CONCEPT

Professional Procurement Practice: Category Management and Strategic Sourcing

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Technical depth: Practitioner · **Practical mode:** Case study

Introduction

Many procurement functions still work transaction by transaction, so leadership sees them as a processing cost rather than a source of value. Categories are re-tendered without market insight, negotiations rely on price pressure, and strategic suppliers are managed like any other vendor. This Core Concept course equips procurement managers to work at professional standard: building category strategies from spend and market data, sourcing and negotiating on cost evidence, and managing supplier relationships, ethics and risk. Participants apply each method to cases from several sectors and produce a Category Strategy and Sourcing Plan for a real spend category.

Course Objectives

- Assess the procurement operating model, maturity and value contribution against a recognised competency framework
- Build a category profile from spend, demand and supply market data
- Develop a category strategy using the category management cycle and a seven-step strategic sourcing process
- Plan and conduct commercial negotiations using should-cost evidence, a clear BATNA and a concession plan
- Segment suppliers and apply relationship, risk and ethical controls in proportion to each segment
- Produce a Category Strategy and Sourcing Plan that budget holders and leadership can approve

Target Audience

- Procurement managers leading sourcing teams or procurement functions
- Category managers accountable for strategies across defined areas of spend
- Senior buyers and sourcing leads moving into strategic procurement roles
- Supplier relationship managers responsible for critical and strategic suppliers
- Commercial managers in operations, projects and shared services who control large budgets
- Procurement governance and policy managers responsible for standards and ethics

Course Outline

Day 1: The Procurement Profession and Its Value Contribution

- CIPS Global Standard for Procurement and Supply Competency Levels
- Procurement Operating Models: Centralised, Decentralised and Centre-Led
- Procurement Maturity Assessment Against a Five-Level Model
- Internal Stakeholder Mapping with the Mendelow Matrix
- Procurement Value Levers: Cost Reduction, Cost Avoidance and Risk Reduction

Day 2: Category Management and Strategic Sourcing Frameworks

- Category Management Cycle: Analyse, Strategise, Implement and Review
- Seven-Step Strategic Sourcing Process
- Supply Market Analysis with Porter's Five Forces and PESTLE
- Supplier Preferencing Model and the Seller's View of the Buyer
- ISO 20400:2017 Sustainability Criteria in Category Strategy

Day 3: Sourcing and Negotiation Practice

- Category Profile and Spend Baseline Template
- Should-Cost Modelling and Cost Breakdown Analysis
- Sourcing Route Options: Tender, Direct Negotiation, E-Auction and Framework Call-Off
- Principled Negotiation Planning: Interests, BATNA and Concession Plan
- Life-Cycle Costing for Award Decisions

Day 4: Supplier Relationships, Ethics and Risk

- Supplier Segmentation and Relationship Management Pyramid
- ISO 44001:2017 Collaborative Relationship Plan
- Supplier Risk and Resilience Mapping Under ISO 31000:2018
- Anti-Bribery Due Diligence Under ISO 37001:2025 and the CIPS Code of Conduct
- Savings Tracking and Benefits Realisation Scorecard

Day 5: Case Work and the Category Strategy

- Professional Services Category Case Study: Demand Management and Rate Cards
- Logistics Services Category Case Study: Market Shift and Supplier Dependency
- Category Profile Build for an Own Spend Category
- Category Strategy and Sourcing Plan Drafting
- Stakeholder Panel Review and Strategy Defence

Skills You Will Gain

- Category Management
- Supply Market Analysis
- Should-Cost Modelling
- Commercial Negotiation
- Supplier Relationship Management
- Stakeholder Influence
- Procurement Ethics
- Benefits Tracking

Why Attend This Course

- Return to work with a Category Strategy and Sourcing Plan for a real category, already challenged by a stakeholder panel
- Enter supplier negotiations with cost evidence and a clear walk-away position rather than relying on price pressure
- Report procurement's contribution to leadership in value, risk and savings terms that finance will accept
- Compare procurement practice with managers from other sectors and countries

Conclusion

Procurement earns a strategic role when it can show leadership how each category will be sourced, what it will cost over its life and which risks it carries. This course moves from the profession's standards and value levers, through category management and strategic sourcing frameworks, to evidence-based negotiation and the relationship, ethical and risk controls that protect value after award. The final day brings these together, and participants return with a Category Strategy and Sourcing Plan they can put to their stakeholders for approval.