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An MBA for Commercial Executives: developing Commercial and Contract Management skills and competencies

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In 2008 Manchester Business School (MBS) in association with IACCM launched a suite of programmes, which included a specialised MBA for Commercial Executives, delivered using blended (distance) learning. To ensure that these programmes met the requirements of the commercial and contract management community, and engendered appropriate skills and abilities, MBS and IACCM surveyed IACCM's worldwide membership to obtain their views on the proposed content of the MBA for Commercial Executives. This article presents the findings from that survey.

Established in 1965 as one of the UK's first business schools, Manchester Business School has developed a reputation as a leading centre for management teaching and research. The School is a pioneer in the use of blended learning, combining self study with face-to-face workshops and IT support systems. Its MBA is accredited by the Association of MBAs (AMBA), the Association to Advance Collegiate Schools of Business (AACSB International) and the European Quality Improvement System (EQUIS), and was ranked 4th in the UK, 10th in Europe and 22nd in the world in 2008 by the Financial Times.

An MBA for Commercial Executives

MBS's specialised MBA for Commercial Executives has been designed specifically to address the needs and aspirations of practicing commercial and contract executives; comprising a unique blend of general management and commercial-specific modules. It provides an opportunity for delegates to reflect on both the theory and practice of management within a commercial context. Further, it has been designed to be practical and relevant to the specific needs of commercial and contract managers who support the demand or supply side of an organisation, or both, and to managers across industry sectors. While equipping executives for a high-level career in commercial and contract management, the programme retains the broad management focus that defines an MBA.

The programme is designed around eight core MBA modules and four specific commercial modules, plus an Industrial Group Project (6,500 words) and a Personal Project (10,000 words).

Core MBA Modules:

Business Information Systems (BIS)

e-business etc. e-business, decision support & enterprise resource planning, information technology components, global electronic marketplaces, virtual organisations

Financial Management (FM)

Financial management: financial policy modelling, cost management of working capital, corporate finance & valuation (investment appraisal), financial markets

Accounting: principles of financial accounting, management accounting & control (the principles & cost of revenue measurement cash forecasting)

Managerial Economics (ME)

Management objectives & stakeholder value: the stakeholder firm, profit maximisation, managerial theory & models of behaviour, the agency model

Cost leadership: economic organisation, concepts of production, JIT, supply chain management

Strategic rivalry & the competitive strategies, strategic pricing, strategic reactions

competitive process:

Marketing Strategy (MS)

Customer values: communicating values (advertising, selling & marketing), delivering values (perceived service quality & customer satisfaction), customer retention

Marketing research etc. Marketing research & information systems, segmenting markets

Creating values: analysing competitors & creating competitive advantage, competitive marketing strategy, managing products/services, developing new products/services, pricing strategy

Organisational Behaviour & Human Resources (OB&HR)

Leadership etc Leadership, management style, motivation, decision making, team working

Organisational change etc Organisational change, culture design, development, learning, structure

Communication etc Communication, conflict, power & politics, cross cultural aspects

Project Management (PM)

Principles: project, programme & portfolio management, PM bodies of knowledge, PM maturity, project success criteria, planning & controlling projects, business case, benefits, change, configuration, issues, quality, stakeholder & risk management, & auditing

Processes: defining the project mission, establishing, managing, delivering & closing projects

Techniques: product-based planning, quality reviews, project assurance etc.

Strategic Management (SM)

Competitive environment: activity chain, five forces framework, key factors for success, competitor analysis

Corporate level strategy: corporate styles, financial position of the firm, multi-business portfolio analysis, routes to build the corporate

Implementation: leadership & the strategic planning process, corporate styles, parenting advantage, balanced scorecard, studies in excellence, management of change

Supply Chain Management (SCM)

SC & business strategy: SC & value creation, SC systems complexities, integrated SC, SC linkages

SC design concepts: alliances & partnerships, strategic purchasing & sourcing, JIT, continuous replenishment systems, locations, warehousing & packaging

SC implementation & control: communication & IT, e-commerce & internet issues, servicing concepts & value chain, global SC management

Specific Commercial Modules:

Commercial & Contract Management (C&CM) – a double module

Principles: C&CM, C&CM bodies of knowledge, C&CM maturity, C&CM success criteria, value creation, relationship management

Process (demand-side): requirement identification, requirement specification, solution selection, asset/service procurement, contract management, asset disposal/service termination

