PRESENTATION

SPL (added) value

ST WORKSHOP
April 2003

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SPL

ADDED VALUE FOR WHO?

- PROBLEM: WHAT IS PERCEIVED AS ADDED VALUE FOR SOME IS NOT FOR OTHERS

- Some: CERN, division, management, audit, delegations and YOU.

WHAT ADDED VALUE

- Administration and logistics
- Savings
- Adherence to the rules (watchdog)
- Negotiations
- Drafting of text
- Legal aspects
- Follow up

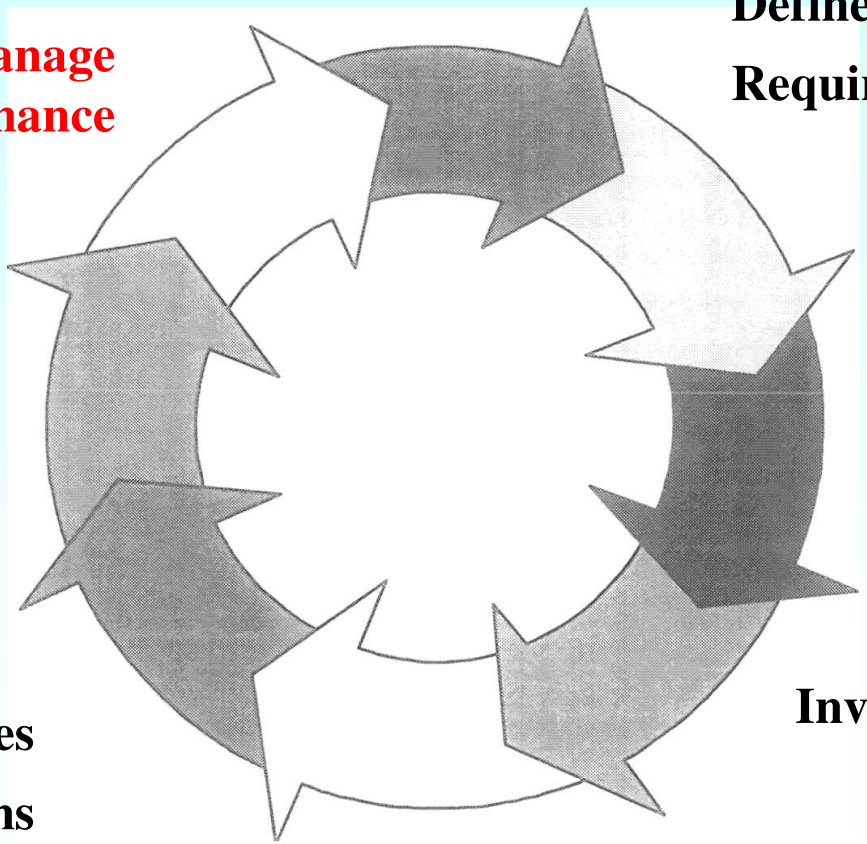
ADDED VALUE FOR YOU

- Administration and logistics (tax)
- Drafting of text
- Legal aspects
- Credibility

- Savings ?
- Adherence to the rules ????

- Negotiations?
- Follow up

The procurement cycle



Follow Up

- Everything goes well >

- Everything does not go well
  - Risk assessment
  - Claims
  - Relation with contractor
  - performance

