

“When change is constant, learning must be continuous.”

— Bill Michels, C.P.M., CEO, ADR North America



Professional Development Guide



Paul Novak, CPSM, C.P.M., A.P.P., MCIPS
CEO, Institute for Supply Management™

Why would the world's largest supply management institute join forces with one of the first specialized procurement consultancy firms? To combine forces for professionals like you. With tools to lead you to increased profitability, enhanced staff competence and sustainable cost improvements, the ISM-ADR School for Supply Management offers a long list of opportunities:

- Customized content with online and blended courses
- Assessment and diagnostic tools for supply management skills improvement
- Global reach with multilingual instructors
- Professional development on every level, from buyers to executives
- Instructors based all over the world, giving attendees a regional perspective on program content

Our method of in-company professional development saves your organization resources and extends your capabilities in a shorter time frame compared with other training programs. The school's continual development of processes and introduction of new techniques enables us to offer our clients the best possible training solutions for their specific needs. Take a moment to investigate our approach to deliver change to your purchasing organization.

Sincerely,

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Where to Begin

One of the biggest perceived downfalls of training is limited or partial results. For this reason, the ISM-ADR School for Supply Management approaches professional development differently. Rather than taking the one-size-fits-all approach, we analyze your current competencies and create a program to meet your desired goals. This is where traditional training programs and professional development diverge. While training attempts to teach a single business function, professional development teaches the participant how to apply and connect multiple skill sets to improve the performance of a business function. Achieving results that make a difference is easy using the continuous learning cycle.

Ad Hoc Training: One Size Fits All	Professional Development
Shotgun approach: one size fits all	Targeted competence and capability: improvement focused on individual needs
Quick, one-time approach	Continuous coaching and mentoring
No performance metrics	Detailed performance criteria based on continuous improvement
No regard for business culture	Understands and incorporates business culture
Low expectation for change	High expectation for change
Disregards risk	Manages risk
Slight improvement	Measurable improvement
No opportunity for process change	High opportunity for process change
Focused on individuals	Focused on both teams and individuals



Step 1 — Analyze Current Knowledge and Identify Gaps

The ISM-ADR School offers a proprietary, web-based sourcing and supply chain skills analysis tool (Development Needs Analysis, or DNA™) to analyze current knowledge and identify gaps. Used by Six Sigma companies and others, DNA™ identifies existing skills set for each individual in your supply management team and creates individual personal development plans to address them. DNA™ also provides a business-unit skills gap analysis. It is a good model of what a base-line skills analysis should look like.

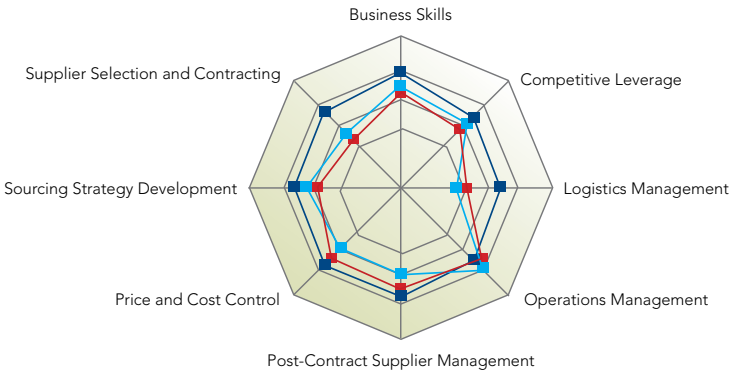
DNA™ follows a straightforward process that provides the data needed to plan a high-quality-professional learning program:

- Individual competency analyses (see sample analysis below)
- Macro skills gap analyses — for global, regional and local business units, if needed
- Personal development plans (PDPs)
- Business progression plans

Summary Page of a DNA™ Report

Overall Results			
	Individual (%)	Target (%)	Validated (%)
Business Skills	58	74	63
Competitive Leverage	67	70	60
Logistics Management	40	62	40
Operations Management	70	63	66
Post-Contract Supplier Management	52	70	63
Price and Cost Control	60	72	78
Sourcing Strategy Development	68	70	45
Supplier Selection and Contracting	51	40	45
Overall	57	69	58

Individual Target Validated



Step 2 — Create Professional Development Plans

Regardless of how you collect the data, the results should provide a good understanding of the knowledge needs of the overall business unit as well as those of each individual. As with anything, accurate and relevant data provide the platform for benchmarking your supply management team. Time spent gathering relevant data is almost as important as the professional development program itself. Bad data will provide mediocre results (if any).

Once these gaps are identified, set your priorities. The ISM-ADR School for Supply Management can create a training program to meet your critical needs.

