



Should-Cost Analysis

20 - 24 Jan 2025
Paris (France)



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Ref.: 15332_304488 **Date:** 20 - 24 Jan 2025 **Location:** Paris (France) **Fees:** 4900 **Euro**

Introduction:

The ability to generate accurate, timely manufacturing cost models is an essential foundation for setting the accurate cost targets needed to maximize the value of the should costing methodology.

Through this course, we aim to provide an understanding of should-costing methodology for calculating accurate cost targets for purchased products. These cost targets provide benchmarks that are an essential foundation for more effective, fact-based supplier negotiation, smarter design, and faster time to market.

Targeted Groups:

- Finance Managers
- Budget Holders
- Project Managers
- Cost Controllers
- Project Planners
- Value Engineers
- People providing direct support to the above

Objectives:

By the end of this training the participants will be able to:

- Source components more strategically
- Anchor supplier negotiations in quantitative data and manufacturing knowledge
- Estimate model procurement costs for new designs before the Request for Quotation process
- Understand supplier cost structure
- Facilitate in-depth discussions between engineers and suppliers in the beginning phases of design
- Negotiate costs and collaborate with suppliers without negatively impacting the supplier margin
- Develop evidence-based comparisons between technical solutions
- Verify supplier cost quotations
- Estimate costs proactively
- Practicing cost reduction techniques
- Effective cost estimates for projects
- Make better use of cost budgets, plans and forecasts
- Understanding project evaluation

Course Content:

Unit 1: What Is Should Cost?

- Introduction to the module
- Responsibility of Should-Cost Analysis
- Should-Cost Model

Unit 2: Should Cost vs. Will Cost

- Strategic Sourcing VS. Should-Cost Analysis
- Making Should Cost Targets Inherently Imprecise
- Managing Should Cost

Unit 3: Prioritizing Cost Reduction with Spend Analysis

- Determining Scope
- Data Gathering
- Conduct a Should-Cost Analysis
- Reviewing Initial Outliers
- Establishing a Plan of Action
- Rooting out Cost Outliners
- Validate Savings

Unit 4: Should Cost Negotiation: Leveraging Should Cost Analysis

- Fact Based Negotiation
- The key role of Manufacturing Cost Modeling Software in Fact-Based Negotiation
- Graphs for key cost drivers
- Cost parameters with a full breakdown of the processes and factors
- Processing time for each individual process
- “Breakeven” cost as it relates to production volume

Unit 5: Collaboration with Suppliers to Reduce Product Cost

- Long-term goal of the should-cost negotiations
- Arbitrary cost reduction targets

Unit 6: Quality Should-Cost Modeling Software

- The Value of Should Cost Modeling Software
- Manufacturing Cost Modeling Software
- Manufacturing Cost Modeling to Accelerate Product Development Timelines



Unit 7: Beyond Should Cost: Manufacturing Cost Modeling for Product Design

- Manufacturing Cost Modeling Software that Works at the Design Stage
- Employing digital manufacturing simulation based on direct analysis of 3D CAD
- Cost alternatives when exploring design options with specific manufacturing processes
- Reflecting your production environment/ supplier specifications



**Registration form on the :
Should-Cost Analysis**

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