



Training

Cost & Capital

Table of Contents

“If you think training is expensive...Try ignorance.”
Peter Drucker

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	<u>Page</u>
Overview	3
The Trainers	4
Sample Agenda	5
Course Descriptions:	
Financial Acumen	6
Supplier Risk Identification Management	6
Cost Analysis	7
Cost Drivers Over Time	7
Supply Base Consolidation	7
Activity Based Costing	8
Value Chain Analysis	8
Purchasing Hacks	8
Commodity Strategy Workshop	9
Benchmarking	9
Sourcing Tools	10
Mobile Apps	11
Previous Clients	12
FAQ & Investment	13

“An organization’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.”

Jack Welch



Companies spend ten times as much for sales training compared to sourcing training - is your team equipped to handle the latest selling strategies?

Abstract

Cost & Capital Partners is focused on personnel development to create lasting value for our clients. Our classroom training has been developed by applying successful tools, techniques and strategies in actual sourcing environments. Our training modules are based on real world complex cases, use exercises that allow the team to apply tools and are taught by real negotiators.

Sample Courses

Cost Analysis	Cost Drivers Over Time	Supply Base Consolidation
Activity Based Costing	Value Chain Analysis	Commodity Strategy Workshops
Benchmarking	Financial Acumen	Supplier Risk Identification & Management

About Cost & Capital Partners

Cost and Capital Partners is a management consulting firm that works with companies to improve cost and capital efficiency. Our client base includes Fortune 1000 companies from the industrial, automotive, electronics, hospitality, process, consumer goods, transportation and white goods industries. We work with clients to improve results and enhance visibility for strategy development. Supplier engagement is a core focus ranging from direct supplier negotiations to market and financial viability assessments. In addition to working with clients to execute sourcing initiatives, we also deliver sourcing training that enables organizations to increase their level of professionalism in supplier engagement.

Overview

“Knowledge has to be improved, challenged, and increased constantly, or it vanishes.”

Peter Drucker



Tom Bokowy, Senior Partner

Tom founded Cost and Capital Partners to focus on working with companies to improve cost and capital efficiency. Tom is a sourcing and cash management subject matter expert with experience within industrial, automotive, process, consumer goods, transportation and white goods industries.

Supplier engagement is a core focus ranging from direct supplier negotiations to market and financial viability assessments. Tom works with clients both to improve the results achieved from the supply base as well as enhance visibility for strategy development.

Tom graduated from the University of Illinois with a BS in Engineering.

Ryan Hatcher, Director

Ryan has worked in the Management Consulting industry for over fifteen years. He has led projects in the Automotive, Transportation, Hospitality, Logistics, Telecommunications, Disaster Recovery, and Chemical Industries. Project work has included supplier negotiations, organizational design, process improvement, due diligence, cash management, and operational reviews. He has executed project work and training in the United States, Canada, Mexico, Panama, Costa Rica, Dominican Republic, Sweden, India, and Nigeria.

Ryan graduated from the University of Michigan, with a Bachelor of Science in Engineering in Industrial and Operations Engineering and a Minor in Spanish.

“Every addition to true knowledge
is an addition to human power.”

Horace Mann



Day 1

Time	Topic
8:00 – 9:00	Introduction to Cost Analysis
9:00 – 10:30	Cost Driver Benchmarking
10:30 – 12:00	Supplier Financial Analysis
12:00 – 1:00	BREAK
1:00 – 3:00	Financial Acumen
3:00 – 5:00	Cost Drivers Over Time

Day 2

Time	Topic
8:00 – 10:00	Activity Based Costing
10:00 – 12:00	Supplier Situation Analysis
12:00 – 1:00	BREAK
1:00 – 3:30	Value Chain Analysis
3:30 – 4:30	Purchasing Hacks
4:30 – 5:00	Capstone Opportunity Review

Sample Agenda

“It is not enough to do your best; you must know what to do and then do your best.”