Process (supply-side): opportunity identification, opportunity development, proposition identification, proposal development & submission, project implementation/contract management, asset disposal/service termination

Techniques: procurement management, bid management (procurement of resources, estimating, bid strategy, pricing policies, risk & uncertainty, producing the proposal), drafting & negotiating contracts, contract management (cash-flow, relationship, risk & value management, performance measurement)

Law & Ethics in Global Business (L&E)

Legal facilities: general approaches, private property rights, contract rights and obligations, intellectual property rights

Litigation etc Litigation, arbitration & ADR

Government regulation:	compensation, agency action, competition law, consumer protection, environmental law, employment & labour law
Risk Management (RM)	
Risk and uncertainty:	sources and types of risk, evolution of risk management, risk management at the corporate, strategic business & project levels
Process:	tools and techniques, mechanisms for corporate, strategic business, & project risk assessment

Figure 1: Content of the MBA for Commercial Executives

Relevance of content to commercial and contract management practitioners

Those topics considered by the commercial and contract management community to be highly relevant were related to the proposed specific commercial modules (subject areas): Commercial & Contract Management, Risk Management, and Law & Ethics in Global Business, plus Organisational Behaviour & Human Resources. While those topics considered to be relevant were associated with the core MBA modules: Strategic Management, Project Management, Financial Management, Managerial Economics, Supply Chain Management, Business Information Systems, and Marketing Strategy.

In descending order, those topics considered to be:

- **highly relevant:** were C&CM – Techniques, RM - Risk and uncertainty, L&E - Legal facilities, RM – Process, OB&HR – Communication etc, OB&HR – Leadership etc, C&CM – Principles, C&CM – Process (supply-side), and C&CM – Process (demand-side).
- **relevant:** were L&E - Government regulation, PM – Principles, OB&HR - Organisational change etc, SM – Implementation, L&E - Litigation etc, PM – Processes, FM -Financial management, SM - Competitive environment, ME - Strategic rivalry & the competitive process, SM - Corporate level strategy, MS - Creating values, MS - Customer values, SCM - SC design concepts, FM – Accounting, ME - Management objectives & stakeholder value, SCM - SC implementation & control, SCM - SC & business strategy, BIS - e-business, ME - Cost leadership, and PM – Techniques.
- **neither relevant nor irrelevant:** was MS - Marketing research.

Global relevance

The survey revealed a high degree of homogeneity based on the respondents’ regional location, with significant differences found in their responses to only three of the 30 topics areas: C&CM Process (supply-side), L&E – Litigation etc. and L&E - Government regulation. The content of the MBA is considered, therefore, to be appropriate for delegates irrespective of their global location.

Functional relevance

Regarding the programmes applicability to those who support the demand, supply or both (supply and demand) sides of organisations, again there was a relatively high degree of agreement in the responses to the survey irrespective of the function undertaken by the respondents. Where differences did occur, these were linked to the peculiarities of the function, for example, the obvious link between procurement and demand side processes, and supply chain management. The content of the MBA is considered, therefore, to be appropriate for delegates irrespective of their C&CM function.

Prior experience and length of involvement in C & CM

No significant differences were found in any of the topic areas between subgroups based on prior education. However, some differences were revealed between subgroups based on length of involvement in C&CM; these appear to show a similarity in the responses of those with the least and most experience, concerning the perceived importance of C&CM and PM processes. Additionally, those with 5-10 years experience seem to perceive Project Management as being less relevant to their role.

Skills and abilities

Respondents were asked to rate 40 skills and abilities, comprising both 'soft' core skills (individual and interpersonal processes and behaviours) and task specific competencies believed to underpin the contract and commercial management role. Those skills and abilities considered to be highly important (in order of importance) were: negotiation, communication, analyse & manage risk, understand business objectives, contract management, problem solving, commercial awareness, think logically, manage relationships, influence others, analytical, manage conflict, take a broad perspective/think laterally, collaborate, work in cross functional teams, and draft contracts.

