

Knowledge is power, and this particularly applies to a detailed understanding of a supplier's costs. This workshop provides delegates with the ability to analyse & manage costs across the supplier base.

Focus: Developing advanced cost management skills and knowledge
Duration: 2 days

Participants: Procurement professionals looking to develop their capabilities

Training method: Interactive course using simulations and category based exercises

Course Content

The main topics covered in the programme are:

- Price versus cost, the need to manage cost not price
- Purchase Price Cost Analysis (PPCA)
- PPCA for materials
- PPCA for labour
- PPCA for overheads (including freight)
- Target costing
- Supplier price models and how to challenge them
- Total cost of ownership analysis
- Supply chain analysis
- Applying cost management with suppliers
- Trading off costs and value

Course Benefits

At the end of the course delegates will be able to:

- Differentiate between price and cost approaches and understand why they should manage costs
- Build a detailed PPCA for a category of spend, for both direct and indirect materials
- Develop a target cost model for a component or service
- Understand all the elements included in a total cost of ownership analysis
- Recognise the different approaches that suppliers take to pricing their goods and services
- Apply the knowledge in different ways with suppliers to take costs out of the supply chain