

STRATEGIC COST MANAGEMENT

A Practical Approach to Optimizing Cost

Computer Enabled (Microsoft Excel) 3-Day Intensive Training Program



Key Learnings

Enhance your understanding of strategic cost management, focusing on the key elements that optimize cost for organization success.

Course Overview

This intensive three-day program is designed to provide participants with a deep understanding of strategic cost management principles, tools, and techniques with practical applications.

The course will cover key topics such as cost management strategies, cost drivers, cost models, supplier negotiation techniques, and the time value of money concepts including application of clean sheet costing methods during Inflationary times.

Participants will learn how to apply these concepts to real-world scenarios, enabling them to make informed decisions and drive cost efficiency and excellence within their organizations.

Strategic Cost Management Essentials

- Develop a comprehensive understanding of strategic cost management principles and techniques.
- Learn how to identify and analyze cost drivers, types, and behaviors.
- Distinguish between strategies for price and cost management.
- Gain insights into income statement approaches for building cost-effective cost models.
- Learn how to build Industry Cost Profile to develop sourcing strategies and supplier negotiation tactics.
- Identify key data sources essential for constructing effective cost models.

Driving Organizational Cost Efficiency

- Understand and develop cost models such as the Should Cost Model, Price Analysis, and TCO model.
- Learn how to develop Clean Sheet Costing Model for Supplier Negotiation during inflationary times.
- Learn how to use cost models for effective supplier negotiation.
- Acquire the skills to construct cost models tailored for outsourcing strategies.
- Understand the time value of money concepts such as net present value (NPV), discount factors, IRR, and ROI for effective cost management.

11

Exercises

10

Case Studies

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Modules

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Cost Models

Meet the Course Author and Director



Lan Srinivasan Indian New Zealander

Qualified CA AU & NZ, MFM, London Business School and IMD Switzerland

Lan, an Indian New Zealander, is a highly qualified and accomplished senior executive in finance and strategy. With a remarkable 30-year career in global multinational corporations like Shell, Lan brings expertise in strategic cost management.

His extensive global journey has taken him through diverse regions, including the UK, Australia, New Zealand, Japan, South Korea, China, Germany, Greece, North America, Canada, Nigeria, and the Middle East.



Your Learning Journey

Module		Topic Coverage	Case Studies and Exercises	Technical & Soft Skills Acquired
Day 1	Introduction to Strategic Cost Management	<ul style="list-style-type: none"> Welcome and Introduction. Overview of program objectives and structure. Introduction to participants and trainers. 		<ul style="list-style-type: none"> Strategic Cost Management Techniques Advanced Price Analysis and Cost Profiling Development and Application of Should Cost Models Capital Investment and Project Cost Management Total Cost of Ownership (TCO) Analysis Present Value, Discount Factor, and ROI Calculations Clean Sheet Costing for Tackling Inflationary Pressures Cost-Based Negotiation Strategies Strategic Decision-Making Analytical Thinking and Problem-Solving
	"C" level approach to Strategic Cost Management.	<ul style="list-style-type: none"> Strategic Tool for Cost Management Excellence. 	<ul style="list-style-type: none"> Exercise 1: Big Picture - The DuPont ROI Approach 	
	Understanding Cost and Price	<ul style="list-style-type: none"> Understanding Price Analysis Understanding Cost Types, Cost Drivers and behaviors for better cost management. Price Analysis – Building an Industry Cost Profile. 	<ul style="list-style-type: none"> Exercise 2: Bringing the Price Down for Chemical Product. Exercise 3: A Refinery Cost Management Case study. Exercise 4: Base Oil based Lubricants Manufacturing Cost Breakdown 	
Day 2	Should Cost Models	<ul style="list-style-type: none"> Should Cost Model for Services Outsourcing. Should Cost Model for Service Function. 	<ul style="list-style-type: none"> Exercise 5: IT Consulting Services Outsourcing Project. Exercise 6: HR/Finance Outsourcing Cost Modelling Project. 	
	Cost Management in Capital Investment Contracts and Projects	<ul style="list-style-type: none"> Understanding Present Value, Discount Factors, Internal Rate of Return, Return on Investment concepts. 	<ul style="list-style-type: none"> Exercise 7: Effective Management of Capital Investment Contracts and Procurement Projects with a Focus on Cost Management. 	
Day 3	Total Cost of Ownership (TCO) Models	<ul style="list-style-type: none"> TCO Model Overview. Engage in a multimillion-dollar TCO models to effectively evaluate & select suppliers, enhance decision-making & cost-effectiveness. 	<ul style="list-style-type: none"> Exercise 8: A Case Study on Capital Project - Gas Turbine Acquisition. Exercise 9: TCO Model for IT Infrastructure Project 	
	Tackling Inflationary Costs with Clean Sheet Costing	<ul style="list-style-type: none"> Developing a Clean Sheet Costing Strategy. 	<ul style="list-style-type: none"> Exercise 10: Detailed Exercise on Clean Sheet Costing to tackle Inflationary Costs in procurement. 	
	Develop Negotiation Leverage	<ul style="list-style-type: none"> Using Cost Models to Develop Negotiation Techniques. 	<ul style="list-style-type: none"> Exercise 11: Develop Negotiation Techniques using the cost model for better supplier engagement keeping long term view in mind. 	



Start Your Learning Journey Now

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