Analysis of the responses enabled the items to be subdivided into core and secondary/additional skills, plus core and secondary competencies:

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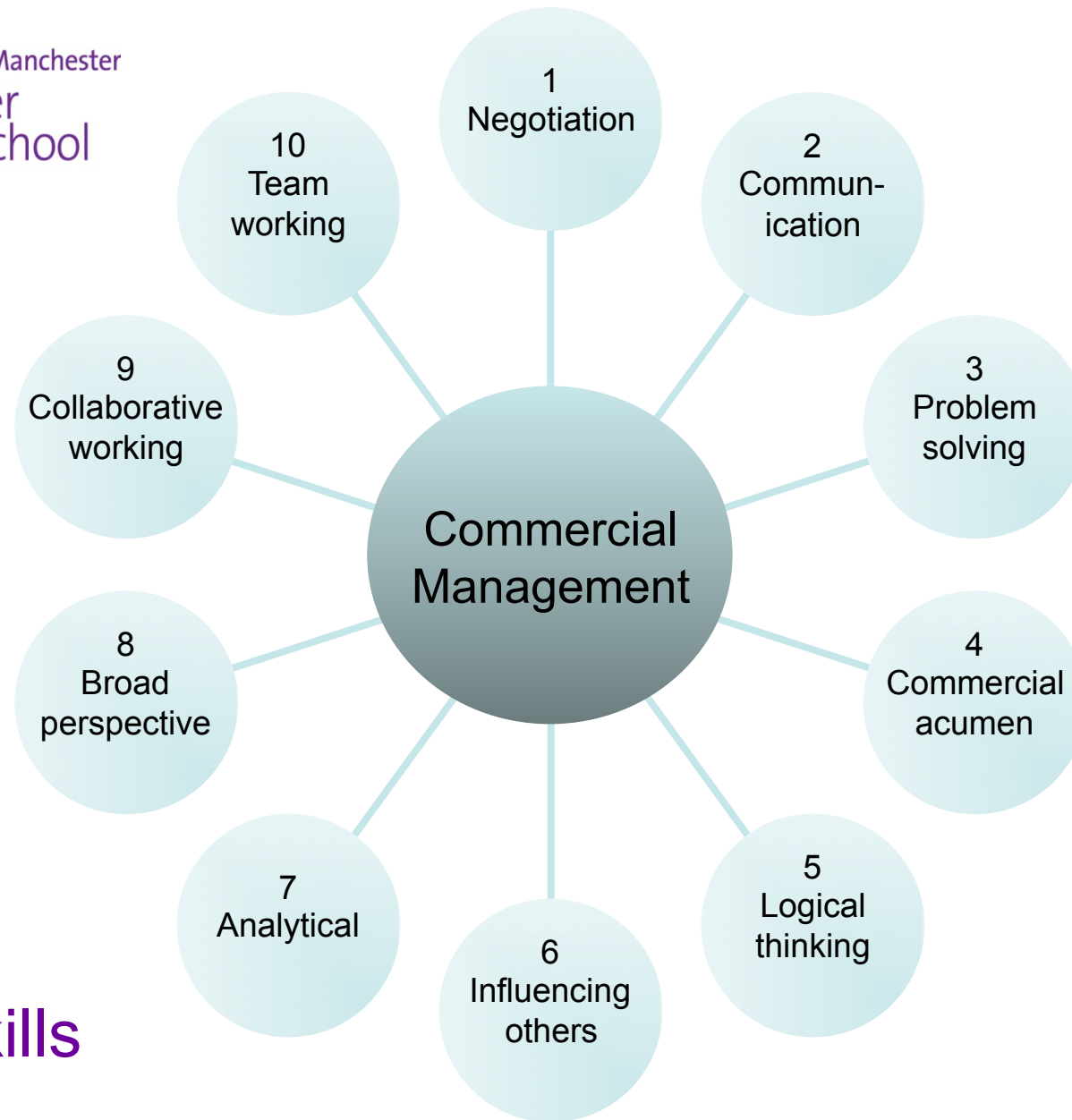
These results are generally consistent with previous IACCM surveys, although the list of potential skills and abilities used in this current survey was considerably more extensive.

The main area of divergence in this survey is the relatively low importance given the skill/ability to: manage documents, numerical (math skills), subdivide work into packages, manage cash flow and IT. These skills and abilities had been found to be important to commercial manager working within the UK construction sector. Further items considered to be of moderate important were: develop new business, use CM/Sourcing software, and marketing. Additionally, it is interesting to note that 'leadership' was only rated as a secondary/additional skill, considering the functions aspirations to provide a strategic role within organisations.

