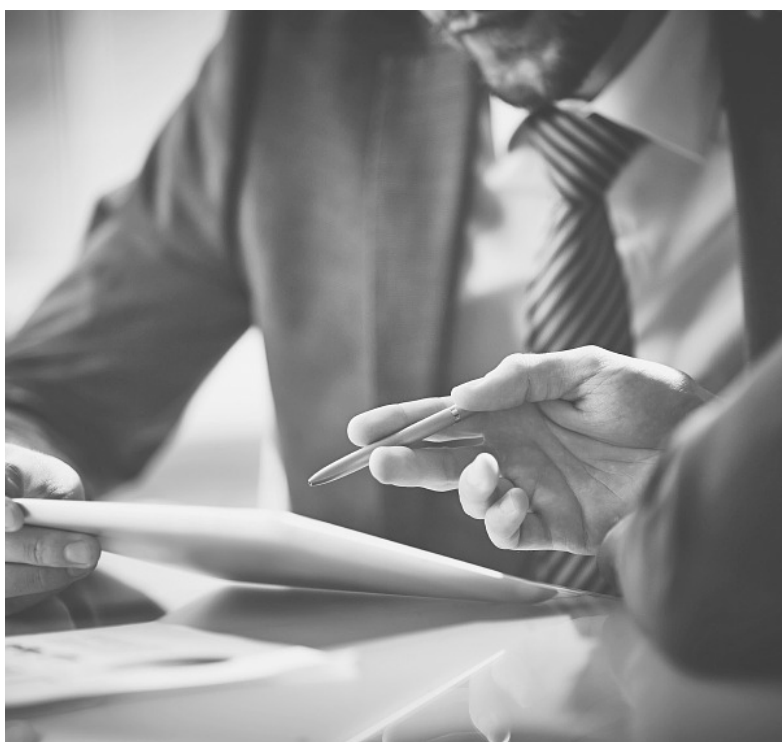




THE ART OF SUCCESSFUL CONTRACT MANAGEMENT

WEBINAR SERIES



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1 Introduction

1.1 Overview

Often, contract management is something that gets thrown at you. Without much explanation of what is required. No training in how you monitor the supplier's performance. No understanding of how to avoid the biggest traps. But you just don't know what you don't know!

That stops today.

You have signed up to our series of seven webinars which will cover everything you need to know to make your contract management more successful.

This course book expands on what we have covered in the webinar series and will give you in-depth explanations for every step of the contract management process.

1.2 Learning outcomes

This course will equip attendees with the skills and knowledge to:

- drive real value for your organisation through effective end to end contract management
- learn what tools, techniques and methods are appropriate to manage supplier performance, relationships and navigate the tricky bits
- unlock the potential of your contract through the power of performance management, supplier relationship management and continuous improvement.

1.3 Who should attend?

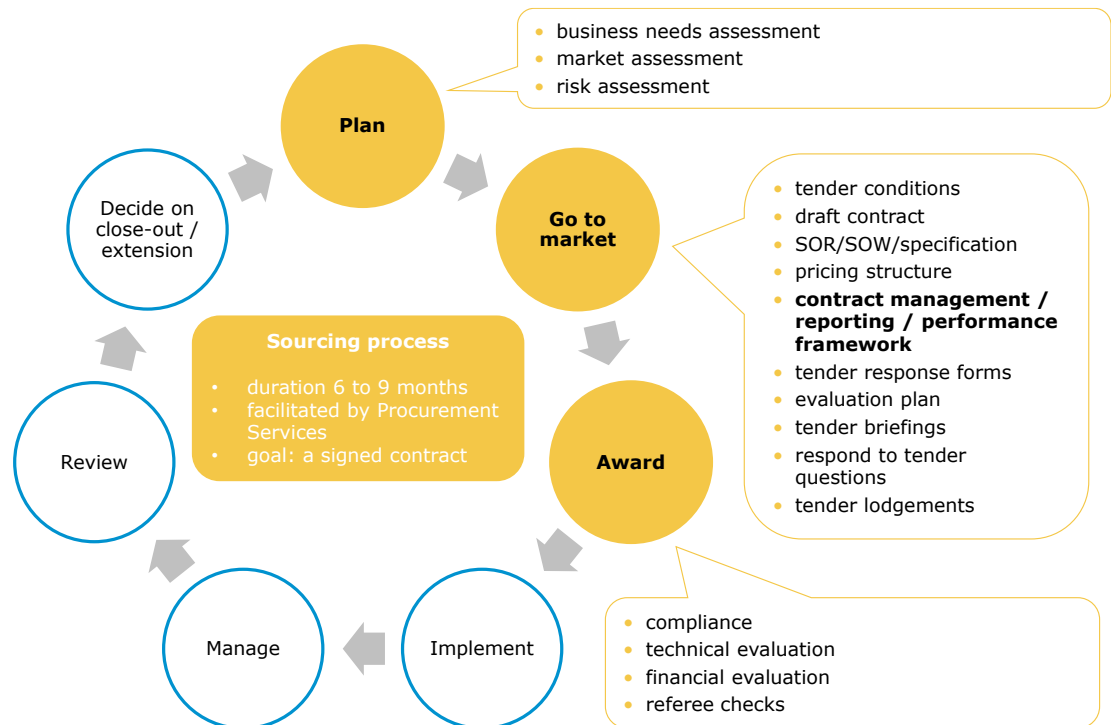
- functional and operational managers who are new to managing external suppliers
- contract managers who are fed up with fighting fires and fixing stuff-ups
- general managers who need to get better performance out of suppliers
- motivated procurement managers wanting to setup more successful contracts.

