

Resisting Price Increases and Implementing Cost Improvement Initiatives

Course ID: PERCH09



September 23-24, 2019 (9:00-17:30)
Chicago, USA



Program Introduction

Cost Improvements Initiatives, when properly implemented, have resulted in dramatic reductions in cost and significant improvements in productivity across the entire organization. As in all initiatives, success is dependent not only on an awareness of the potential opportunities, but more importantly the knowledgeable implementation of the ideas, processes, and techniques that should be utilized.

This seminar focuses on Resisting Price Increases and Cost Improvement Initiatives and the many savings methods that have been used to reduce cost over the life of the product or service and across the entire supply chain.

Learning Objectives

Upon completion of this seminar, participants will know:

- ⊗ How to be on the “Road to World class” in savings initiatives
- ⊗ 6 steps to resist Price Increase for purchased goods and services
- ⊗ Understand processes for data mining
- ⊗ Be given the criticality of the ABC analysis and to use it to save time
- ⊗ 42 ways Procurement has been reducing cost
- ⊗ 6 step process for developing a purchase price index for your organization
- ⊗ 12 important supply management competencies for achieving savings
- ⊗ Receive a procedure for reporting cost improvements
- ⊗ 10 major elements that need to be in a Strategic Sourcing Plan

Personal Impact:

Attendees will gain by participation in this program as a result of:

- ⊗ Increased skill sets in finding savings opportunities
- ⊗ A greater sense of professionalism
- ⊗ Learning more methods cost improvement
- ⊗ Greater ability to lead continuous improvement programs
- ⊗ Increased recognition by the organization due to improved performance

Organizational Impact:

The organization will benefit by:

- ⊗ Reduced cost of Purchased material
- ⊗ Reduced cost of Purchased services
- ⊗ Improved Supplier Performance
- ⊗ Higher Productivity of Purchasing & Contract Personnel
- ⊗ Greater strategic focus of those involved in Supply Management

About the Program Leader



Robi Bendorf has over 35 years of purchasing and sales experience, involving domestic and international activities, for a broad range of manufacturing and service businesses. He has extensive experience in consulting & training in purchasing, contracts, reengineering the supply management process, the management of procurement functions, global sourcing of materials and components, reducing cost of purchased materials and services, and negotiation of complex transactions and contracts. He has held purchasing and contracts management positions in high volume manufacturing, subcontract, job shop, and service operations, involving gas turbine manufacturing, power generation, nuclear and fossil power plants, electrical distribution and control, air conditioning equipment and global sourcing services.

Prior to becoming a full-time consultant in 1994, he served as Manager of Customer and Supplier Development for the Westinghouse Trading Company. He has given presentations on numerous purchasing and contract management topics to the Institute for Supply Management (ISM), major universities, and numerous in-house seminars for industrial & services clients in the US and over 170 public seminars internationally. He was selected to present seminars at the last 17 Institute for Supply Management International Conferences and is the contributor of numerous articles published in Purchasing Today and Inside Supply Management. Robi was selected as ISM's National Person of the Year in both Global Resources and in Education/Learning.

Robi is a lifetime C.P.M., and has received ISM's new certification, the CPSM, and also holds the MCIPS Certification as awarded by CIPS. He has an undergraduate degree from the University of Texas, and a Master's Degree from Penn State University.

His energetic and enthusiastic style, combined with extensive functional experience, makes him an excellent consultant, trainer, and facilitator of change.

Who Should Attend:



Materials, Contracts, Purchasing Managers, Buyers, Contract Administrators, Finance, Operations, Maintains, Projects or any other Managers or Professionals involved in resisting cost increases or looking for savings relating to the purchase of goods, equipment, supplies, and services.

Robi's Clients Include:

Interactive Workshop Covering presentations, group discussions, exercises, case studies.

Testimonials and facts from past participants:

"Good training and get useful tools to motivate work, to fix focusing scope, to report work in professional way."

— **Jula,**
Senior Sourcing Manager

"It helps to refresh sourcing skills / knowledge in managing the cost increase/initiation in a system and holistic picture."

— **McDonald's,**
Strategic Sourcing Director

"Very good; got a cost of tools and method to resist price increase and cost improvement."

— **Bitzer,**
Sourcing Manager

100% of participants rated the workshop overall as very good to excellent.

Participants from **more than 100 manufacturers and retailers**, including Ford, Blount, Milliken & Company, Polyconcept, McDonald's, Pulse, Schaeffler, Nu Skin, Alltech, Checkpoint, Pentair ... from China, United States, Singapore, Poland in the past few years.

Program Agenda



1 Purchasing Savings Impact on the Bottom Line

This session sets the stage of the importance of the procurement function and how purchasing savings go right to the bottom line whereas a generally a small % of the sales hits the bottom line.

- ⊗ Resisting Price Increases
- ⊗ Purchasing Savings Model
- ⊗ Essential Issues In Cost Reduction Initiatives
- ⊗ Best Practices For Cost Reduction Initiatives & Reporting
- ⊗ A Check List Resulting For Experiences

2 Data Mining & Opportunity Assessment

This session focuses on the importance of having an accurate up-to-date Spend Profile and methods of analysis.

- ⊗ Sources Of Spend Data
- ⊗ Developing The Spend Profile
- ⊗ Purchasing Hierarchical Coding Method
- ⊗ Developing the ABC Analysis
- ⊗ Analyzing The Spend Profile
- ⊗ Examples Of Using Pivot Tables In Excel

3 Savings Reporting

A Cost Saving Reporting Process is essential for successful results in resisting price increases, obtaining continuous cost improvements, and to motivate people to search for savings.

- ⊗ Best Practices in Cost Reduction Initiatives
- ⊗ A list of How Purchasing Has Been Obtaining Savings
- ⊗ Cost Reduction Reporting Procedure
- ⊗ Difference Between Cost Reduction And Avoidance
- ⊗ Types Of Reductions
- ⊗ Develop Rates To Use In Savings Reporting
- ⊗ Sample Reporting Form
- ⊗ Continuous Improvement Skill Sets

4 The Value of the Purchase Price Index

Why and how we must develop a Key Performance Indicator (KPI) to show positive savings performance even when prices are increasing.

- ⊗ What Are Producer Price Indexes
- ⊗ Where Can We Find Them
- ⊗ The Steps Of How To Developing An Organization Purchase Price Index And
- ⊗ Comparing To External Indexes

5 Cost Improvement Methods--Group 1

This session present some very important saving methods that bring significant impact.

- ⊗ Defining Total Cost of Ownership
- ⊗ Total Costs of Ownership Models
- ⊗ Understanding Of Supply Marketplace
- ⊗ Price & Cost Analysis Defined
- ⊗ Value Analysis

6 Cost Improvement Methods--Group 2

Typical savings methods which result in not only reduced cost but also in improved productivity for the entire organization and even the supply chain.

- ⊗ Reengineering Processes
- ⊗ Negotiations
- ⊗ Developing Strategic Sourcing Plans



Training Methodology:

This seminar will combine a variety of instructional methods including lecture by an experienced practitioner and consultant, exercises, and group discussions covering current practices and their relationship to the implementation of new concepts.