

Successfully Managing Contract and Supplied Relationships



2 Days



R 6, 575 Ex VAT



JHB

About the Course

With the prevalent business trend of outsourcing non-core activities, as well as the pressure to fast-track projects, the need for superior contract management skills has been thrust into the spotlight. If the proper contract management procedures are not in place misunderstanding and errors can easily creep in, compromising the quality and timely delivery of your company's product or service.

Conversely, selecting the right supplier and managing the relationship according to sound contract management principles will assist you in achieving your targets on time and to the highest degree of quality, no matter what project you are tasked with.

What can you expect to learn

- Increase the chance of smooth delivery by following tried and trusted methods for Identifying and Selecting the best of the Suppliers available.
- Know your rights and gain a clear understanding of Common Contractual Terms to avoid common contracting mistakes and misalignment of expectations.
- Avoid later Time Wasting and Unnecessary Disputes by setting stringent quality requirements at the outset and supporting these with a thorough system of checks.
- Identify and Anticipate likely Contract Risks so that you are able to manage future situations and problems without being caught off guard.
- Consistently select suppliers that will not only deliver the level of service you need, but also aid your organisation in the achievement of your B-BBEE objectives for Procurement and / or Enterprise and Supplier Development.
- Built mutually beneficial, ongoing Supplier Relationships by practicing dealing and solving Routine Conflict in a firm but fair manner.
- Employ Pro-active Contract Administration Techniques to monitor and identify any supplier shortfall before it becomes a problem.

Course Programme - Training Outcomes

Reviewing the Essential Legal Aspects of Supplier Contracting in South Africa

- Adhering to the requirements of the South African legal framework
- Recognising instances where a contract is not considered legally binding
- Knowing the legal status of verbal vs written contracts
- Understanding capacity and authority in signing contracts
- Understanding termination clauses
- When is it necessary to involve a contract attorney?
 - When and how to go about hiring an attorney
 - Briefing an attorney properly so that the contract accurately reflects your requirements

Pro-actively Anticipating and Warding off Some Common Contracting Problems and Issues

- Contract working terms
 - Deciphering “legalese”
 - Exercising simple proof-reading techniques to spot errors that could create loopholes
 - Misunderstanding and ambiguity
 - Clearly defining time in a project (eg. calendar days vs working days)
 - Being specific about equipment or service
- Penalty clauses, breaches, arbitration – are they fair and / or enforceable
- Potential pitfalls to consider when dealing with different types of contracts
- The dangers of using sample or pre-printed documents
- Easily spotting and avoiding unfair contracts
- How to handle subsequent changes in a contract
 - When should contracts be revised?

Identifying, Considering and Minimising Contract Risk Before you Sign and Agreement

- Identifying risk in the tendering phase
- Conducting a contract risk assessment
- Different types of contract risk to consider
 - Pre-contract risk (eg. selecting the incorrect supplier)
 - Technical risk (eg. selecting an inexperienced or inadequately skilled supplier)
 - Financial risk (eg. loss of capital invested / non-payment risk / financial liability)
 - Time frame risk (eg. delivery deadlines / repercussions of missing deadlines)
 - Supplier risk (eg. new vendor quality / trustworthiness / reliability)
 - Post Delivery Risk (eg. lack of product / service guarantee post payment)
 - Risk involved in managing fast-track projects

Effectively Monitoring and Managing Contract Risk Throughout the Contract Life Cycle

- Developing an appropriate Risk Management plan by either managing, avoiding, reducing, retaining or transferring risk
- Monitoring performance and assessing whether existing risk management measures are still applicable
- Noting lessons learned from risk realised, whether planned or unplanned

Course Programme - Training Outcomes

Practical Tips for Managing Ongoing Supplier Relationships Effectively

- B-BBEE and Procurement: Evaluating your suppliers before contracting in order to achieve your B-BBEE strategic objectives
- The importance of implementing Enterprise and Supplier Development and how you can align these to your strategic objectives
- How to go about selecting the correct supplier
- Building trust and developing relationships with your suppliers
- Establishing a communication network that allows for the effective and timely transfer of information
- Engendering a sense of loyalty by tactfully accommodating suppliers when they experience problems

Monitoring and Evaluating Contract Progress and Supplier Performance During the Term of the Contract

- Effectively managing performance contracts / service level agreements
- Establishing and constantly monitoring program milestones
 - Identify possible late delivery (especially for lengthy projects)
 - Financial Management
 - ◇ Fair and acceptable methods of measurement and payments
 - ◇ How to deal with interim payments for fast-track projects
 - Enforcing contract penalty clauses
 - How to handle subsequent changes in a contract
- Implementing regular monitoring procedures to ensure that non-performance risks are kept in check
 - Delay and variance reports
 - Contract Management audits

Contract Completion and Conclusion - Wrapping the Contract up and Identifying Future Opportunities

- Utilising a checklist to ensure all contractual obligations are completed and benefits received
- Managing post delivery contractual obligations and risks
 - Durability
 - Warranty Obligations
 - Future support, supply, maintenance etc.
 - Waiver clauses
 - Confidentiality clauses
- Identification of follow-on opportunities
- Documenting lessons learnt and fine-tuning your contract management approach