W. Edwards Deming



COURSES

Topic & Outline	Sample Exercise	Expectations
<p><u>Financial Acumen</u></p> <ul style="list-style-type: none"> • Financial Statements • Line Item Analysis • Financial Stability • Fair Margin • Improvement Opportunities • Supplier Intelligence 	<p>Supplier Statement Analysis:</p> <p>In this exercise, the class reviews a supplier's P&L and balance sheet to identify points of leverage, benchmark common financial metrics and compare the results to current contracts.</p>	<ol style="list-style-type: none"> 1. Skills to find supplier information such as annual reports and analyst reports 2. Ability to calculate metrics and compare to corporate averages and expectations 3. Ability to identify signs of financial stress which might disrupt supply 4. Capability to link financial data to contract pricing
<p><u>Supplier Risk Identification and Management</u></p> <ul style="list-style-type: none"> • Signs of Supplier Distress • Financial Statement Forensics • Common Bankruptcy Scenarios • Predictive Bankruptcy Metrics • Public vs. Private Company Approach • Analysis Templates 	<p>Supplier Stress Testing:</p> <p>In this exercise, the class compares financials of three companies to determine which have the greatest risk of insolvency.</p>	<ol style="list-style-type: none"> 1. Skills to apply metrics for public and private suppliers 2. Ability to review financial distress with suppliers 3. Ability to use stress frameworks to organize data 4. Capability to identify signs of stress from supplier financials 5. Capacity to identify and implement risk mitigation

“It’s what you learn after you know it all that counts.”

John Wooden



Topic & Outline	Sample Exercise	Expectations
<u>Cost Analysis</u> <ul style="list-style-type: none">• Cost Elements• Cost Breakdown Analysis• Cost Category Strategies	Cost Driver Identification: In this exercise, the class identifies the cost drivers for a given product or service. A group discussion dives deeper into the subject.	<ol style="list-style-type: none">1. Ability to identify key cost drivers of goods and services2. Knowledge to apply appropriate tools to address key cost drivers
<u>Cost Drivers Over Time</u> <ul style="list-style-type: none">• Impact of cost drivers on component prices over time• Data collection to set target prices• Calculate the opportunity for improvement over time	Supplier Price Relief Request: In this exercise, the class uses the concepts of cost driver changes over time to quantify a supplier price relief request.	<ol style="list-style-type: none">1. Understanding of micro and macro level influences on cost drivers2. Ability to gain visibility into current costs by cost driver analysis3. Skills to answer suppliers' demands for price increases with fact based data
<u>Supply Base Consolidation</u> <ul style="list-style-type: none">• Spend Analysis• Supplier Segmentation• Business Unit Coordination• Package Management	Spend Analysis: Bucket spend in terms of sourceable parts/ programs to enable consolidation.	<ol style="list-style-type: none">1. Ability to identify consolidation opportunities in the supply chain2. Knowledge to create supplier footprint vision3. Skills to engage the supply base with category vision

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“All men by nature desire knowledge.”
Aristotle



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Topic & Outline	Sample Exercise	Expectations
<p><u>Activity Based Costing</u></p> <ul style="list-style-type: none"> Principles of Activity Based Costing Process Mapping Cost Allocation Cost Breakdown 	<p>Supplier Audit: In this exercise, the class performs a mock supplier visit to build up the cost of a component or service.</p>	<ol style="list-style-type: none"> Ability to calculate a supplier's actual cost to deliver Skills to create detailed cost breakdowns based on plant observations Capability to identify and utilize the various sources of data within a supplier's facility as negotiation leverage
<p><u>Value Chain Analysis</u></p> <ul style="list-style-type: none"> Value Chain "Choke Points" Identifying Inefficiency in the Value Chain Value Chain Optimization Techniques 	<p>Value Chain Mapping: In this exercise, the class maps several of their own spend items to trace the value chain and identify points of inefficiency.</p>	<ol style="list-style-type: none"> Capability to assess total costs introduced by the value chain Skills to identify supplier techniques that add cost Ability to apply common strategies to eliminate bottlenecks Knowledge to evaluate how supplier footprint develop over time
<p><u>Purchasing Hacks</u></p> <ul style="list-style-type: none"> Tips, tricks and techniques to uncover freely available, but difficult to find information. 	<p>Search Races: In this exercise, the class uses search techniques to identify publicly available data (e.g. gov RFQs, BLS, GSA)</p>	<p>Upon completion, participants will be able to use efficient research techniques to uncover and leverage external benchmarks.</p>

“If ignorant both of your enemy and yourself, you are certain to be in peril.”