Example of Professional Development Plan

	Target	On or Over Target	Under Target but Within Band	1 Band Below Target	More Than 1 Band Below Target
Negotiation	80		✓		
Negotiation Planning	80	✓			
Continuous Improvement	80			✓	
Supplier Development	80		✓		
Supplier Relationship Management	80		✓		
Supplier Collaboration	80		✓		
Contract Performance	80			✓	
Contracting	80		✓		
Linking Payment to Performance	80			✓	
Supplier Diversity	80		✓		
Payment Terms	80		✓		
Commercial & Financial Analysis	80		✓		
Legislation, Policies & Procedures	80			✓	
Inventory Management	80		✓		

Step 3 — Choose Appropriate Instruction

In real-world conditions, deciding on the delivery format depends on your supply management teams, the time-sensitivity of the training, time zones, and language or cultural differences across a global organization. Budget and the specific learning objectives identified in the initial assessment are, of course, other critical factors. The ISM-ADR School for Supply Management can deliver training using any of the options below or a combination.

Adult learning theory is part of our foundation and provides an effective professional development program. Courses will build new concepts on what your staff already knows, allow time for them to practice new ideas on real-life examples and provide ways for the students to reflect on their own learning before advancing.

A typical adult learning cycle includes four components: reactions, learning, transfer and results. This cycle not only works for the individual but also works just as well for a global procurement organization. ISM-ADR School for Supply Management embeds learning objectives that align your organization's strategic objectives. The learning objectives include work, environment simulations, case studies and team exercises.

Kirkpatrick's Four Levels of Training Evaluation

The quality of learning is measured using Donald Kirkpatrick's four-level training evaluation model.



Step 4 — Deliver Instruction

Delivery Formats

ISM-ADR School for Supply Management delivers a variety of training formats. These include instructor-led, classroom-based seminars and self-paced, online courses. Delivery formats are then further customized to fit the specific needs of individual organizations.



Instructor-Led, Classroom-Based Seminars

Especially if they are interspersed with regular work-days, instructor-led seminars are good for incorporating all four stages of instructional design. Even with the popularity of online education, face-to-face training still provides a personal touch not only with the instructor but also with colleagues. Students get to network and problem-solve with their peers during team exercises, case studies and work environment situations. Course materials include text, graphics and visual aids.



Self-Paced, Online Courses

Online courses effectively teach fundamental concepts or skills. E-learning modules are often used as a prerequisite for courses with other forms of delivery, or to augment coursework moderated by an instructor.

Online learning can be used as a stand-alone or to support other supply management professional development programs. ISM-ADR's web-based training courses are available online 24 hours a day, seven days a week. Students can take web-based training on their schedule, at their convenience. Once the student has registered, he or she has 12 months to complete the course.

Step 5 — Implement New Skills

Implementation is the reward you receive when you invest in training. Your staff will feel empowered with their new skills and knowledge. The results offer a positive impact to the bottom line. The best way to incorporate learning into the organization is to build real issues into your instructional design. Real-world examples are a component of instructional design, and choosing examples from your company's current challenges virtually ensures that today's training will turn up in tomorrow's workplace.

The ISM-ADR School has had very good results asking teams in a workshop to select their own projects and to present progress reports and/or a set of recommendations at subsequent sessions. Often, the teams have to calculate cost savings for implementing new purchasing strategies they have learned in a seminar. Their results offer immediate evidence that the training program is more than paying for itself.

Samples of Customized Programs

The ISM-ADR School can deliver a professional development program customized for your organization. Below are just a few topics we have delivered.

Commodity Management

Cost and Price Strategies

Ethics and Social Responsibility

Finance

General Management and Leadership

Global Positioning

Legal Concepts and Contracting

Logistics and Transportation

Manufacturing and Production

Materials Management and Inventory Control

Negotiations and Collaboration

Purchasing and Supply Management

Quality Control and Management

Relationship Management
(Supplier and Customer)

Risk Management and Compliance

Services Purchasing

Strategic Supply Management

Technology and Innovation



ISM-ADR Case Study

Measuring ROI

Case Study: Global Diversified Manufacturer Sourcing Training

Background: A newly formed university sought to complement their procurement development workshops for senior sourcing professionals with a tactical procurement program. The program would offer a blended learning approach intended to change behavior and deliver demonstrable benefits to the client global group of companies (\$US12 billion annual revenue).

Aims: The program had to achieve an identifiable ROI. ISM-ADR had to ensure that the learning was not only remembered and reinforced, but also that real benefits could be attributed to application of the learning in day-to-day work. ISM-ADR was tasked with designing and implementing a program with an emphasis on cost management. A combination of instructor-led and online courses was chosen to ensure full engagement and participation before and after the training event.

Project: In order to effectively target the learning to each training class, all participants completed the Development Needs Analysis (DNA™) before attendance to identify class strengths and areas of learning priority. The workshop tutors tailored the workshop materials to focus on the learning profile of each workshop class.

ISM-ADR researched and tested various modes of learning that would be effective for tactical buying, and selected a pre-workshop e-learning module, combined with ISM-ADR learning tools including videos, interactive simulations and role-play.

During the four-day training event, delegates were required to commit their learning to a specific sourcing project. An ISM-ADR coach supported, challenged and acted as a sounding board for each delegate in applying the tools and techniques (via e-mail, phone or on-site) within the client's sourcing process. The resulting sourcing strategy was then approved and implemented. Six months after the workshop, the project was submitted and the quality/results were reviewed. Successful delegates received certificates of program completion.

