

C1-A:

Cost Education and Reduction Activity

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PE Manager	PE SPV	PE Engineer

Rev.00

- ① Purpose of “**Cost education and reduction activity**”
- ② Rules of training on cost for supervisory position
- ③ Implementation of training on Cost for supervisory position
- ④ Target setting for Cost
- ⑤ Cost reduction activity guidance by Supervisor
- ⑥ Sharing Cost Information

Purpose

To understand the system **to develop personnel** who understand cost composition and **provide guidance** to subordinate about cost reduction activity.

Target is positions **to manage the organization.**

RULES

#1

Must have **system related to training on cost for supervisory position.**

- There shall be curriculum and textbook for the training of supervisory position.
- Educational textbook includes composition of factory shipment price.



Sample training materials related to cost training

② Rules of Training on Cost for Supervisory Position

It is good that education is by factory basis, not by department alone.

Composition of the factory shipment price (FOB price) is as follows:

FOB Price

= parts cost + processing cost +
management cost +
commission/direct expense +
operating income

Administrative Cost

= department expenses for
indirect departments (QA, Prod.
Control, IQC, etc)

Processing Cost

= direct labor cost + assembly
overheard cost + indirect material
cost + equipment + depreciation
cost + parts import cost +
molding processing cost

Commission or direct expenses

= shipping logistics cost +
commission + increase tax

- It is desirable to be educated that there are multiple types of rates and need to be used properly.

③ Implementation of Training on Cost for Supervisory Position

#2

Must conduct in accordance to the system the trainings on cost for supervisory position.

- Must have clear training plan.
- Must have records of trainings conducted.

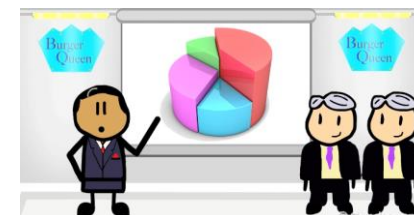
Category	Training Title	Training Method	Trainer / PIC	No. of Hours	Frequency of Training	Maximum Attendees Targeted	Year	Month												Session for the year	Remarks							
								Week																				
								W1	W2	W3	W4	W5	W1	W2	W3	W4	W5	W1	W2			W3	W4	W5	W1	W2	W3	W4
General Management	Fundamentals of Management 1	CT	HR	3	Every other month	10										12								4				
																								0				
	Fundamentals of Management 2	CT	HR	3	Semi-annually	10																		2				
																								0				
																									4			
	Downward Communication	CT	HR	3	Every other month	10																			4			
																									0			
	Training Within Industry-Job Instructions	CT	BPS	3	Every other month	10																			4			
																									0			
																										1		
	Training Within Industry-Job Relation	CT	HR	3	Every other month	10																				4		
																										0		
	Logical thinking	VT	External	8	Annually	20																				2		
																										0		
																										17	25	
Common Business Skill	Goal Management	CT	External	8	Annually	20																				4		
																										0		
	Horizontal Communication	CT	HR	3	Every other month	10																				4		
																										0		
	HorRento	CT	HR	3	Every other month	10																				3		
																										0		
	Time Management	CT	HR	3	Every other month	10																				4		
																										0		
	Pyramid Principle	CT	HR	3	Every other month	10																				3		
																										0		
	Illustration Skills	CT	HR	3	Every other month	10																				2		
																										0		
	Presentation Skills	CT	HR	3	Semi-annually	10																				1		
																										0		
	Basic Finance Knowledge	VT	FI	2	Annually	20																					0	
																										1		
	Cost Management	VT	FI	2	Annually	20																					0	
																										0		
	Policy Management	EL	HR	2	Annually	20																					1	
																											0	
Company Fundamentals	Spotting Fraud	CT	HR	3	Annually	20																					3	
																										0		
	Anti-Sexual Harassment	CT	HR	3	Every other month	20																					5	
																										0		
	OCC Activity Basic Knowledge	VT	BPS	2	Every other month	20																					0	
																										5		
	Proposed Activity Basic Knowledge	VT	BPS	2	Every other month	20																					0	
																											0	
																											0	
																											0	

Sample Training Plan

5	0	1	2	0	2	1	1	2	0	0	0	2	2	2	1	2	2	0	0	3	2	3	2	0	0	0	1	3	2	1	2	0	1	2	0	58
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
																																				58
																																				0
																																				0%

Sample Training Plan

Other samples:
Cost loss
education
curriculum, text,
education plan,
education
implementation
record, etc



④ Target Setting for Cost

#3

Set control item and target value.

