
- Corporate financing decisions in investment, finance and dividends

4.2 Evaluate methods for managing the volatility of currencies in supply chains

- Fixed and floating exchange rates
- Demand and supply factors in foreign exchange and the reasons for exchange rate volatility
- Spot, forward and derivative instruments in foreign exchange
- Services provided by the banking sector in foreign exchange

4.3 Analyse methods for managing the volatility of commodities in supply chains

- Demand and supply factors in commodities
- The differentiation of commodities
- Soft and hard commodity markets
- Speculation in commodity markets
- The use of spot, forward, futures and hedging in the buying and selling of commodities
- The use of a Contract for Difference (CFD) in the buying and selling of commodities