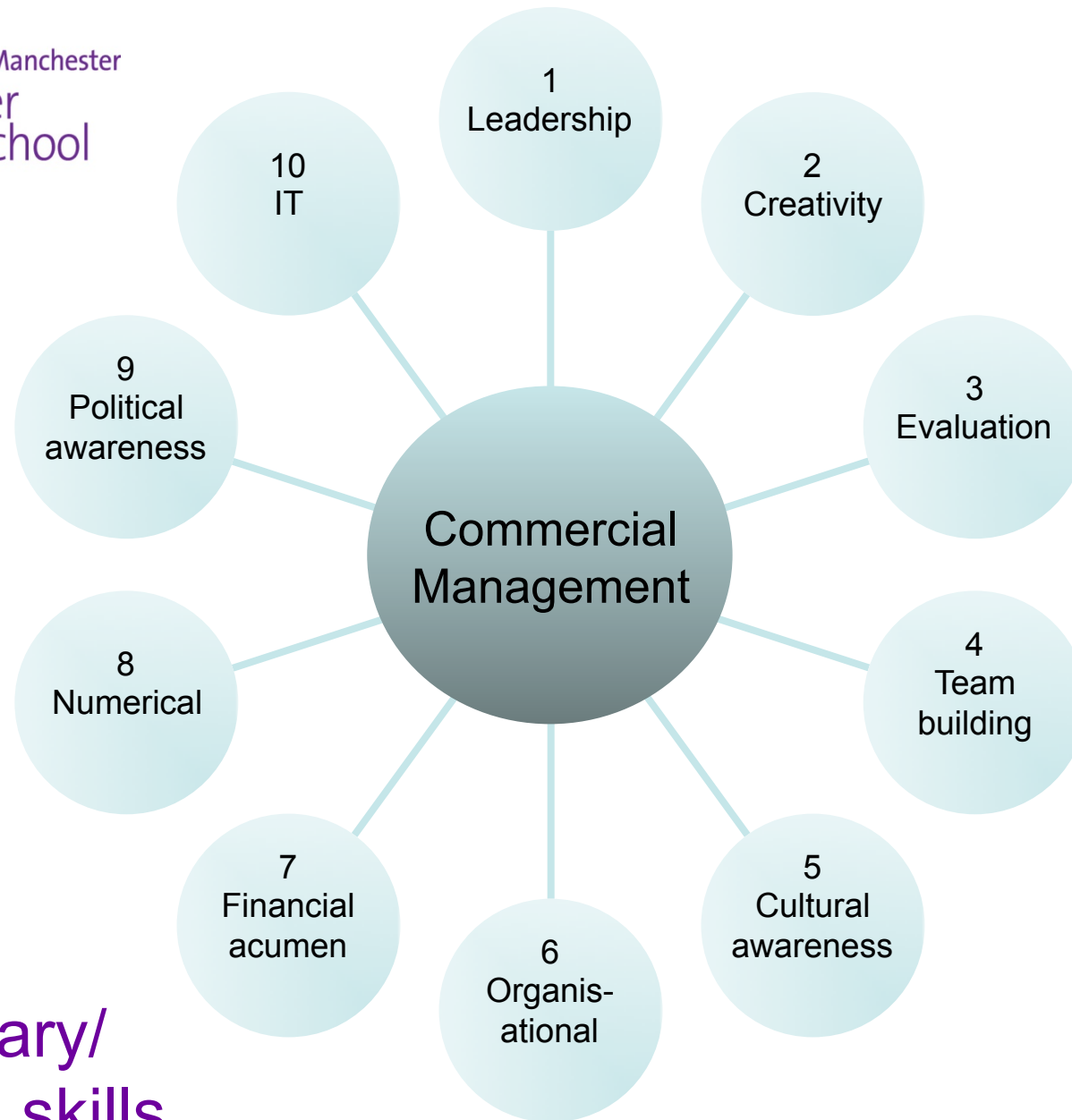
As with the content of the MBA for Commercial Executives, tests for differences between subgroups based on the regional location of the respondent, function/type of contract professional, level of academic qualification, and length of experience in C&CM revealed a relatively high degree on commonality in the subjects' responses. This was particularly true for regional location and prior education of the respondents. In terms of the relative importance of the skills and abilities between the different functions represented in the sample, the differences that did occur are generally consistent with the roles undertaken by the different functions. Finally, the results indicate that those with the least experience (particularly those with less than 5 years experience) consider the skills/abilities associated with bidding, building teams, project management, marketing, IT, manage documents, use of CM/Sourcing software and think logically to be more important than those with longer experience. These task perhaps being more pertinent to their current commercial role.

