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بروجاكس للتدريب والتطوير
Projacs Training and Development

Cost Price Analysis in Purchasing

تحليل تكلفة الأسعار في المشتريات

14 – 18 December 2020

Munich / Germany

A Member of:



PROJACS ACADEMY



ProjacsAcademy.com



Objectives

By the end of this course practitioners shall learn to:

1. The objective of this module is to provide participants with the basic knowledge to understand how suppliers calculate their costs and their selling price.
2. This course enables the Participants to get close overview on:
 - Supplier's fixed and variable costs
 - How suppliers allocate fixed costs
 - How to justify investment in fixed costs
 - How to calculate depreciation impact on costs
 - Total Cost of Ownership (TCO) analysis

Who Should Attend?

This course is important for managers, supervisors, executives and team leaders in all vocational operation areas within the organization, such as financial sector, production sector and supply chain, purchasing, importation planning sectors. Buyers at any level who wish to learn how to use cost breakdown and TCO decision-making tool to better negotiate price reductions with suppliers.

Course Outline

Day 1:

Module 1 – Sourcing principles

This module provides the main concepts in procurement management including the contemporary practices and future trends. It also identifies the different types of contracts and how risks of agreement are shared among partners accordingly. An important part is included related to converting credit terms in offers into decision making tool supporting in identifying the better terms to be used.

1. Procurement management
2. Purchasing Cycle, Procurement Processes and Procurement Methods
3. Sourcing and Bidding
4. Contracting and Contract types
5. Financial assessment of Payment terms and Shipping terms

Day 2:

Module 2 – Principles of Price Analysis

This module provides the factors affecting the price offered, including market structure and forces, pricing techniques and competition and the delivery terms.

1. Differences in applying Price and Cost Analysis
2. Supplier's selling price techniques
3. Influence of Market Economics
4. Techniques of Price Analysis
5. Discounts
6. Total Landed Cost concept

Day 3:

Module 3 - The Total Cost of Ownership concept

This module provides the practice part of the price analysis. This is achieved through a full comprehensive business case demonstrating the effect of all pricing elements on the final decision.

Case Study

Module 4 – Part 1 - Principles of Cost Estimation

This part provides the importance of cost estimation and the different methods applied.

1. Difference between Cost Estimation and Cost Accounting
2. Methods Of Costing

Day 4:

Module 4 – Part 2- Principles of Cost Estimation

This part continues to present the different types of cost elements, including dealing with asset.

3. Direct materials impact on cost
4. Indirect materials impact on cost
5. Fixed assets impact on cost
6. Understand direct labour and indirect labour cost
7. Investigate different methods to depreciate investment costs

Module 5 – Part 1- Advanced topics on Cost Analysis

This part provides the decision tools based on cost factors for the objective to optimize the operating conditions of the purchasing task.

1. Break Even Analysis
 - Impact of Quantity
 - Factors Influencing Choice of Machinery
 - Factors Influencing Choice of Facility Location

Day 5:

Module 5 – Part 2- Advanced topics on Cost Analysis

This part continues to present the decision tools based on cost factors for the objective to optimize the operating conditions of the purchasing task

2. The Economic Order Quantity
 - Concept
 - Order Quantity using Discount prices
3. The Time Value for Money
 - Comparing Offer Prices using Net Present Value
4. Integrate warranty costs into supplier priorities

Training Method

- Pre-assessment
- Live group instruction
- Use of real-world examples, case studies and exercises
- Interactive participation and discussion
- Power point presentation, LCD and flip chart
- Group activities and tests
- Each participant receives a binder containing a copy of the presentation
- slides and handouts
- Post-assessment

Program Support

This program is supported by interactive discussions, role-play, and case studies and highlight the techniques available to the participants.

Schedule

The course agenda will be as follows:

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|---------------------|------------------|
| • Technical Session | 08.30-10.00 am |
| • Coffee Break | 10.00-10.15 am |
| • Technical Session | 10.15-12.15 noon |
| • Coffee Break | 12.15-12.45 pm |
| • Technical Session | 12.45-02.30 pm |
| • Course Ends | 02.30 pm |

Course Fees*

- **4,500USD**
**VAT is Excluded If Applicable*