Introducing: The Global Standard for Procurement and Supply

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We are living in an age of unprecedented change in the world. Complexity and globalisation are the new norms and robust support from well-managed supply chains is desperately needed to enable economies and businesses to grow and flourish. There have also been too many instances where fraud in food supply chains, modern slavery in the clothing and luxury goods market, and natural events disrupting the flow of goods have dented the reputation of businesses and the world’s economies.

Now in its third edition, the CIPS Global Standard for Procurement and Supply is a comprehensive competency framework that has been developed through consultation with an extensive panel of 3000 practitioners and academics drawn from across the world and representing the diverse sectors and skill sets inherent within the profession.

This short guide will help you and your organisation to make best use of the Standard and will serve to help individuals and teams within organisations to understand the intrinsic value that good practice will bring to their strategic goals, aiding and enhancing organisational and personal performance. It also aims to support and protect standards within disciplines other than Procurement and Supply which may be involved in procurement activity, and to help organisations and individuals find and adopt more inclusive ways to ensure operational effectiveness.

CIPS is dedicated to leading the profession and to helping to evolve procurement and supply professionalism for the future, regardless of who undertakes the associated activity. This ‘How to’ guide and the Standard itself are key tenets to achieving this goal. They are vital free resources that ensure procurement professionals have the most relevant skills and knowledge to cope with volatile trading environments, increasing complexity and the influence of information technology.

This is the first of its kind for our profession and I urge you to make best use of it as we aim to face the new age of procurement and supply with confidence and rigour.

Amanda O’Brien
Group Professional Development Director
The benefits of working with the Standard

Enhance organisational performance

The Standard can be used to produce a detailed analysis by benchmarking procurement professionals against the knowledge and competencies. It identifies gaps in team capability and corresponding development needs, therefore enabling organisations to:

- Contribute to significant savings by putting in place a procurement team development plan.
- Put in place cost-effective, targeted training and development to plug gaps and meet organisational needs.
- Build a cadre of well-trained and motivated staff, reducing turnover and making associated cost savings.
- Provide objective and measurable evidence of effective management in the procurement function to senior managers, the board and shareholders.
- Influence and improve ethical practices in the supply chain through implementing ethical procurement policies and practices across an organisation.

Enhancing personal performance

The Standard can help to identify current competency levels and the knowledge and capabilities needed to move onto the next career stage; this may be particularly useful during a performance review as it enables individuals to:

- Develop and agree a personal development plan to address the gaps identified in knowledge and capabilities.
- Implement the plan, including training, job shadowing and mentoring opportunities.
- Continue to monitor progress against the plan by referring back to the Standard to assess improvement.
Enhance recruitment and performance management

Within each of the five levels of competency described in the Standard – Tactical, Operational, Managerial, Professional and Advanced Professional – we have provided detailed sample job designs online including which capabilities an individual should have at each competency level and providing invaluable guidance in preparing job advertisements, writing job descriptions and carrying out performance reviews.

This guide will help organisations and individuals to understand:

- How an organisation can use the standard to improve procurement performance.
- How an SME can use the Standard to support their procurement function and related activities.
- How an individual can use the standard to improve their performance in the workplace.
- How to write job descriptions and advertisements.

Supporting educational establishments and development

The Standard underpins the CIPS accreditation of over 90 degree programmes with around 60 Universities and awarding organisations globally. CIPS accreditation of a programme constitutes professional recognition of a world-class programme against the current and future needs of the global procurement and supply management profession. Programmes accredited as routes to MCIPS reflect the knowledge and capabilities of the Professional level of competence, while those accredited to Executive Diploma reflect those of the Advanced Professional level of competence.

