

Subject : Cost Management

# Workshop : Strategic Cost Management

## Program overview

- 2 hours e-learning
- 2 day classroom

During this workshop a cross-functional team will identify improvement areas for cost management together with the supplier. Using a detailed process analysis on specified cost areas the team will be able to investigate cost management options and define concrete improvement plans and follow-up actions.

## Target Audience

### **This program is intended for:**

- multifunctional teams, with representatives of the both purchasing and supplying organization seeking to gain a better understanding of the specific supply chain's cost structure and which want to define plans to manage these costs. The team should have detailed knowledge of the processes at both supplier and purchasing side, have access to financial data concerning these processes and be able to have a strategic view on the entire process. Ideally such a cross-organizational team consists of six (max 8) candidates.

## Objectives

### **Through this program participants will be able to:**

- identify the major cost improvement areas within the supply chain;
- have insight in the supply chain processes;
- make a cost breakdown of the major cost elements;
- develop and implement strategies to optimize cost management within the intra and inter-organization processes;
- develop a written cost reduction plan in order to achieve both short and long-term goals;
- to prepare and execute the cost reduction strategy development process.

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Content: E-learning, 2 hours

1. Introduction World Class Excellence Framework (MSU)
2. Strategic Cost Management

Content: Classroom, 2 days

- Preparation.
  - ◇ Team composition
  - ◇ Joint development of targets
- Identify major improvement areas
  - ◇ Identify priority cost area(s)
  - ◇ Process mapping
- Cost breakdown
  - ◇ Brainstorm on cost breakdown
  - ◇ Identify cost influencing factors based on potential for influence and impact on cost element
- Develop cost management strategies
  - ◇ Brainstorm on potential cost management strategies
  - ◇ Prioritize strategies
- Develop and implement action plans
  - ◇ Specify actions & deadlines
  - ◇ Assign accountabilities
- Follow up
  - ◇ Schedule regularly monitoring

1. Preparation

2. Identify major improvement areas

3. Cost breakdown

4. Develop cost management strategies

5. Develop and implement action plans

6. Follow-up