

Course ID
COSTRED
Course Duration
2 Days

Course Title
Cost Reduction: Opportunities and Strategies

Related Courses

- Project Management Workshop (PROJMGT2, 2 days)
- Software Project Management (SWPM, 2 days)
- Controlling Project Risk: Managing Threats and Promoting Opportunities (RISK, 3 days)
- Engineering Economics for Telecom and Media Engineers (ENGECON, 3 days)
- Software Project Estimation (SWPE, 2 days)
- Succeeding at Technical Management: Do's and Don'ts for the Technical Manager (DOS&DONTs, 1 day)
- Thinking Out of the Box: A Systems Engineering Imperative (OUTOFBOX, 2 days)

Aimed At

This course is aimed at project managers, program managers, supervisors, managers, engineers, project engineers, design engineers, process engineers, and others responsible for reducing and controlling costs.

Group Size

5-25

Prerequisites

While there are no formal prerequisites, the course assumes a business, manufacturing, or technical background.

Course in a Nutshell

There is not a business that cannot reduce its costs. The urgency for doing so is greater in times of recession. Everyone wants to reduce costs, but knowing how to do so without adversely affecting quality or client satisfaction can be difficult. This course will help you identify the cost reduction opportunities in your business and devise implementation strategies that allow you to go about reducing costs in just the right way.

We will organize the cost reduction effort into six general areas: labor, material, design, process, overhead, and maintaining cost reduction momentum. Each area contains many cost reduction opportunities, and we will learn the ways to find and act on them. You will learn real-world cost reduction and implementation techniques proven in hundreds of companies. We will undertake an in depth discussion of the risks and risk-mitigation actions necessary for all cost reduction actions. That last point is critical because cost reduction involves change, and wherever change is present, so are risks. As part of the course, you will receive

valuable MS Excel templates that will save your organization time by accelerating the analysis, implementation, and management of each cost reduction technique.

Customize It!

Whatever the nature of your business, whether you are a manufacturer or a service provider, we will customize the course to meet your specific needs, concerns, and objectives. Here are some of the ways in which we can tailor the course to help you get more out of it:

- Add a “workshop day” to the course to allow the participants to work together to analyze cost reduction challenges specific to your organization. The workshop day can be scheduled a few weeks after the course to allow time for applying the approaches presented in class under an experienced practitioner’s guidance.
- Add an in-depth discussion of value engineering, tolerance relaxation, design of experiments, and other product and process cost reduction considerations.
- Schedule post-class follow-up consultation for continuing cost reduction efforts.

Learn How To

- Work together in an effective multi-disciplinary team environment to reduce costs.
- Objectively identify and evaluate all existing costs.
- Prioritize the cost reduction effort to focus on high-return opportunities.
- Identify and manage cost reduction implementation risks.
- Implement and sustain a cost reduction program.
- Tap into and incentivize your employees to help reduce costs.

Course Outline

Day One of the Course

- Introduction and Program Overview
- Optimizing Labor Costs
 - Defining Headcount and Controlling Staff Growth
 - Developing and Implementing Time Standards
 - Measuring and Using Efficiency
 - Assessing Machine Utilization
 - Controlling Overtime
 - Making Multiple Shifts Productive
 - Finding and Reducing Lost Time
 - Using the Learning Curve to Drive Costs Down
 - Risks and Risk Reduction Strategies

- Reducing Material Costs
 - Make-versus-Buy Determinations
 - Inventory Minimization
 - Material Utilization
 - Minimizing Supplier Costs
 - Supplier Negotiation
 - Supplier Competition
 - Risks and Risk Reduction Strategies

Day Two of the Course

- Process Improvement
 - Workflow Optimization
 - Setup Time Reduction
 - Material-Handling Improvements
 - Scrap and Rework Reduction
 - Work Center Cleanliness
 - Risks and Risk Reduction Strategies
- Design Cost Reduction
 - The Design Approach
 - Requirements Relaxation
 - Tolerance Relaxation
 - Materials Substitution
 - Packaging
 - Risks and Risk Reduction Strategies
- Controlling Overhead Costs
 - General Overhead Expenses
 - Sales Expenses
 - Travel
 - Inspection
 - Risks and Risk Reduction Strategies
- Gaining Disciples, Measuring Progress, and Sustaining the Effort
 - Suggestion Programs
 - Measuring Progress
 - Risks and Risk Reduction Strategies
- Course Summary and Wrap Up

How You Will Learn

- A seasoned consultant/instructor with 30 years of cost reduction implementation experience will present this course in an interactive lecture/workshop format.
- Along with the lecture, we will use exercises, puzzles, case studies, and interesting group activities to enrich the class and drive home the essential cost-reduction concepts and techniques.
- In addition to a printed Participant Handbook including all materials presented in class, each participant will also receive a set of cost reduction Excel templates. These items will help you remember and retain what you learned, and apply it in your own organization.
- You will learn the key cost reduction concepts from a theoretical, practical, and organizational perspective.

09 Nov 20f