Members of the Higher Education sector have successfully used the Global Standard as an external point of reference during programme design and modification. The Standard offers an independent and objective perspective, which supports the development, relevance, credibility and quality of learning materials and assessments. It enables educational establishments to:

- Develop world class degree programmes which are benchmarked against the current and future educational needs of the profession.
- Validate degree programmes which are in keeping with CIPS standards of accreditation for MCIPS and Executive Diploma.
- Monitor degree content against the developing needs of the profession, reflected in updates of the Global Standard.
How the Standard is **structured**

The Standard has been developed using five competency levels which have been identified from Tactical through to Advanced Professional. These levels represent the core skills and tasks that individuals should be capable of at each advancing stage of the profession. The knowledge and capabilities can then be identified within the four pillars and eleven themes for procurement and supply.

1. The five levels of competence

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
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<tbody>
<tr>
<td>Tactical</td>
<td>Applies key tasks associated with the work of procurement and supply.</td>
</tr>
<tr>
<td>Operational</td>
<td>Provides advice and guidance to key stakeholders on the performance of organisational procedures and processes connected with procurement and supply.</td>
</tr>
<tr>
<td>Managerial</td>
<td>Develops, improves and fulfils organisational and functional objectives in procurement and supply.</td>
</tr>
<tr>
<td>Professional</td>
<td>Formulates direction and advice, manages change, and leads and influences both internal and external stakeholders in procurement and supply.</td>
</tr>
<tr>
<td>Advanced Professional</td>
<td>Leads procurement teams within an organisation and influences the board to adopt leading-edge procurement strategies and establish best practice. Influences supply markets with innovative sourcing solutions.</td>
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Typical job roles

- **Administrative Assistant, Purchasing Assistant, Contracts Administrator, Stock Controller, Inventory Planner, Assistant Buyer and Assistant Contracts Officer.**
- **Buyer, Procurement Executive, Procurement Specialist, Contracting Officer, Supply Chain Analyst.**
- **Senior Buyer, Chief Buyer, Category Manager, Contract Manager, Contract Officer, Logistics Manager and Supply Chain Executive.**
- **Strategic Procurement Manager, Senior Category Manager, Supply Chain Manager, Head of Logistics and Operations Manager.**
- **Procurement Director, Supply Chain Director, Commercial Director, Head of Sourcing, Chief Procurement Officer.**

Use the Standard online [www.cips.org/careers](http://www.cips.org/careers)
The four pillars and eleven themes for effective procurement and supply are further divided into individual segments of key knowledge and capability.

2. The Pillars

3. The Themes

This granularity of information is key to identifying not only the professional knowledge and capabilities required at the different competency levels, but also how they will be applied to the practical workplace.

Use the Standard online www.cips.org/careers
Using the Global Standard for Procurement and Supply

The Standard can be used to identify the performance level of any individual, anywhere in the world, who has a responsibility for procurement full time or as part of their job role, including those with:

- Day-to-day responsibility for managing the procurement and supply function within an organisation.
- Strategic responsibility for ensuring the procurement and supply function complements and enhances the overall goals of the organisation.
- No dedicated procurement function or a job role that encompasses other responsibilities and professional disciplines, such as administration, project support or finance.
By identifying individual competency levels, the Standard enables organisations to assess how efficiently, effectively and ethically procurement is being carried out.

For private sector organisations including small and medium-sized enterprises (SMEs)
...measuring procurement teams against the Standard can help to improve organisational performance, in terms of cost-effectiveness, compliance with ethical best practice and legislation, and the reputation of procurement in itself with internal senior managers, board members, suppliers, customers and competitors.

For public sector organisations
...the Standard supports the cost-effective and efficient use of funds that is so important for public servants, government ministers and members of the general public, who are anxious to see ethical and good use of public money.

For individuals
...measuring their own knowledge and capabilities against the competency levels in the Standard helps to identify development needs, prepare for performance management or reviews and plan a career development programme.
Development & Recruitment

Putting the Standard into practice

Enhancing organisational performance

Use the Standard to help facilitate a detailed analysis of employees’ knowledge and expected capability by benchmarking procurement and supply professionals against the different competency levels and the associated pillars, themes and segments. In this way, gaps in team capability and corresponding development needs can be pinpointed and addressed, meaning that the organisation can:

- Implement and justify cost-effective, targeted procurement and supply team training and development strategies to plug identified gaps and meet organisational need.
- Build a team of well-trained and motivated procurement and supply staff, reducing turnover and making associated cost savings.
- Provide objective and measurable evidence of effective management in the procurement and supply function to key stakeholders.
- Influence and improve ethical practices in the supply chain through increased knowledge and application of associated policy and practice.