- PURCHASING IS AN UNCERTAIN BUSINESS AND SO IS CONTRACT FOLLOW UP

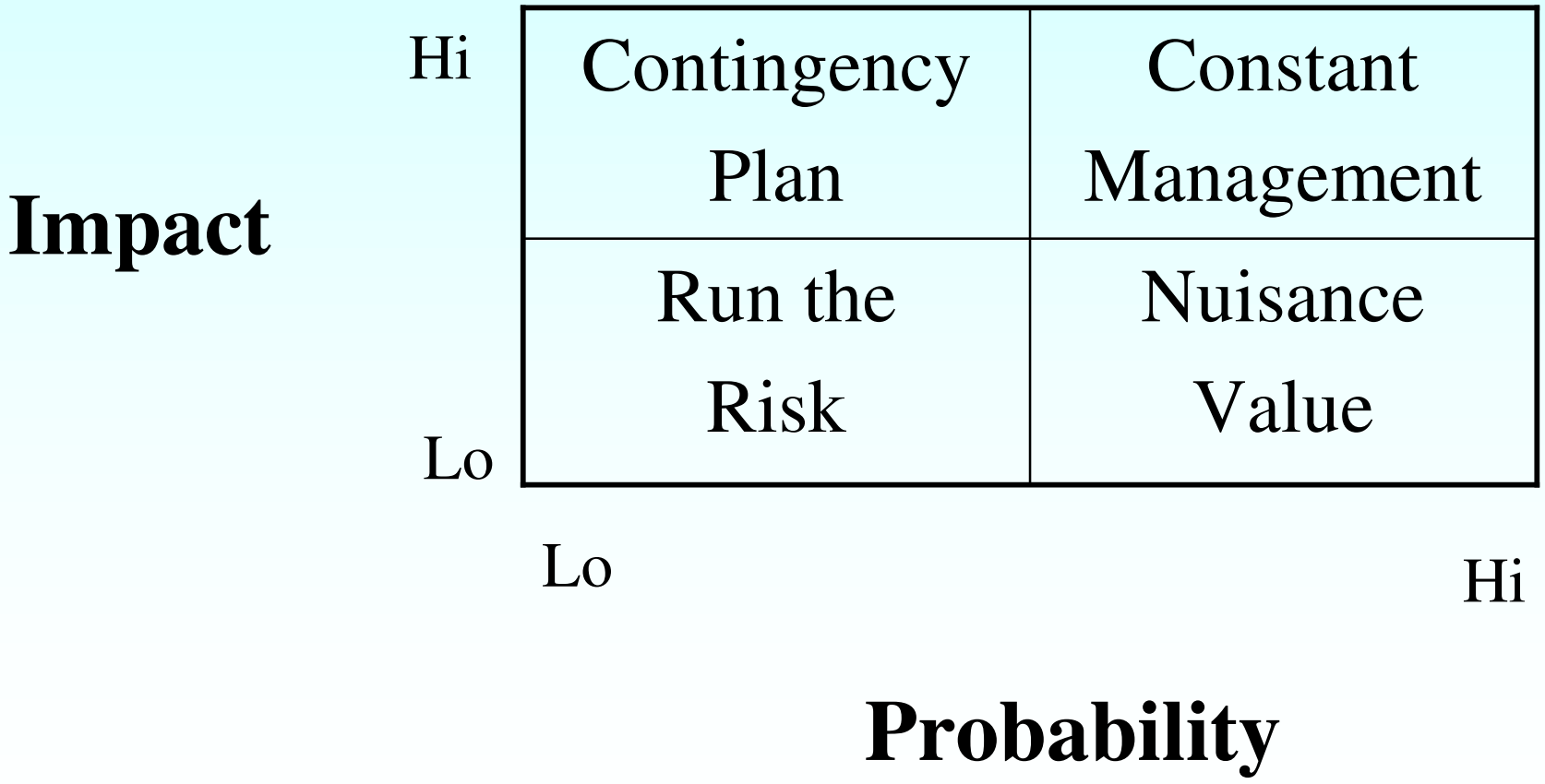
RISK

Risk is function of

