

PROCUREMENT COST REDUCTION PROCESS

- Commodity Engineering.
 - Technology.
 - Industry Information.
 - Manufacturability.
 - Supplier Proc Capability.

COMMODITY MANAGEMENT

- Matl Acq Cost.
 - Cost Margins.
 - Industry Data.
 - Transportation.

COST ENGINEERING

- Cost Estimate.
 - Material Cost.
 - Tooling.
 - NRE.
 - Labor Cost.

SUPPLIER

- Supplier Specific Cost Estimate.
 - Process Times.
 - Labor Rates.
 - Cost Structure.

COST ANALYSIS BEST PRACTICES

- Benefits of “should Cost” Process.
 - Resources to Maintain Decrease With Time.
 - Achieves “Value Pricing”.
 - Enhances Understanding of Cost Driver Sensitivity to Performance Requirements.
 - Permits Value Engineering.
 - Enhances Supplier Relationship Through Continuous Improvement .

PROCUREMENT COST REDUCTION PROCESS

- Strategic Avoidance Through Early Involvement.
 - Cost Estimates On Conceptual Designs.
 - Value
 - Reconcile Design Cost Against Cost.
 - Targets
 - Sourcing and Design Input.

PROCUREMENT COST REDUCTION PROCESS

- Tactical Cost Reduction on Current Programs.
 - Quantity Cost Reduction Opportunities.
 - Combining Resources at all levels.
 - Data-based Negotiation.
 - Benchmarking.

PROCUREMENT COST REDUCTION PROCESS

- Competitive Product Analysis.
 - Quantity Feature and Function.
 - Comparisons Between Competitive Products.

PROCUREMENT COST REDUCTION PROCESS

- Summary.
 - One Procurement Voice.
 - Early Involvement.
 - Long-Term Strategic Supplier Relations.
 - Leverage Your Company.
 - Benchmark.
 - Share Best Practices
 - Communicate.