Sun Tzu



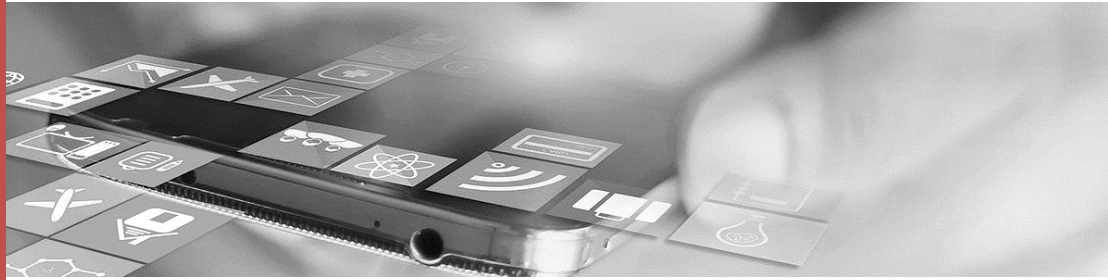
Topic & Outline	Sample Exercise	Expectations
<p><u>Commodity Strategy Workshops</u></p> <ul style="list-style-type: none"> • Internal Analysis • Market Analysis • Sourcing Frameworks • Tactical Review • Plan Development 	<p>Commodity Strategy: Each group is assigned to a different commodity and has to apply several sourcing frameworks such as Supplier SWOT, Internal SWOT, Development Funnel, Volatility Mapping, Scenario Response etc. to develop a commodity specific strategy.</p>	<ol style="list-style-type: none"> 1. Skills to uncover internal opportunity areas and the current state of supplier engagement 2. Ability to use sourcing frameworks to build a strategic commodity plans 3. Knowledge to employ specific tactics to deliver savings and supply continuity 4. Capability to assess market dynamics for leverage, volatility and risk
<p><u>Benchmarking</u></p> <ul style="list-style-type: none"> • Define Best-in-Class Performance • Analyze Cost at the Component Level • Normalize Data for Benchmarking • Present Benchmark Data Effectively 	<p>Cost Breakdown Benchmarking: The class is given cost breakdown information for four items. Given the data, each team must identify the key cost drivers, compare their cost elements to best-in-class levels and present the information with price targets to the supplier.</p>	<ol style="list-style-type: none"> 1. Skills to identify key cost elements to benchmark 2. Knowledge to compare spend data by cost components 3. Capability to determine pricing gaps based on spend data 4. Ability to present target prices to suppliers

COURSES

“Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information on it.”

Samuel Johnson

Sourcing Tools



Procurement doesn't just happen at the desk. Providing procurement professionals with easy to use and accessible tools improves quality and throughput.

Mobile Apps – Payment Term Discount Calculator

The interactive payment term discount calculator highlights financially beneficial decisions. The business case depends on the size of the discount, the number of days the payment is accelerated and the organization's cost of capital.



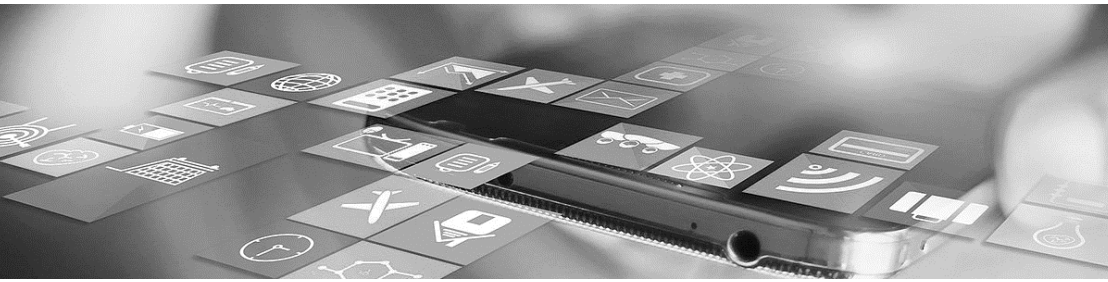
Online Tools – Economic Order Quantity Optimizer

Ordering the right amount from a supplier is essential to balance improved pricing from economies of scale and limiting inventory on the balance sheet. The tool helps procurement professionals maximize ROIC by determining the best order quantity.



“It's best to have your tools with you. If you don't, you're apt to find something you didn't expect and get discouraged.”