Results: Savings directly related to application of learning exceeded US\$14 million, and the program ROI was 40 to 1. Delegates revisited the learning diagnosis 12 months after the completion of the program to assess their progress in addressing the original learning priorities.

Step 6 — Analyze Results of New Practices

Markets are constantly changing, people come and go, and the need to stay on top of best practices and learning should never end. Your energized staff will be receptive to additional training once they see the positive results of their efforts. Annual assessments of knowledge or skills gaps can drive continuous learning in almost any organization.

Program benefits are measurable because they are based on tracking planned and attained successes. We carefully define the business needs and objectives and then carefully create metrics. If these steps are followed, it is possible to get a measurable high return on training investments.

ISM-ADR Case Study

Measuring ROI

Case Study: Supplier of Arts and Craft Products and Supplies

Background: A US\$150 million+ supplier of arts and crafts goods to stores such as Michaels and Wal-Mart sought to become more reliable in its delivery to its major customers and identify and implement cost savings opportunities. DNA™ was used to provide a preliminary glimpse into the organization. It was then followed up with an assessment of the organization.

Aims: A base line of the current state of the supply chain within the organization was performed. It assessed what systems, processes, and people would be needed to take the organization to the next level. Areas that required improvement were also identified.

Project: DNA™ was used to provide insight into the skills and practices of the organization prior to on-site interviews. Results of the DNA™ process provided the necessary focus of time, effort and training, which greatly accelerated the base-line process, to provide solutions to the most immediate organizational needs to satisfy customer demand.

Results: A forecasting system was implemented, which took on-time deliveries to its customers up to 99% percent. Development workshops were delivered and followed up with coaching support, which increased the skill sets of the organization and ensured that principles and skills were implemented. Significant cost savings were identified, implemented and achieved, allowing the company to increase profits.



Content Overview for Online Learning

Sometimes a fundamental refresher course is all that is needed, or time does not allow for a long-term development program. DNA™ or your own internal assessment tool can help determine whether a simple refresher is needed to take your team to the next level. The ISM-ADR School offers more than 130 online courses covering supply management topics, soft skills and leadership. Course lengths vary from one hour to two full days. Advantages of web-based training include:

1. Elimination of travel expenses
2. Convenience — courses are available 24/7
3. Improved technology — ease of use
4. Accessible data for supervisors to track progress
5. Measurable global impact — all global locations have access to the same knowledge

Online training can fit into anyone's schedule or budget. With 20 content areas to choose from, your team will be off to a great start.

Business Management/HR/Administration. Includes more than 15 courses designed to improve both leadership and managerial success. Features the “Understanding HR series” which focuses on human resource functions and responsibilities.

Cost/Price Strategies. These courses feature several analytical improvement courses in “Cost/Price Analysis and Review,” and also “PACE®” and “Supply Market Analysis Review.”

Finance and Economics. Times have changed, and supply managers need to have the ability to understand financials and speak their language. This section highlights courses on the economy, business essentials, financial budgeting and reporting.

Globalization/International. Global sourcing comes with many different risks and challenges. This section offers courses on not only understanding global sourcing but also on the five-phase sourcing process.

Government. Includes the school's “Integrating Commercial and Government Practices” series and “Performance-Based Service Acquisition” course.

Legal. Mistakes in the area of contract law and contract performance, can be costly. These courses will educate your team on key laws that affect supply management.

Logistics/Transportation. Courses help your team gain insight into the role and importance transportation and logistics play in the supply chain.

Manufacturing. Kanban, lean, MRP — all are essential to fine-tune your manufacturing organization.

Negotiations. Includes negotiation styles, how to handle difficult people and situations, and how to manage strategic relationships and cultural issues.

Personal/Career Development. Courses on creativity, supply innovation and critical thinking are available in this section.

Physical Resource Management. Offers courses on demand and forecasting management, MRO management, and two series focusing on inventory and sales operations.

Product Development. The most successful supply chains include supply management in the research and development stage of new products. These courses help the individual understand the R&D process better identify required resources.

Quality. Helps individuals gain insight into quality principles and concepts and use the information to communicate more effectively with their suppliers.

Services Purchasing. In some organizations, the nontraditional spend exceeds the traditional spend. Devoting time to understanding the procurement of services will have a positive affect on your bottom line.

Sustainability/Social Responsibility. Features the “ISM Guide to Sustainability and Social Responsibility” course, a number of social responsibility situational courses and *Principles and Standards of Ethical Supply Management Conduct With Guidelines*.

Sourcing Strategies. These courses offer professionals a series on effective supply management, portfolio analysis, supplier evaluation and outsourcing.

Supplier Relationships. Organizations are looking to suppliers for innovation and improved performance. Use these courses to get the most out of your suppliers while maintaining positive relationships.

Supply Chain Management — Concepts and Processes. Features courses on transport planning, forecasting statistics and probability, customer relationships and fulfillment, distribution systems and procurement concepts.

Supply Chain Management — Planning. Done properly, supply chain planning helps companies to plan and integrate supply chain functions across all entities at the execution, operational and strategic levels.

Technology. Includes the popular e-commerce series, e-tools, applications and models, plus several courses focusing on IT and an introduction to management information systems.



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