Will your Company help you Acquire the Skills for the Future?

A previous IACCM survey found that while 42% of the respondents thought that their company would help them acquire the skills they need for the future, a further 42% were unsure that their company would and 16% considered that their company would not help them. It also established a clear positive relationship for both job satisfaction and career path with support from the organisation in the acquisition of skills and knowledge and in providing clear and meaningful rewards for high performance. Organisations should consider introducing (or enhancing existing) mechanisms that recognise and reward high performance and enable staff to acquire new skills and knowledge.

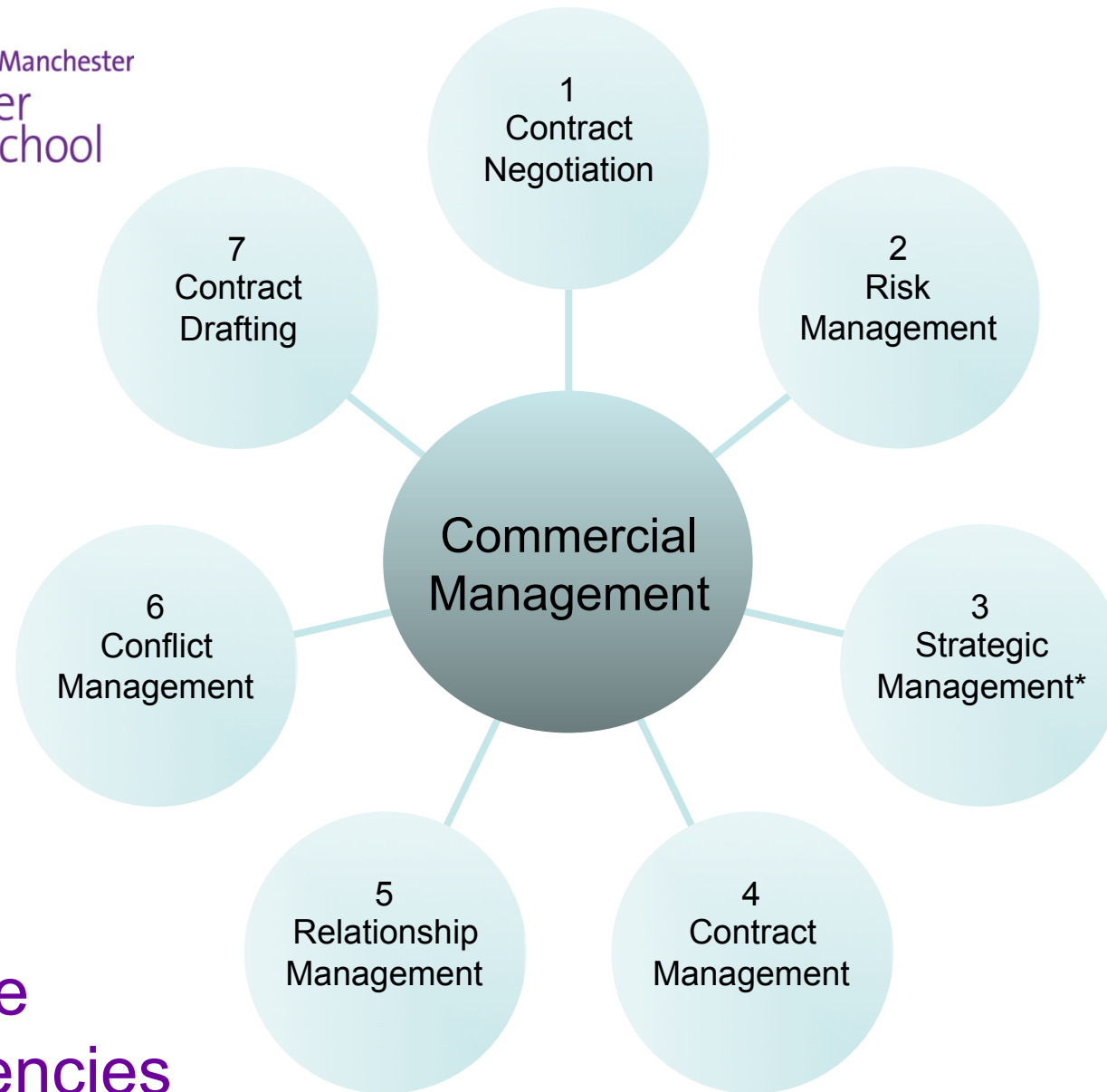


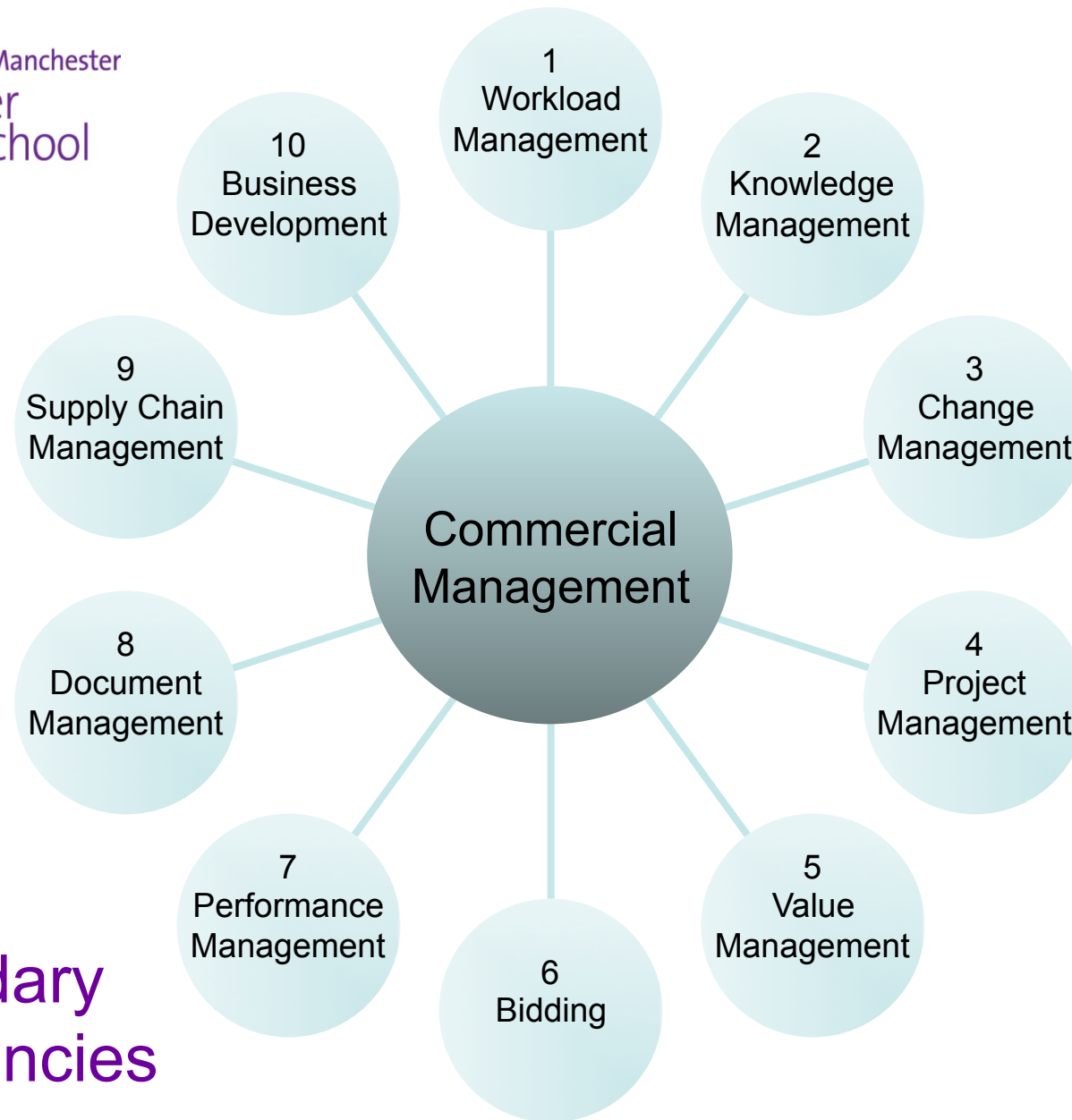
Core skills



Secondary/ Additional skills

Core Competencies





Secondary Competencies