

Contract management – the client perspective

Overview

Best practice contract management can be defined as:

‘a process by which a contractor is motivated and enabled to achieve extra value added, over and above that which has been specified originally and assessable against criteria in the original contract. The process should be to the benefit of both parties.’

Does your organisation measure up? If not, this is the course for you!

Learning objectives

This programme will help you:

- Develop robust SLAs with contractors and stakeholders
- Develop appropriate relationships to stretch and challenge the contractor and yet maintain a close and collaborative atmosphere
- Manage third parties to a contract and the process of developing contract terms and scope
- Develop appropriate and effective relationships with key stakeholders, including procurement
- Negotiate effectively with key stakeholders, making use of the key skills of persuading and influencing and to work with stakeholders to improve outcomes
- Take a proactive approach to managing contracts to ensure added value and compliance
- Make effective use of lessons learned to promote improvements from less than optimal outcomes, using appropriate templates
- Develop and monitor appropriate and robust Key Performance Indicators to manage the contractor and facilitate improved performance
- Make appropriate use of best practice contract management tools, techniques and templates

Who will attend?

This programme has been specifically designed for all those managing contractors and service providers, including contract managers, project managers, contract administrators, service managers, contract officers, team leaders and others.

Course format

The expert trainer will use a range of teaching and learning techniques in this very practical two-day programme. These will be confirmed in discussions with the commissioner of the training and could include:

- Presentations
- Case studies
- Group discussions and debates to verbalize ideas and concepts
- Tasks related to the content and the client context
- DVD
- Role-plays

- Simulations
- Brainstorming to explore ideas
- Group activities
- Pre-course reading
- Articles
- Question and answer sessions

Special features

The content of this programme has been cross-mapped with established competency frameworks and other international standards and accredited by the International Association for Contract and Commercial Management. The programme can be tailored to your specific requirements at no additional cost.

The expert trainer

Ray runs his own international training and development consultancy, made up of 25 specialist consultants. He began his management career in the public sector and thereafter for a large food manufacturer in the UK. He graduated from University with a Masters Degree in Management Studies.

His first book relating to supply chain management, *Integrated Materials Management*, was published in 1982 and has become a recommended text for a number of courses, including the Chartered Institute of Purchasing and Supply. This was followed by *Stores and Physical Distribution*, published by Liverpool Academic Press. His third book, *Practical Procurement*, with Steve Kirby, is now a CIPS recommended text. His fourth, *Practical Contract Management*, with Steve Kirby and Alan Oxenbury, was published in February 2012.

Ray has had numerous articles and papers published in journals such as *Supply Management* and the Centre for Advanced Procurement's Praxis publication.

Ray is also Chairman of the Procurement Best Practice Forum, which is made up of many large blue-chip organisations, the purpose of which is to identify and disseminate supply chain management best practices. Ray's now famous '10 Cs' of supplier evaluation model, first published in 1995, has become an accepted model for the evaluation of suppliers and contractors and has been adopted by many organisations. It is also part of the CIPS level 4 syllabus.

Until 1991 Ray was Principal Lecturer in Supply Chain Management at the Business School, University of North London. In recent years, he has undertaken training and consultancy assignments for organisations such as DWP, NHS, Shell, Lucas Engineering and Systems, the Chartered Institute of Purchasing and Supply, BRC, Nederlandse Aardolie Maatschappij.B.V, Abu Dhabi Company for Onshore Oil Operations (ZADCO), NDC, UK Intervention Board, Ericsson, British Aerospace, Marconi, BBC, Magnox, Ordnance Survey, Chevron, Caspian Pipeline Consortium, Tengzichevroil Company, Medway Council, Coca-Cola and Shell International BV. Ray has worked in many locations, including the Far East, the Middle East, South America, Europe and Africa. The majority of these events have been related to strategic issues in relation to supply chain management, procurement and contracting. The audiences have been a mix of purchasing specialists and end users (especially engineers). Both the participants and their employing organisations are invariably delighted with the results, as the following feedback shows:

'I engaged Ray to provide contract management training and candidate assessments for an electricity generation company from 2000 to 2010 and I was very pleased with his contribution, his pragmatic approach and ability to comprehend the major issues affected by the constant changes in the organisation of the company. He consistently received good feedback from course candidates.'

'Ray provided class-based training to myself and my colleagues on the Procurement Management Development Scheme for the DWP. The fact that I managed 15 consecutive successful exam results to achieve MCIPS was without doubt a reflection of the high standard of training received. The tutors were tailored to the course so that the appointed tutor could provide added value to the course through their relevant experience/skills. Ray himself has the commercial nous that is akin to a sixth sense; I would trust and highly regard his input into any given commercial situation.'

'I had the pleasure of getting to know Ray when he and his team delivered the in-house MCIPS courses for our graduates. My view of Ray is that he is professional, knowledgeable, honest and reliable. His teaching style is exceptional. He has the ability to reach everyone as he cleverly combines different media types to convey his message to meet different learning style requirements. Ray is both supportive and approachable. I would have no hesitation in recommending Ray to anyone who wants to improve their supply chain knowledge and performance, while learning from the best team available.'

'Ray knows the Supply Chain in full depth. His knowledge is both practical and theoretical. You can't find better.'

Course outline

1 Introduction

- Course aims and objectives
- Learning outcomes agreed (key themes for your organisation)
- Key messages

2 Contract management

- Mapping the 'territory'
 - Contracting – as a process to secure the resource
 - Contract management – as a set of competencies
 - Contract – as a document
 - Contract administration – as a series of tasks
- Contract management defined as a critical process
 - Planning – what is to be done
 - Organising Resources – to get it done
 - Controlling – to make sure it is done
- Skills, responsibilities and attributes of the contract manager in the context of your organisation

3 Critical success factors

- Define success
- Stakeholder engagement
- Share vision
- Specification development
- Robust contracting strategy
- Suitable type of contract

4 Expectations

- Customer and stakeholder analysis, managing expectations and the 'shared vision' concept to ensure customer co-operation, satisfaction and delight

5 Sub-contractors

- Effective management of sub-contractors and other third parties
- Tools and techniques to use
- Different types of contract, including:
 - Call-offs
 - Supply agreements
 - Lump sum
 - Incentive contracts

6 Relationships

- Types of relationship
- How to manage difficult relationships
- The driving forces
- Link between type of contract and style of relationship
- Contractor motivational issues
- Use of incentives

7 Negotiation skills

- Negotiate effectively with key customers and stakeholders
- Make use of the key skills of persuading and influencing to work with stakeholders to improve outcomes for all

8 Claims and variations

- Challenge contractor claims and requests for variations by making use of contractual terms and specifications to prevent false claims
- Using negotiation skills to mitigate their impact

9 Performance management

- Performance monitoring and improvement
- Developing KPI systems
- Benchmarking against best practices
- Make effective use of balanced score cards

10 The contract

- Understand contractual terms and conditions
- Impact on the management of contracts
- Indemnities
- Liabilities
- Exclusions
- Warranties

11 Contract close

- The importance of effective contract close-processes, including:
 - Lessons learned
 - Passing of title
 - Improvements for future projects
 - Running effective close-out events
 - Effective dissemination of lessons learned

12 Conclusion

- Review
- Action planning
- Close

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