Positive organisational outcomes

Using the Standard as the benchmark for the analytical process, the organisation can:

- Achieve savings through cost-effective delivery of the procurement plan.
- Meet organisational and individual training needs through cost effective, targeted training and development.
- Increase staff retention and make associated cost savings.
- Provide evidence of effective management in the procurement function to stakeholders.
- Influence and improve practices in the supply chain through implementing procurement policies and practices that apply across the organisation.
The STANDARD FOR SMEs

By their very nature SMEs are unlikely to support a dedicated procurement function, but there will be a need within the organisation for an understanding of best procurement practice. The Standard can be used by the SME to:

• Identify who will take responsibility for the key procurement activities within the organisation. This may be a ‘split’ with the CEO having ultimate authority for final decisions, but with day-to-day contract management being devolved.
• Identify what knowledge and capability segment mix is required for the efficient and cost-effective running of procurement activities. The segments may come from different levels in the Standard as the SME may not have a structured and hierarchical procurement function.
• Carry out a realistic needs analysis based on the capabilities required to fulfill the enterprise’s procurement and supply objectives and needs.

The Standard can:
• Be used as a point of reference to measure performance levels.
• Be referred to when assessing development and recruitment needs and required skill sets.
• Offer a wealth of benefits, to large and small organisations and enterprises as well as individuals.

An SME needs to source product materials through a sustainable supply chain. The company may wish to outsource some of its internal services, such as payroll, and needs to understand the cost/benefits of a potential outsourcing process. The company may be a supplier to another organisation and needs to be able to understand the tendering and contracting process in order to meet the client’s needs effectively while maintaining the integrity and sustainability of their own company. The company wishes to ensure that its procurement practices reflect industry best practice and ensure compliance with all legal and ethical requirements.

Positive outcomes for SME

By using the Standard as a means of assessing procurement and supply capability as both a supplier and a customer, the SME can:
• Gain efficient, cost-effective and ethical procurement and supply chain management for the organisation.
• Establish cost-effective, targeted training and development to meet organisational and individual training needs.
• Provide objective evidence to customers of competitiveness in the market to differentiate the company from potential competitors.
• Follow industry best practice within the constraints of operating as an SME.
Improving an Individual’s Performance

The Standard can be used by those working in procurement and supply to improve performance in the workplace and achieve career ambitions. An individual can identify the competency level which they are currently operating at, and the knowledge and capabilities needed to move onto the next stage of their career. It can be used by the individual to:

- Align themselves against the Standard by using CIPS Self-Assessment online and plan their next career move.
- Develop and agree a Personal Development Plan (PDP) to address identified gaps in current knowledge and capabilities.
- Take steps to implement the development process including, identifying opportunities for job shadowing and/or mentoring support in specific areas as well as studying and knowledge acquisition through ‘CIPS Knowledge’.
- Monitor progress against the PDP, by referring back to the Standard to assess improvement and taking steps to address any shortfalls in progress or gaps in knowledge.

Positive individual outcomes

The individual can use the Standard:
- As an objective and constructive means of measuring existing performance against professional benchmarks, providing a supportive framework around which to focus personal development activities.
- To improve performance at work resulting in better motivation and job satisfaction.
- To enhance career prospects both within their current organisation and in the wider procurement environment.

www.cips.org

Positive organisational outcomes

By using the Standard as the benchmark for the review process the organisation can:
- Ensure effective and efficient contract design and risk assessment within the procurement function.
- Develop better-trained and more motivated staff members who will make an effective contribution to the procurement team.