2 Refresher: sourcing & contract management process

2.1 Contract management as part of the Procurement Cycle

Below outlines the whole of lifecycle approach to procurement. While the foundations for successful contract management are laid during the sourcing process, the management phase typically covers a much longer time horizon (years vs months).

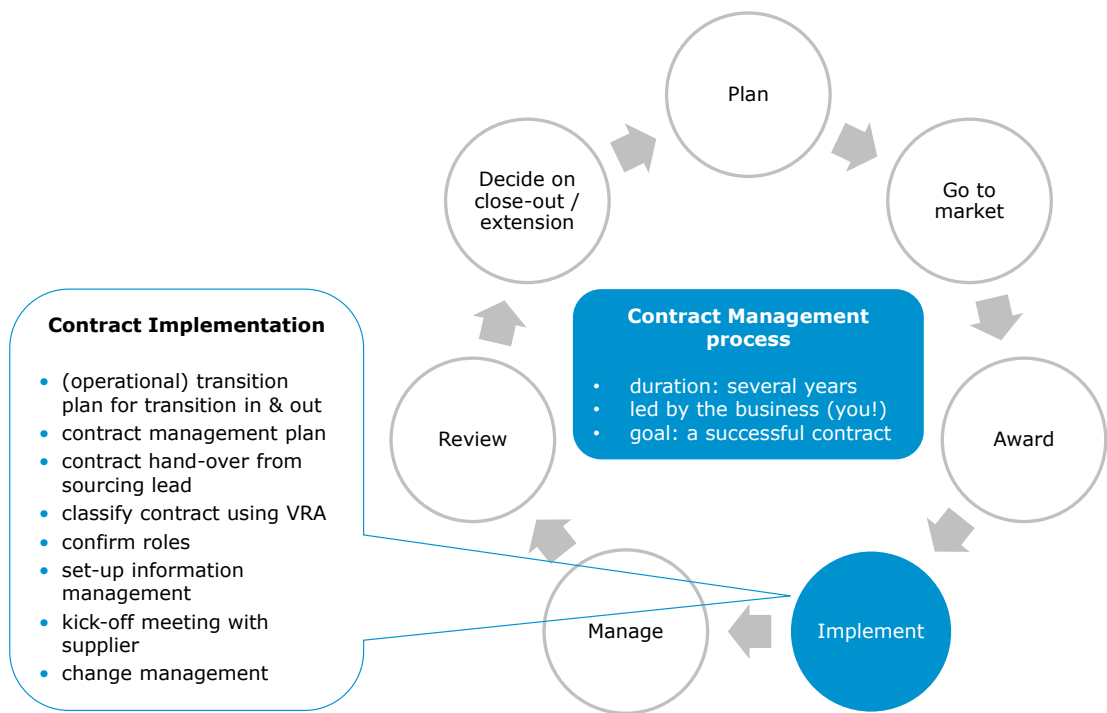
2.1.1 The stages of the sourcing process