Set for:

Efficiency
(labor cost)

Indirect
material cost

Defect disposal
cost
(P-defect)

No.	PD No.	項目 Item	指標 Indicator	指標補足(計算式) Indicator comment & Formula	目標値 Target	担当 PIC		Q1		Q2		
								May	Jun	Jul	Aug	Sep
5	1	直接能率向上 Direct Efficiency Improvement	直接能率 Direct Efficiency	標準工数÷実績工数 ※各課目標値は【Y¥apbiphsh07¥B1_R1PHCommon¥08_PEX00_BIPH Standard Man Hours÷Actual Man Hours ※Please refer below for the target of each section 【Y¥apbiphsh07¥B1_R1PHCommon¥08_PEX00_BIPH	97.52%以上 97.52%↑	Main PIC: NICA Sub PIC: WELLA	単月目標値 Single Month Target 単月実績値 Single Month Actual 単月判定 Judgement 累積目標値 Cumulative Target 累積実績値 Cumulative Actual 単月判定 Judgement	101.03%	101.77%	102.47%	102.24%	102.34%
								103.98%	101.91%	99.97%	102.36%	
								OK	OK	NG	OK	
								101.11%	101.33%	101.62%	101.74%	101.84%
								102.94%	102.58%	101.95%	102.01%	
								OK	OK	OK	OK	

No.	項目 Item	指標補足(計算式) Indicator comment & Formula	目標値 Target	担当 PIC		Q1			Q2			
						Apr	May	Jun	Jul	Aug	Sep	
4	1	生産比例間材費削減 Indirect materials- Proportional Cost Reduction	1- 実績間材費÷(原単位×実績生産台数) 1-Actual IM Cost÷(Unit Cost×Actual Production Quantity)	2.5%削減 2.5% Reduction	Main PIC: MITCHIE Sub PIC: JUZELLE	単月目標値 Single Month Target 単月実績値 Single Month Actual 単月判定 Judgement 累積目標値 Cumulative Target 累積実績値 Cumulative Actual 単月判定 Judgement	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
							4.4%	6.0%	13.4%	28.6%	9.7%	
							OK	OK	OK	OK	OK	
							2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
							4.4%	5.2%	8.3%	14.1%	13.4%	
							OK	OK	OK	OK	OK	

No.	項目 Item	指標補足(計算式) Indicator comment & Formula	目標値 Target	担当 PIC		Q1			Q2			
						Apr	May	Jun	Jul	Aug	Sep	
10	4	廃却費の削減 Disposal cost reduction	目標値：年間合計 Target : Yearly Total	Below 1,685 USD Below 1,685 USD	Main PIC: JUZELLE Sub PIC: MENCHIE	単月目標値 Single Month Target 単月実績値 Single Month Actual 単月判定 Judgement 累積目標値 Cumulative Target 累積実績値 Cumulative Actual 単月判定 Judgement	\$99	\$96	\$77	\$61	\$105	\$144
							\$59	\$50	\$104	\$84	\$110	
							OK	OK	NG	NG	NG	
							\$99	\$196	\$273	\$334	\$439	\$583
							\$59	\$109	\$213	\$297	\$407	
							OK	OK	OK	OK	OK	

#4

Provide guidance of cost reduction activity.

❖ Should be able to show example of guidance for reduction activity in each of indirect material cost, labor cost, and defect disposal cost.

