



Supply Chain Short Courses



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 on how cost driver models can be used to improve continuous procurement of material.

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.

OBJECTIVE

The objective of this course is to deliver Total Cost Analysis to participants on how to apply TLC and TCO to make improved sourcing decisions through hands-on team exercises and discussions.

WHO SHOULD ATTEND

This course is designed for all levels with atleast 3 years experience will particularly benefit from this program.

COURSE DATES

- MAY 15th, 2019

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. From 2010-2014, he was the Executive Director in charge of MIT's Zaragoza Logistics Center (ZLC) in Zaragoza, Spain. For four years in a row from 2011 to 2014, ZLC has been ranked as the best Logistics education program in Spain.

Please note: Faculty is subject to change.

NEXT STEPS

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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 peer learning)
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