2.1.2 Contract management process: Contract Implementation

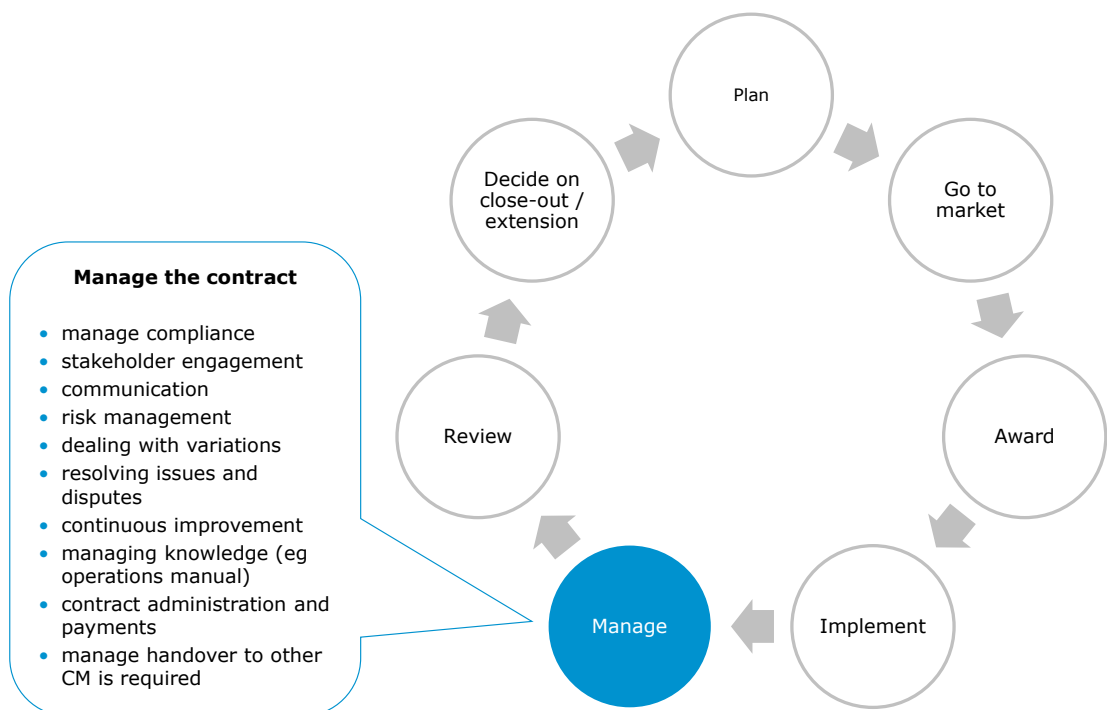
Contract management is the stage of the procurement cycle during which the goods and services are delivered in a manner that satisfies the requirement stated in the Request for Tender (RFT) or agreed Statement of Work (SoW).

During contract implementation, the foundations for a successful contract management are laid as this includes contract management planning.



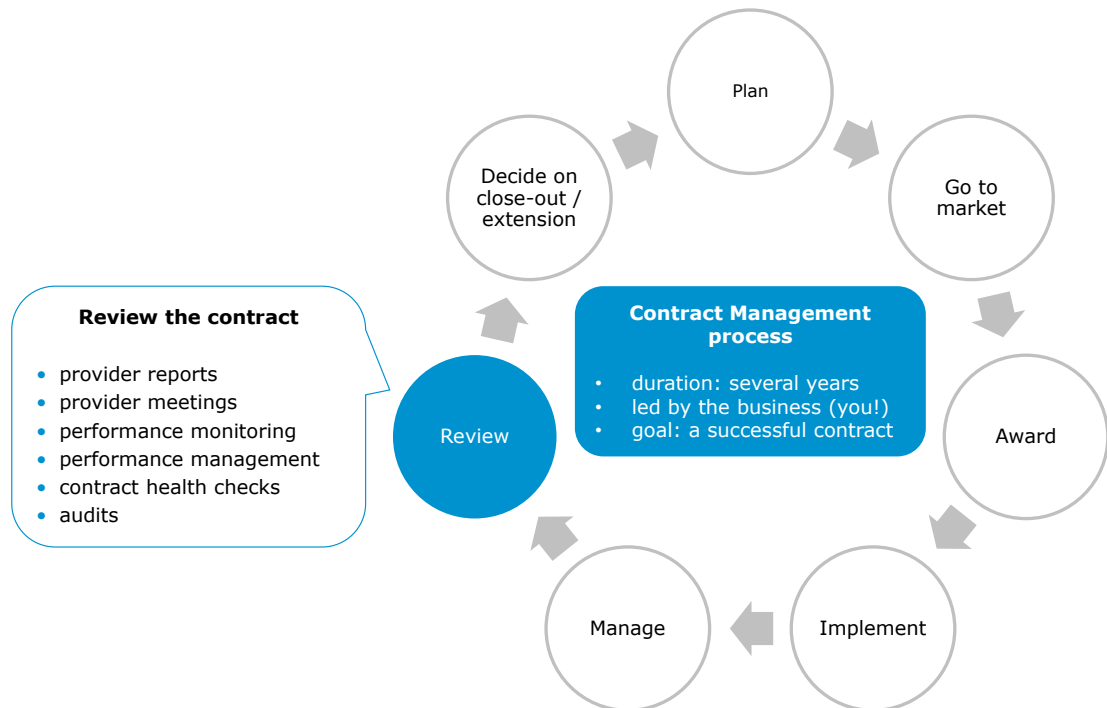
2.1.3 Contract management process: Manage the contract

Managing the contract starts at the commencement date and ends with the last day of the contract term. The Contract Manager (CM) is responsible for these processes to ensure value for money is realised.



