

# STRATEGIC COST REDUCTION & MANAGEMENT IN SUPPLY CHAIN AND PROCUREMENT

30 - 31 MARCH 2020, KUALA LUMPUR, MALAYSIA

## OVERVIEW

Having continuous productivity and operational improvement plans is a very essential part of any manufacturing organisation. When the proper systems are in place, enterprises can enjoy the benefits of a well-managed bottom-line.

Given the dynamic nature of the many uncertainties involved from managing the entire chain. Many companies find it necessary to upgrade the skills of their staff in order to capitalize on this opportunity. Having staff that is able to use their creative juices for day to day productivity improvements and also use their ability to problem solve serves to support an organisation better in its drive to be an effective organisation.

This special program focuses on cost reduction and savings that will enable working professionals to analyse their current costs and identify opportunities to deliver the best value outcomes through the use of objective and realistic methodologies and techniques.

## OBJECTIVES

1. Derive a roadmap to continuous cost reduction.
2. Select the right techniques for a given specific situation.
3. Have a greater understanding of savings and how to measure them.
4. Set out a step by step approach to define where the savings opportunities are.
5. Review and have a better understanding of the different types of costs.
6. Exposure to multiple cost reduction tactics and techniques at workplace.
7. Have better control over maintenance costs to derive savings.

## TARGET AUDIENCE

Staff and Managers who have a direct responsibility in deriving strategies for cost reductions and cost savings. This may cover those from **supply chain, procurement, contracts, inventory, sourcing, operations and engineering.**

### TRAINING APPROACH

Where appropriate, activities will include the following:



LECTURES



FACILITATED GROUP DISCUSSIONS

### ACTION PLAN

At the end of the course participants will create a cohesive supply chain cost reduction & management strategy based around both their areas of responsibilities and overall goals of the organizations.

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## COURSE OUTLINE

### DAY 1

#### SETTING THE STRATEGIC DIRECTION

- The Strategic Planning Process and Models
- Porter's 5 Forces Model
- PEST Model (Political, Economic, Social, Technological)
- SWOT Analysis (Strengths, Weaknesses, Opportunities Threats)
- Routes to Competitive Advantage
- Price, Cost and Value
- Essential Cost Drivers
- Key stages in cost management

#### DRIVING PRICES DOWN - UNDERSTANDING AND MANAGING PRICE

- Supplier Pricing Models
- Kraljic Supply Positioning Model
- Methods of Price Analysis
- Price Reduction Activities in Procurement

#### DRIVING COSTS OUT - SUPPLIER ENGAGEMENT AND COST ELIMINATION

- Cost-Volume-Profit Analysis and Breakeven Analysis
- Fixed and Variable Costs Defined
- Checking supplier value
- Profit and Risk sharing

### DAY 2

#### TACTICS APPLIED FOR COST MANAGEMENT

- Analyzing the Spend Profile
- Developing the ABC Analysis
- Value Analysis and Value Engineering
- Business Process Reengineering
- Total Cost of Ownership
- Early Procurement Involvement
- Commodity Planning
- Waste Elimination
- Economies of Scale
- Marginal Costing
- JIT
- VMI

#### INVENTORY MANAGEMENT STRATEGIES FOR COST SAVINGS

- Methods to Reduce Manufacturing Lead Time.
- Regular Safety stock Reviews.
- Management of Aging Inventory.
- The case for a more Accurate Forecasting.
- Develop an Optimal Maintenance Strategy
- Managing the High-Cost supplier

#### MORE COST REDUCTION TACTICS

- Cost Reduction by Design
- Lean Production Cost Reduction
- Overhead Cost Reduction
- Standardization Cost Reduction
- Quality Cost Reduction

#### ACTION PLAN & WRAP UP





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## TRAINER PROFILE



### Shailesh Maganlal CPIM (APICS)

Shailesh has over 30 years of accomplishments in senior management positions covering Supply Chain, Organizational Development & Design and Continuous Improvements. His career stretches from the refining to electronics and manufacturing. He possesses a wide range of knowledge in business management, supervision, planning, leading and organizing primarily in supply chain operations.

From a career that started in Palm Oil refining, Shailesh moved up and worked in such diverse MNC's like National Semiconductors, Sipex Corp, Exar Corp, Intersil Corp and Atmel Corp.

At his last company, he was in Atmel's Global Planning organization with 4 major business units under him contributing US\$1.1B in revenue per year. Over the years he has managed portfolios with up to 200 staff.

Among others, his experiences lie in managing and coordinating cross-cultural teams in the Asia Pacific, the US, Europe and Canada while working in matrix organizations. He has participated and executed extensively cost-cutting measures, transferring operations from the US to local sites and also organizational designs.

His passion though relies on building people skills through training and coaching. His sessions are always filled with live examples of personal experiences. Known as an excellent communicator and dynamic leader, he is able to effectively engage his audiences. In addition, he is known to 'get down into the trenches' as the needs arise whether it involves observing how inventory is kept, moving around a manufacturing plant and warehouse.

Shailesh uses the ability to inspire people to greater achievements. His simple, creative style make learning fun and easy to comprehend and apply. He has a reputation for a motivational way of teaching, mentoring and coaching which makes participants excited to go back and implement what they learned from him.

## SOME OF SHAILESH'S CLIENTS