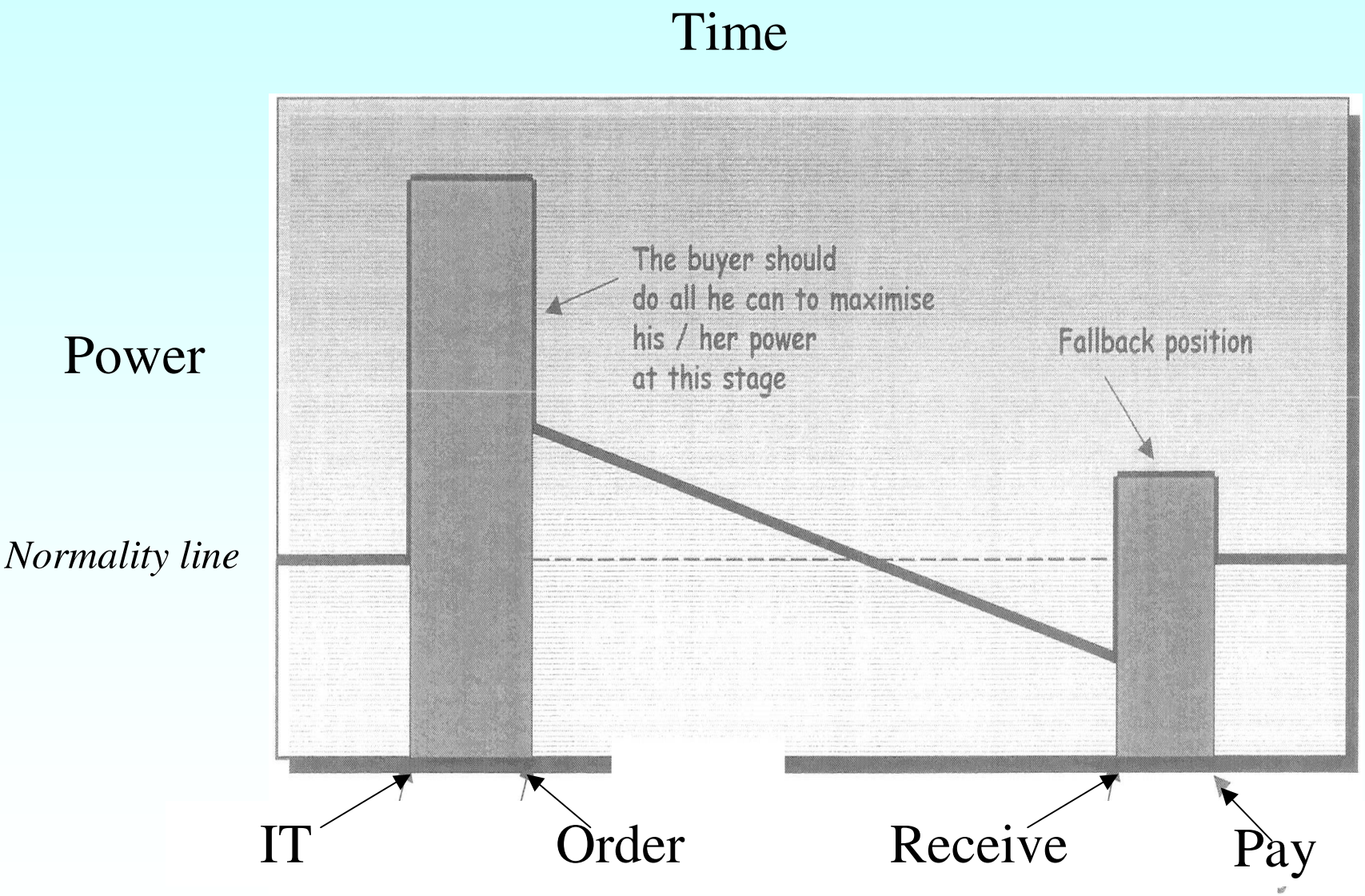
- Likelihood (will it happen)
- Consequences (what if it happens)
- Horizon (when will it be visible)