Stephen King



Payment Discount Calculator

Input current and future payment terms and supplier discount to calculate net impact



Economic Order Quantity

Determine optimal order size considering order costs, purchase price, handling and inventory costs



Costing Tool

Activity based costing template to develop fact-based cost models



Cost Mapper

Link key cost items with commodity indexes to calculate up to date costing



Incoterm Lookup

Reference common incoterms and definitions



BLS Labor Rate Lookup

Reference current labor rates for common job categories by region



Negotiation Planner

Strategy templates and checklists for negotiation planning and follow-up



Financial Risk Metrics

Quickly calculate key risk ratios and assess risk exposure

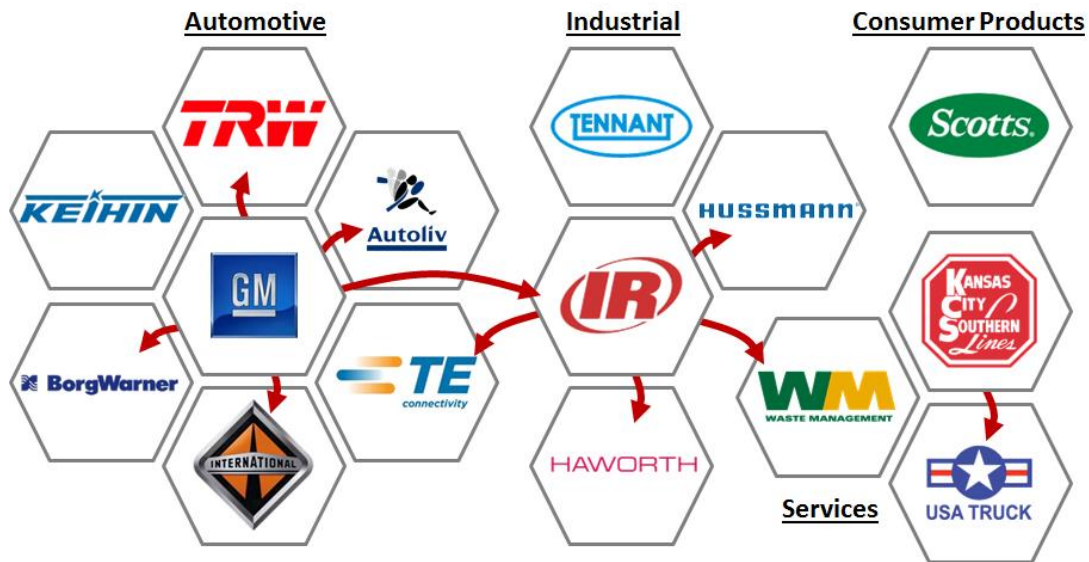
"An Investment in knowledge always
pays the best interest."
Benjamin Franklin

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Previous Clients

The training material applies to all levels of the organization. Our clients are Fortune 1000 sourcing organizations with global supply bases and often bring our program with them when they change companies.

Illustration of the program migrating with our clients



Testimonials

"Very dynamic and challenging! Big thank you for the excellent two days"
-Buyer, Electronics Supplier

"Tom was very positive and encouraged questions and group interaction"
-Purchasing Manager, Automotive Supplier

"The trainers were highly skilled and motivated people throughout the sessions"
-Sourcing Director, Global Diversified Industrial Company

“I hated every minute of training, but I said, 'Don't quit. Suffer now and live the rest of your life as a champion.’”

Muhammad Ali



Q: *Who should participate?*

A: *We encourage all levels of the sourcing organization to participate. Past clients have also found it useful to have select members of their manufacturing, engineering, finance and logistics departments participate in certain sessions.*

Q: *How large is a typical class?*

A: *To encourage participation and individual attention, we prefer to have class sizes of 50 people or less.*

Q: *What is the duration?*

A: *Sessions can range from a few hours to a week, however the typical training program is two days. Program length can be tailored to meet your organization’s needs.*

Q: *How is training delivered?*

A: *To encourage teamwork and interaction we deliver classroom training face-to-face.*

Q: *Where is the training delivered?*

A: *We typically hold training sessions at our clients’ offices.*

Q: *What languages are offered?*

A: *Our training materials are in English. Our team also has Spanish language skills.*

Q: *What is the price?*

A: *The level of investment is dependent upon the courses selected, and number of attendees. For more information please contact training@costandcapital.com*

Q: *Where can I find further information?*

A: *We are happy to answer any of your questions. Please email training@costandcapital.com or visit www.costandcapital.com.*



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