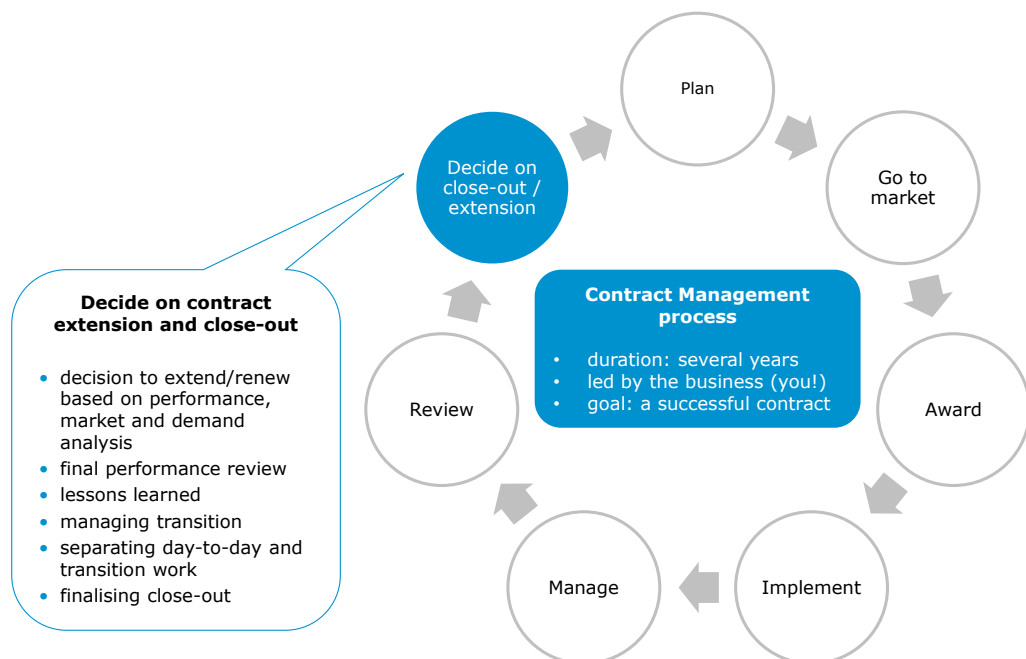
2.1.4 Contract Management process: Review the contract

Reviewing the provider's performance and how the contract is performing against the benefits that were promised during the sourcing process is a critical part in the contract management process.



2.1.5 Contract management process: Decide on extension or close-out

Most contracts and Standing Offer Agreements (SOA) have an expiry date. Planning well in advance if the contract is to be extended or renewed leaves sufficient time to re-procure the services.



2.2 What contract management entails

The below is a summary of the outcomes generated by good contract management.

Can your contract evidence all of these outcomes? Who is responsible for achieving them?

Sourcing	<input type="checkbox"/> subject matter knowledge available to sourcing project
Implement	<input type="checkbox"/> up-to-date plan exists describing how the contract is managed <input type="checkbox"/> appropriate resources have been assigned to manage the contract <input type="checkbox"/> appropriate transition arrangements are agreed
Manage	<input type="checkbox"/> service provider responsibilities are tracked <input type="checkbox"/> delivery of goods and services is monitored <input type="checkbox"/> budget is tracked and payments are approved <input type="checkbox"/> appropriate records are kept
Review	<input type="checkbox"/> performance of the service provider is monitored and recorded <input type="checkbox"/> performance of the service provider is managed appropriately <input type="checkbox"/> relationship is healthy and communication is effective <input type="checkbox"/> variations are dealt with and managed appropriately <input type="checkbox"/> processes are in place to raise and resolve issues <input type="checkbox"/> risks are identified and appropriately managed
Decide on close-out / extension	<input type="checkbox"/> robust and informed decision to extend the contract is made <input type="checkbox"/> timing of the decision does not preclude the option re-procure