- => Impact

The Risk Matrix

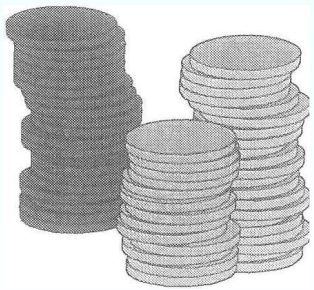


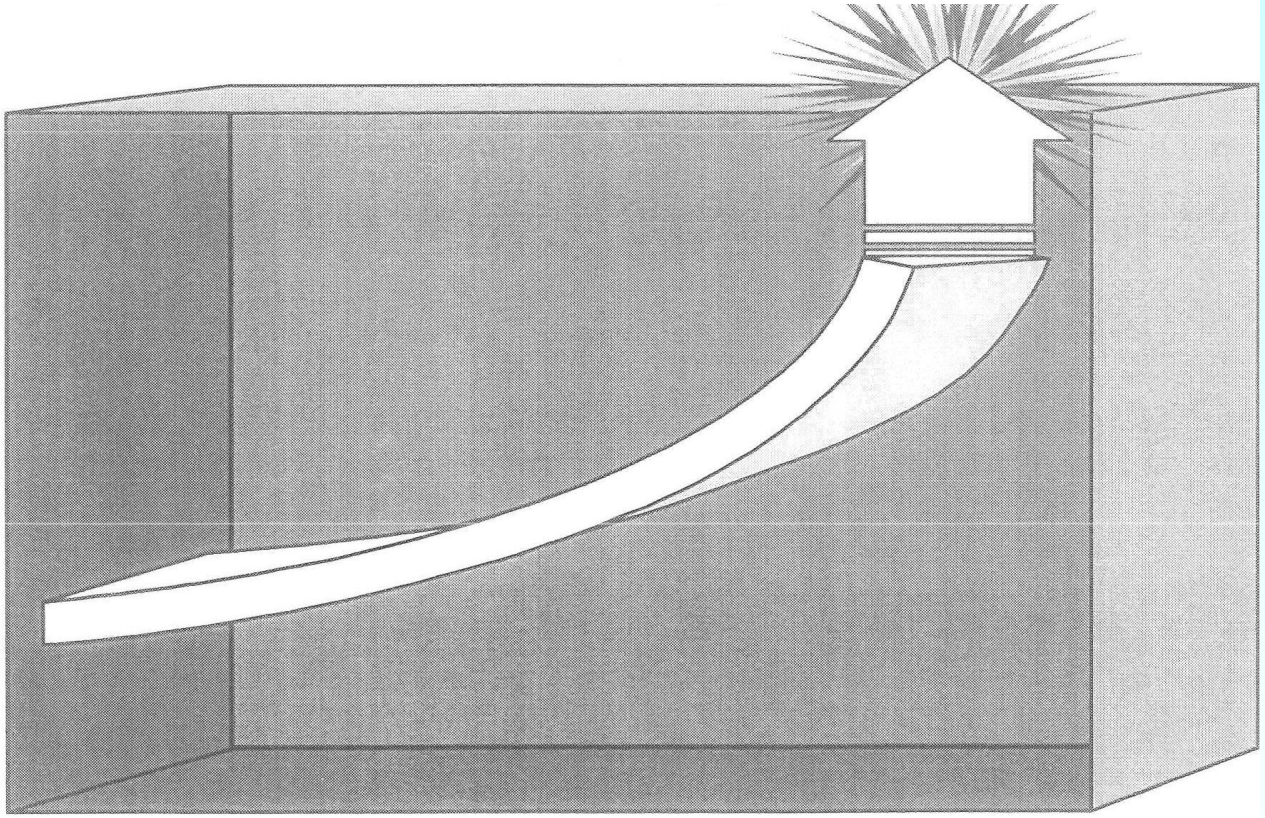
Power in the Purchasing Process