During a meeting with their employer, an individual is given feedback on areas requiring improvement, as well as areas of competence needed for the next stage of their career. The company uses the Standard as a benchmark of best practice, matching each team member’s job description to the appropriate segment from the Standard using the CIPS Self-Assessment online report.
Preparing Job Advertisements, Writing Job Descriptions and Managing Performance

Within the Standard are segments detailing what an individual is expected to know and understand and also what they will be able to do at a given competency level. This provides invaluable guidance in preparing job advertisements, writing job descriptions and carrying out performance reviews. The Standard can be used to:

- Identify the main activities (capabilities) that the individual should be able to perform at a given competency level.
- Prepare job adverts and develop key responsibilities and people specifications for new roles within procurement and supply.
- Develop clear terms of reference for employees involved in the procurement and supply function.
- Identify any training gaps and developmental needs for procurement and supply individuals and teams.
- Provide a benchmark for future performance management and appraisals.

An organisation had an immediate requirement for a Procurement Manager. The main aim of the role was to develop, improve and fulfill the organisational objectives in procurement and supply. The individual was to act as an internal consultant, and a change agent, to influence internal stakeholders. They had to have an extensive understanding of the external business environment and supply markets in which the organisation operates and be able to identify and mitigate the procurement and supply chain risks that the organisation faces. Using the CIPS Global Standard and in particular the sections relating to the Managerial level of competence, the organisation’s recruitment specialist was able to identify the knowledge that a candidate should know and understand, as well as the capabilities that they should be able to demonstrate. Accordingly the Standard helped to produce an appropriate job description and served as a benchmark to develop associated terms of reference and performance expectations for the successful applicant.

Positive organisational outcomes

By using the Standards as the benchmark for the Job Advert the organisation can:

- Ensure that the job description is appropriate for the role and level of responsibility
- Develop a job advert which will attract candidates with the right level of knowledge, understanding and practical capability
- Develop Terms of Reference and Performance Management criteria to provide a benchmark for the new employee to provide a basis for the probationary and subsequent appraisal processes
The Standard online

Developing and planning a professional development journey couldn’t be easier. So far, over 75,000 professionals have used the Standard online to help with career development planning.

Go to www.cips.org/careers and follow the simple steps as illustrated below.

Step 1
Choose your level of competency

Step 2
Choose a theme

Step 3
Choose a segment from the theme

Step 4
Review your chosen segment and follow the related links to CIPS Knowledge, tools and resources to help fill your knowledge and skills gap.
CIPS
Self-Assessment online

Individuals can align themselves against the Standard and plan their next career move.

Using hundreds of live job roles advertised throughout the world, we’ve created over 40 job profiles and mapped each role against the Standard themes and levels. By assessing their own skills and knowledge it helps individuals to truly demonstrate their relevance and increase their value to employers.

Firstly, individuals explore the knowledge and capabilities identified in the Standard then self-assess their own skills against the Standard, create their own profile and measure it against the other procurement job profiles. At the end of the assessment a personalised report will help to create a learning and development plan.

Our online self-assessment is an invaluable free member resource that provides in-depth procurement knowledge and capability analysis that identifies levels of competency to inform future development opportunities.

To self-assess your level of competency we recommend that you read through each theme then select your level based on your understanding. You can then review your job profile to see if it matches your actual competency level.

Dr Gary Ramsden MCIPS
CIPS Head of Education
Development & Standards
About CIPS, the Chartered Institute of Procurement & Supply

The professional body
CIPS, a not-for-profit organisation that exists for the public good, is the voice of the profession, promoting and developing high standards of skill, ability and integrity among procurement and supply chain professionals.

Quality guaranteed
Our qualifications are recognised by OFQUAL in England and regulators in various countries, demonstrating that they meet specific quality standards.

The Global Standard
CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

A commercial organisation
CIPS helps governments, development agencies, and businesses around the world to excel in procurement and supply, supporting them to improve and deliver results and raise standards.

Global Standard freely available
Global membership of 70,000
...in over 150 countries