

PROJECT MANAGEMENT



Total Cost of Ownership & Opportunity Analysis

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Introduction:

- Total Cost of Ownership (TCO) and Opportunity Analysis (OA) are valuable strategic

tools for unpacking key cost elements and resources to drive sourcing initiatives, together with the appropriate allocation of assets.

Who Should Attend?

Individuals at all levels of an organization, whose job function requires them to conduct strategic sourcing activities, develop commercial bid content, conduct negotiations and/or conclude contracts.

This includes: Procurement Managers, Procurement Specialists, Category Managers, Category Specialists, Commodity Managers, Commodity Specialists, Sourcing Managers, Sourcing Specialists, Contract Managers, Contract Specialists, Risk Managers, Logistics Managers, Logistics Specialists, Operations Managers, Supply Chain Managers, Supply Chain Specialists, Commercial Managers, Finance Managers, Engineering Managers, Facilities Managers, IT Managers, Construction Managers and Project Managers.

Course Objectives:

About the Workshop

Total Cost of Ownership (TCO) analysis uncovers all of the lifetime costs that follow

from owning assets. Opportunity Analysis (OA) identifies methods for capturing value through sourcing.

The central aim of effective strategic procurement is to satisfy business needs and, at the

same time, provide value for money. In order to meet this aim, it is first necessary to

understand the needs, establish all the costs associated with satisfying such needs over

time and ensure the best use of financial assets and other pertinent resources for

achieving this goal.

This five-day workshop includes case studies and worked examples, as delegates explore

how to understand and break down asset ownership cost elements and how to best

optimize the allocation of assets to extract maximum value from sourcing, including:

- Demand management
- Budgeting and planning
- Prioritizing asset purchase proposals
- Evaluating project proposals
- Capturing value through sourcing
- Asset life cycle management.

Course Outline:

Benefits and Outcomes

- Understand demand management;
- Prepare budgets to optimize needs satisfaction;
- Understand Life Cycle Management, incl. Ownership, Economic , Service and Depreciable Life;
- Analyse costs, including Acquisition Costs, Operating Costs and Change Costs;
- Learn how to build TCO models;
- Learn how to conduct Opportunity Analysis;
- Know how to conduct data mining to support and facilitate decision-making;
- Know how to research opportunities to maximize benefits from resource allocation;
- Understand the link between Strategic Sourcing and TCO;
- Develop a structured methodology that can be applied across a wide range of commodities;
- Promote creative thinking, problem solving, collaboration and teamwork.