Forcing the Options

Cost





Early Late

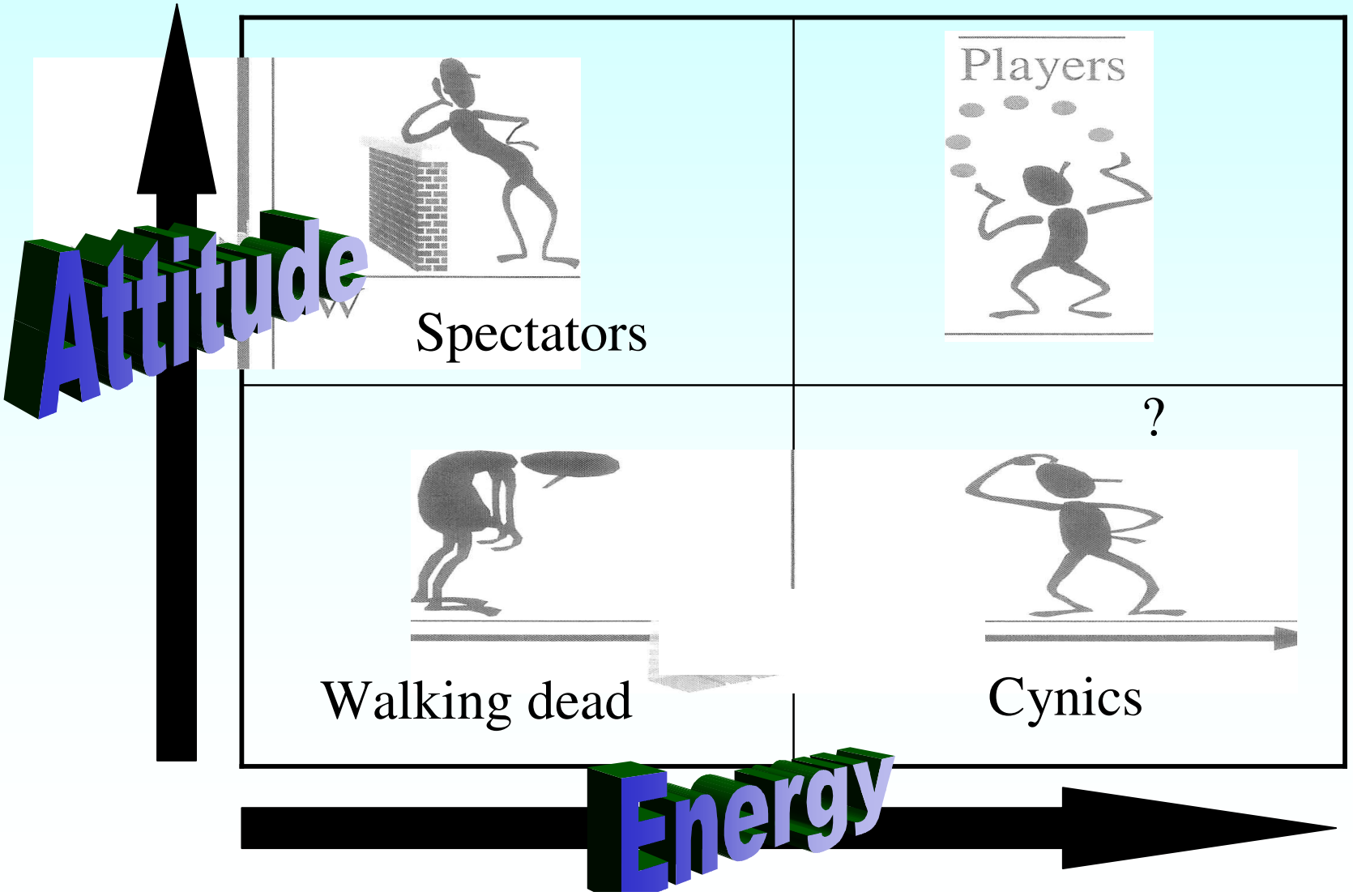
Stage in the Business Cycle

