

6/5/2018

Category Plan template

For Category Managers

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(Category Name)

Portfolio: _____

Date Last Updated: _____

Category Manager: _____

Next Scheduled Update: _____

Description: *Briefly describe the product or service and its use at the organization*

Spend

Approximate Spend in Prior Fiscal Year: *in millions of dollars, to two decimals*

Contracts: *List contract numbers and titles associated with prior year spend that's explicitly linked to this category. This list is for reference to identify bundling and consolidation opportunities.*

Spend Analysis Summary: *Briefly describe the methodology that was used for gathering this spend information, the data fields, filters, any crosswalks, data quality, and the date of the analysis.*

Transactions: *Number of annual contract actions associated with this category's spend*

Spend Under Management: *Quantify and qualify the extent of management over all possible spend in this category. Management is indicated by both having category coding attached to data in the procurement system AND an auditable trail to a review process by the Category Manager during planning and prior to award. Also briefly describe the spend not under management, a.k.a. the rogue spend, related to this category.*

Spend Trends: *Describe how the spend has fluctuated over the past 10 years. Describe any dependencies -- internal and external factors that have historically influenced spend. Describe expectations for upcoming needs and activity in this category.*

Projected (next year) Spend: *Quantify the estimated spend likely to be under management in Net Present Value.*

Performance

Performance of Past/incumbent vendors and suppliers: *Discuss any performance issues – both good and bad – of past or present vendors and suppliers.*

Risks and Constraints: *Describe regulatory framework, business constraints, contract administration resources, potential mission risks and other factors that may affect the ability to purchase for best value.*



Market and Landscape

Market Trends: *Describe changes in market structure – mergers and acquisitions, bundling trends, Porter’s Five Forces analysis, vendor cost drivers, technological innovations.*

Market Research Efforts: *List the dates and personnel for recent or ongoing market research studies, RFIs, vendor discussions or vendor outreach efforts.*

Findings: *Summarize any key findings from market research. Link to any internal market intelligence resources for any substantial content.*

Pricing

Current Reasonable Prices: *Describe the best known current unit pricing derived from either zero-cost estimates, benchmarking data or historic spend (indicate which method was used for each). Subdivide units to the extent possible. Also list applicable rates and typical levels of effort. Try to describe a “should cost” information with statistical confidence levels as well as expected regional variances.*

Pricing Type: *Describe common (industry practices and internal practices) methods for pricing this work and the best value considerations associated with each price structure.*

Bundles: *Describe best value opportunities that may be available through an alternate strategy for bundling this work. Are there goods or services that could be bought for a lower price if they were consolidated under a single contract? Are there services currently included with this work that could be unbundled for a better price, such as ExWorks freight, or those that might minimize contractor opportunism, such as scoping and design? Try to justify your ideas with spend data or market findings.*

Vendors

Potential Vendors: *List potential vendors and contact information*

Key Performance Indicators: *List best practice KPIs for this category and describe the extent of their use in past year contracts.*

Constraints to Competition: *Discuss the breadth of competition available, pre-qualification constraints, past year use of unique source awards in this category, and any action or discussion that’s been coordinated with the Supplier Development manager to address these constraints.*

Strategy

Lessons Learned: *Describe contract strategies that have been applied to this category of spend. This discussion should include bundling opportunities/attempts, breadth of award competition, format of technical requirements, level of specificity in requirements, use of contract terms, alliance relationships, quality assurance methods and contract incentive mechanisms.*



Targets for Improvement: Describe the general strategic areas in which this category of spend might be improved to provide best value to the business through contract quality, price, avoidance of claims, disputes and non-performance, and the total cost of ownership of the asset(s).

Category Management Roadmap: Based on the preceding information, this plan should be reviewed annually for opportunities. Initiatives can be planned in collaboration with the Supplier Development or Strategic Sourcing programs. Complete the table below with targeted number of items.

Current Year Category Plan:

Category Plan – CY 20xx

Task	Value ¹	Metric ²	Initiative ³	Schedule ⁴
(add rows as needed)				

Results of prior year category plan: Retain (and paste below) copy of prior year plan. Amend with verified results, commentary on resources that were available to enact plan, schedule drivers, lessons learned, and date of review with supervisor.

Information Sharing

Communications and Change Management

List the proposed date(s), audience and methods for communication of this plan with internal stakeholders (from customer groups, buyers, and leadership teams).

External Networking

Describe any proposed or scheduled initiative by the Category Manager to participate in an industry roundtable, publish a paper to an external venue, or to speak at an externally-attended conference (topic related to Category Management).

¹ Discuss value opportunities – what sort of benefits might be available through changes to this procurement. Possibilities include cost savings, reduction in transaction volume, quality/reliability outcomes, improvements to contract quality or TCO.

² Describe (using subjective and numeric qualities to the extent possible) how this value can be measured

³ Describe the proposed initiative to achieve this value. The initiative may include a market research effort, accelerated standards review, bundled RFO, recompetes, establishment of a vendor pool, development of an IDIQ, a modification of the specification/SOW or contract terms, a chartered strategic sourcing project, a supplier development effort, revision of internal process or policy revision.

⁴ List relevant dates -- when this effort will begin; milestones; final assessment of value or progress)