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Proposal Sheet

Preparer Information

Preparer Name

Preparer Position

Preparer Department

Preparer Date

Preparer Signature

Proposed Content

Proposed Illustration

Proposed Illustration

Preparer Information

Preparer Name

Preparer Position

Preparer Department

Preparer Date

Preparer Signature

Proposed Content

Proposed Illustration

Proposed Illustration

Preparer Information

Preparer Name

Preparer Position

Preparer Department

Preparer Date

Preparer Signature

Proposed Content

Proposed Illustration

Proposed Illustration

MONTHLY SAVINGS

Efficiency (Man-hour, Man-Power and motion reduction)

Cost Reduction (Material, area reduction)

DEGREE OF CONTRIBUTION

Quality (Section, Department, Company, other Brother group)

SAFETY FIRST

Man

Machine

Company Asset

Information

ENVIRONMENT

Waste reduction

Pollution reduction

Recycling

Energy saving

Proposal Sheet

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LEAN SENSEI

Reduction of MH Variance caused by MH System Error

OTHER BENEFITS

Impact : Reduction of MH Variance caused by MH System Error

SECTION: MH Inputter Daily Task

24% MH Inputter task is correction of MH input error

PE section reduce 1MP MH

DEPARTMENT: March 2022 : Total Efficiency Variance is decrease from 1.20% to 0.20%

PROB and HR section reduce manhour consumed in MH data adjustment

MH adjustment : 35MP

HR adjustment : 11MP

COMPANY: Decrease employees satisfactory and violation of Law

OVERPAID Company Loss (\$)

BEFORE (MH Variance) 20,230MH

AFTER (MH Variance) 3,307MH

QCC Entry (Cost Reduction Activities)

Annual Cost Savings

Annual Savings: \$85,360

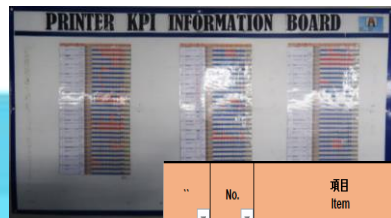
⑥ Sharing cost information

#5

Share **cost information** within the workplace.

- ❖ What to share depends on each factory's decision.
- ❖ Better to **implement horizontal expansion** if the contents can be applicable in other workplaces.

Share by posting on Kanban, etc. the **actual result information** and **fluctuation cause** of indirect material cost, labor cost, defect disposal cost (P-defect).



No.	項目 Item	目標値 Target	PIC		Q1			Q2			Q3			Q4		
					Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DPP 10	1	廃却費の削減 Below 123,416 USD	MINI PIC: Berna / Sugarr SPV: Dayan / KC A3 PIC: Cassilhilu SPV: IoyvKris	単月目標値 Single Month Target Value 単月実績値 Single Month Actual Value 単月判定 Judgement 累積目標値 Cumulative Target Value 累積実績値 Cumulative Actual Value 単月判定	\$8,558	\$8,882	\$10,810	\$10,055	\$10,884	\$11,160	\$11,386	\$10,934	\$8,974	\$11,219	\$9,937	\$10,816
		Disposal cost reduction			\$8,395	\$7,823	\$9,502	\$12,328	\$5,545	\$7,171	\$6,978	\$9,675	\$11,448	\$8,613		
					OK	OK	OK	NG	OK	OK	OK	OK	NG	OK		
					\$8,558	\$17,440	\$28,250	\$38,305	\$48,989	\$60,149	\$71,535	\$82,469	\$91,443	\$102,663	\$112,600	\$123,416
					\$8,395	\$16,118	\$25,620	\$37,948	\$43,493	\$50,664	\$57,642	\$67,317	\$78,795	\$87,378		
					OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		

Disposal Cost Reduction

No.	項目 Item	目標値 Target	担当 PIC		Q1			Q2			Q3			Q4		
					Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DPP 4	1	生産比例間接費削減 2.5%削減	MINI PIC: Patricia SPV: Lina A3 PIC: Mashie SPV: Tara/Daniel	単月目標値 Single Month Target Value 単月実績値 Single Month Actual Value 単月判定 Judgement 累積目標値 Cumulative Target Value 累積実績値 Cumulative Actual Value 単月判定	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
		Indirect materials-Proportional Cost Reduction			23.1%	6.1%	7.6%	8.9%	6.9%	9.2%	12.3%	12.3%	11.6%	22.3%		
					OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		
					2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
					23.1%	13.7%	11.4%	10.8%	10.1%	9.9%	10.2%	10.7%	10.8%	12.2%		
					OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		

Indirect Materials Proportional Cost Reduction

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