The cost of dealing with problems rises exponentially

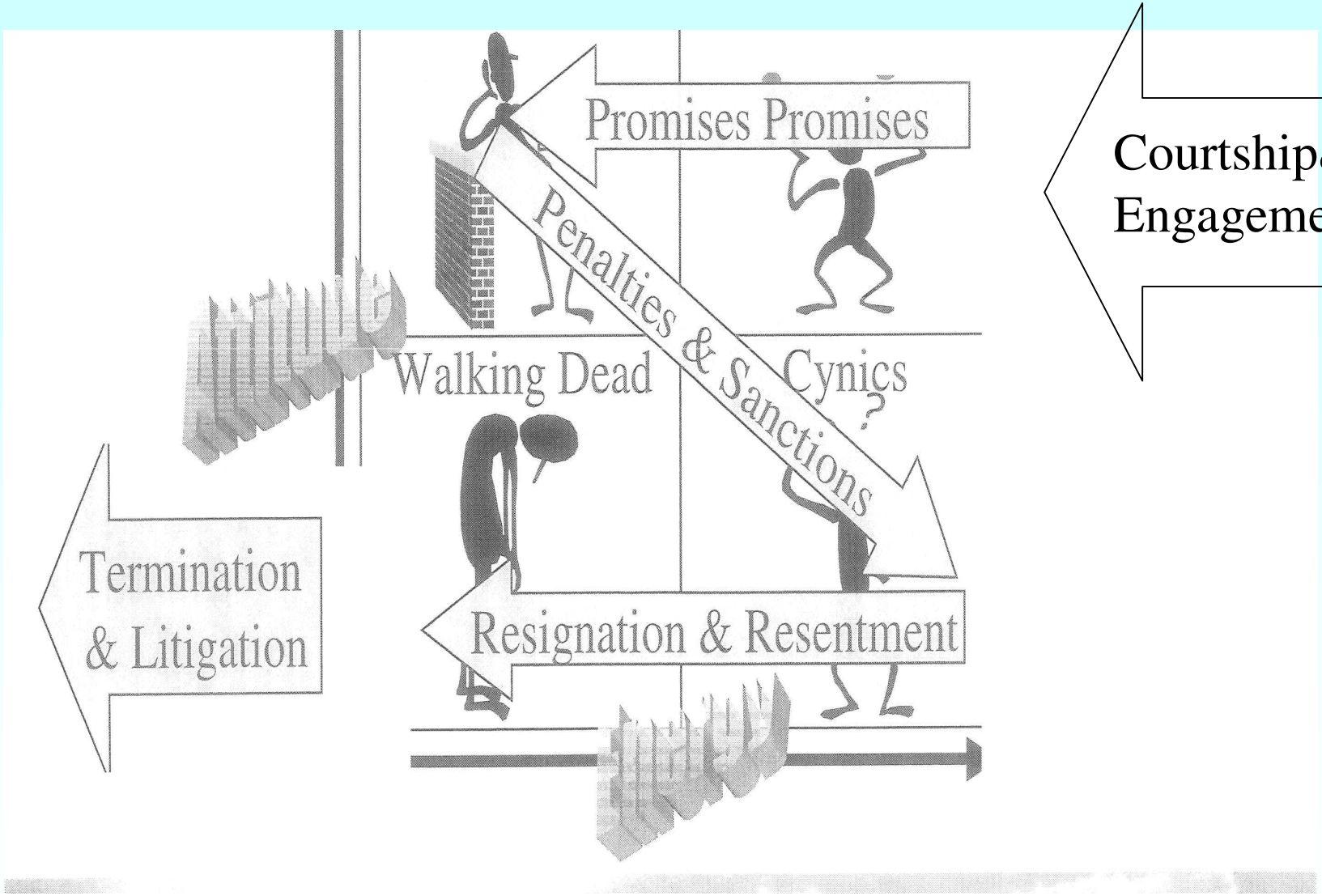
Relation with contractor

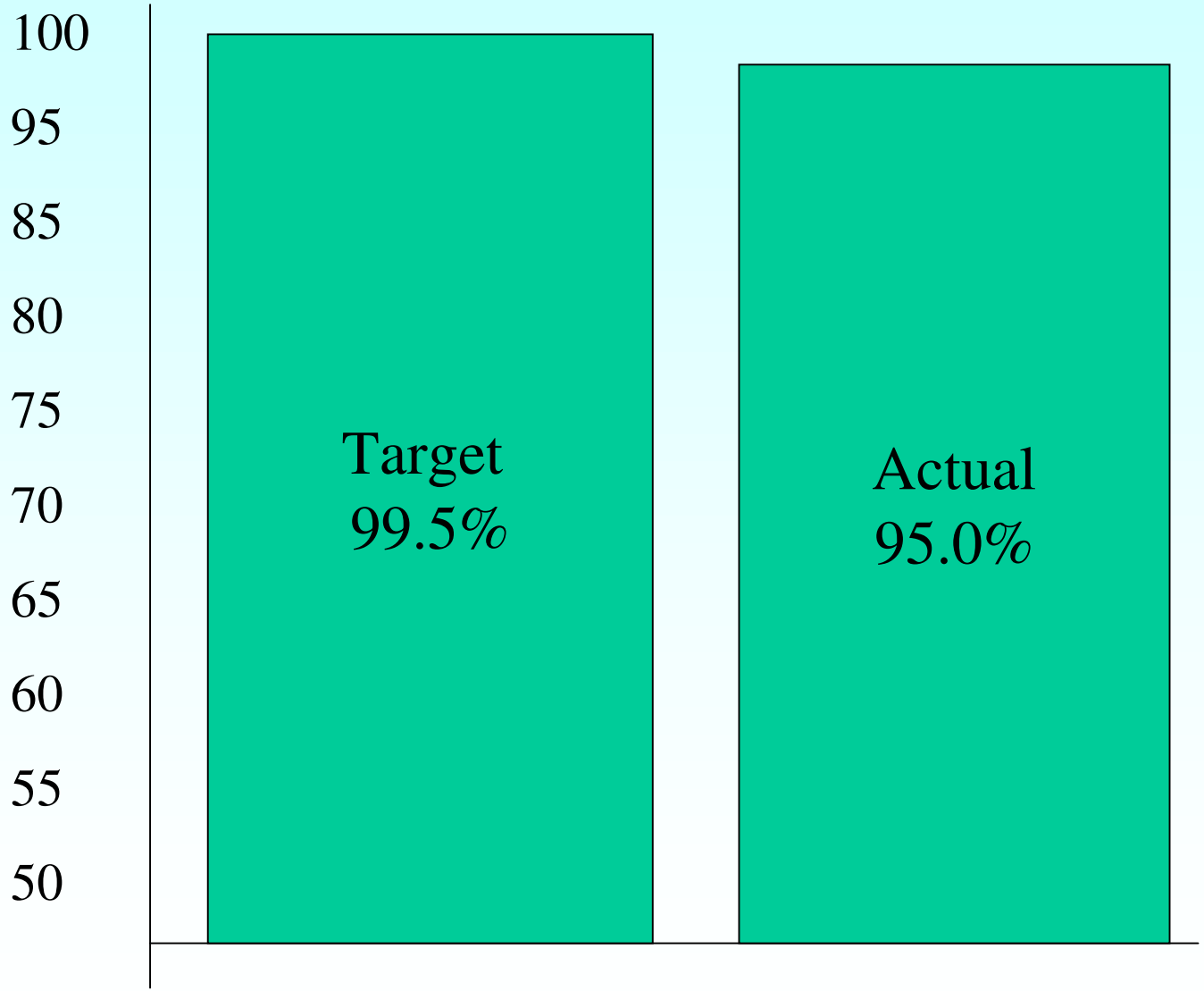
Stockholm Syndrome

The Energy & Attitude Model



The Relationship default



Performance

A matter of Performance