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COURSE BROCHURE

# Purchasing Portfolio and Make-or-Buy Decisions Training Course

19 – 23 July 2027
Paris

# Purchasing Portfolio and Make-or-Buy Decisions Training Course

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Purchasing Portfolio and Make-or-Buy Decisions is a 1-week training course for purchasing managers, buyers and supply managers who segment what their organisation buys and decide what to produce in-house or source externally, ending with a spend area purchasing strategy. Rising input costs, concentrated supply bases and pressure to outsource non-core activity now make these choices visible to finance and operations leaders. Jupiter Prime Training runs this course on purchasing portfolio and make-or-buy decisions.

## Why Purchasing Portfolio and Make-or-Buy Decisions Matter Now

Three groups shape purchasing portfolio and make-or-buy decisions today. Finance leaders want spend linked to organisational goals. Operations heads question which activities should stay in-house. Suppliers in critical categories are consolidating, giving sellers more leverage. An organisation that segments its purchasing portfolio deliberately can concentrate effort on bottleneck and strategic items; treating every purchase alike wastes effort and leaves scarce items exposed. The course rests on the Kraljic Matrix, spend analysis and total cost of ownership comparison of in-house and outsourced options.

## Who Gains Most from Purchasing Portfolio and Make-or-Buy Decisions

- Managers accountable for purchasing strategy across several categories of spend
- Buyers who classify items and suppliers and set sourcing approaches for each
- Supply managers who weigh in-house capacity against outsourced provision
- Analysts who prepare spend cubes and supplier dependency reports
- Category owners in manufacturing, utilities, healthcare or facilities who negotiate with critical suppliers

A purchasing department gains most when buyers and the manager who signs off sourcing decisions attend together and agree one segmentation logic.

## Purchasing Portfolio and Make-or-Buy Decisions Capabilities

Participants turn raw spend into portfolio quadrants and then into defensible insource or outsource recommendations.

- Build a spend cube by supplier, item family and business unit — purchasing priorities
- Apply the Kraljic Matrix to classify purchased items by profit impact and supply risk — sourcing approach per quadrant
- Design a quadrant strategy for leverage, routine, bottleneck and strategic items — category owners
- Calculate total cost of ownership for in-house and outsourced options — the make-or-buy recommendation
- Weigh capability, capacity and dependency factors beyond cost — operations and finance leaders

- Align each spend area with organisational goals and supply risk appetite — executive sponsors

## Key Purchasing Portfolio and Make-or-Buy Decisions Terms

- Purchasing portfolio — The full set of items and services an organisation buys, grouped so that each group receives a fitting sourcing approach.
- Kraljic Matrix — A two-axis model that places purchased items by profit impact and supply risk into leverage, routine, bottleneck and strategic quadrants.
- Bottleneck item — A low-value purchase with few suppliers or long lead times, where failure to secure supply stops operations.
- Spend cube — A view of spend broken down by supplier, item category and buying unit, used to find concentration and fragmentation.
- Make-or-buy decision — The choice between producing a good or service internally and sourcing it from an external supplier.
- Total cost of ownership — All costs of acquiring, using and exiting an item or service over its life, not only its price.

## Purchasing Portfolio and Make-or-Buy Decisions Day by Day

## Day 1: Spend Visibility and Organisational Goals

- Spend Cube Construction — Concentration and Fragmentation Across Suppliers
- Item Family Classification Scheme — Consistent Grouping of Purchases
- Goal Mapping from Business Plan to Spend — Purchasing Priorities
- Supplier Dependency Ratio — Exposure to Single Sources
- Stakeholder Requirement Interviews — Needs Behind Each Spend Area

## Day 2: Portfolio Segmentation with the Kraljic Matrix

- Profit Impact Scoring — Value Contribution of Each Item Group
- Supply Risk Scoring — Scarcity, Lead Time and Substitution Options
- Kraljic Matrix Placement — Leverage, Routine, Bottleneck or Strategic Quadrant
- Supplier Preferencing View — How Suppliers Rate the Account
- Quadrant Validation Session — Agreed Classification With Budget Holders

## Day 3: Quadrant Sourcing Approaches

- Leverage Item Tactics — Competitive Bidding and Volume Pooling
- Routine Item Simplification — Catalogues, Cards and Fewer Transactions
- Bottleneck Item Safeguards — Buffer Stock and Alternative Specifications
- Strategic Item Partnerships — Joint Improvement and Long-Term Agreements
- Supply Risk Register by Quadrant — Mitigation Owners and Triggers

## Day 4: Make-or-Buy Analysis

- Core Competence Test — Activities That Differentiate the Organisation
- Total Cost of Ownership Model — In-House Versus Outsourced Cost
- Capacity and Capability Assessment — Internal Skills, Assets and Volumes
- Outsourcing Exit and Reversibility Review — Dependency and Switching Cost
- Weighted Decision Matrix for Make-or-Buy — Recommendation to Leadership

## Day 5: Practising the Spend Area Purchasing Strategy

- Spend Cube Applied to a Chosen Spend Area — Baseline and Gaps
- Kraljic Placement of Its Items — Sourcing Approach per Group
- Make-or-Buy Case Within the Spend Area — Insource or Outsource Choice
- Implementation Roadmap and Savings Tracking Sheet — Sequenced Actions and Owners
- Spend Area Purchasing Strategy Completion — Board-Ready Recommendation

## Applying Purchasing Portfolio and Make-or-Buy Decisions After the Course

- Rebuild the spend cube for one business unit and place its top item groups on the Kraljic Matrix with budget holders.
- Run a total cost of ownership comparison for one activity now outsourced or performed in-house and present the weighted decision matrix.

## Purchasing Portfolio and Make-or-Buy Decisions Questions FAQ

### What are purchasing portfolio and make-or-buy decisions and why do they matter now?

They are the methods for grouping what an organisation buys and choosing whether to produce or source each activity. Input costs and supplier consolidation now put them in front of finance leaders.

### Which roles gain most from purchasing portfolio and make-or-buy decisions?

Purchasing managers, buyers and supply managers gain most. You benefit most if you set sourcing approaches for several categories or prepare insource and outsource recommendations.

### How do purchasing portfolio and make-or-buy decisions differ from supply chain strategy training?

They focus on what is bought and who should provide it, not on network design, inventory or logistics. You work with spend data, the Kraljic Matrix and cost of ownership models.

## What do you bring back from purchasing portfolio and make-or-buy decisions training?

You bring back a strategy for one spend area, including a make-or-buy case and roadmap.

## Purchasing Portfolio and Make-or-Buy Decisions: The Way Forward

The spend area purchasing strategy gives a purchasing manager one document linking spend, quadrant placement and sourcing choices. Its first use informs which items receive competitive bidding and which receive supplier partnership effort. Buyers, budget holders and finance partners rely on it. After its first cycle, revisit supply risk scores, since supplier markets shift faster than profit impact.