



Supply Chain Short Courses



OBJECTIVE

The objective of this course enable participants use Cost Analysis to make improved sourcing decisions. Hands-on team exercises and discussions will help embed the knowledge.

WHO SHOULD ATTEND

This course is designed for procurement professionals with 2-3 years of experience.

COURSE DATES

- OCT 24th, 2020
- DEC 10th, 2020 (Next Run)

THE FACULTY



Dr. David Gonsalvez
CEO & Rector,
of MISI

Dr. Gonsalvez is the CEO & Rector at MIT Global SCALE Network's Malaysian Institute of Supply Chain Innovation. Prior to this he was Director of Supply Chain Strategy for General Motors Global Purchasing and Supply Chain.

Please note: Faculty is subject to change.

Procurement Fundamentals: Total Cost Analysis

Program Code: (R/345/7/0208)(07/2022)
MQA Code:(MQA/FA 2296)

INTRODUCTION

Often procurement decisions are still made on piece costs ignoring supply chain and other indirect costs. In the world of global sourcing such decisions can end up being very expensive mistakes. In this course, the focus is on developing the skills to correctly evaluate total landed costs (TLC) and estimate total costs of ownership (TCO) if applicable.

PROGRAM CONTENT HIGHLIGHTS

What is TLC, TCO, and Present Value?

- Learn the fundamental concepts of TLC and TCO as well as the basics of net present value analysis.

Methods of Cost Analysis

- Learn how to obtain the data required for cost analysis from stakeholders and also review techniques such as product segmentation

Cost Drivers and Volatility

- Learn how cost driver models can be used to improve procurement of material and how to manage commodity price volatility.

Simulation (peer-to-peer learning)

- Teams will be asked to analyze and apply TLC and TCO to specific sourcing situations involving cross-border shipments and present their solutions.

NEXT STEPS

Learn more and apply
misi.edu.my/scsc

Talk to our
Marketing Executive
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Total Cost Analysis

Procurement Fundamentals

Schedule

DAY 1

Session	Topic	Description
Session 1	What is TLC, TCO, and Present Value?	This session will define the fundamental concepts of TLC and TCO as well as the basics of net present value analysis. Examples will be presented to illustrate common sourcing errors from incorrect cost analysis and how to avoid them
Session 2	Methods of Cost Analysis	This session will discuss how to obtain the data required for cost analysis from stakeholders. It will also review techniques such as product segmentation and ABC analysis.
Session 3	Team exercises	Teams will be asked to analyze and apply TLC and TCO to specific sourcing situations involving cross-border shipments and present their solutions for critical evaluation by faculty and peerarnng)
Session 4	Cost Drivers and Volatility	Cost driver models can be used to improve continuous procurement of material. This session will illustrate how cost driver models can be developed for significant commodities. The impact of price and demand volatility on multi-period sourcing decisions as well as risk mitigation for volatility will be discussed