STRATEGIC COST AND VALUE MANAGEMENT IN PROCUREMENT



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Introduction

Strategic Cost and Value Management in Procurement examines how buying functions create measurable value rather than simply cutting prices. This Training Course covers total cost of ownership, should-cost analysis, value engineering, and supplier value co-creation. Participants study cost breakdown structures, benchmarking, negotiation for value, and benefits tracking. Furthermore, the programme connects analytical technique to commercial outcomes through cost modelling labs and value case review. As a result, delegates leave able to build cost strategies that leadership trusts and that suppliers can deliver against.

Strategic Cost and Value Management in Procurement Course Objectives

- Define strategic cost management and distinguish it from price negotiation.
- Apply total cost of ownership and lifecycle costing models.
- Build cost breakdown structures and should-cost estimates.
- Conduct benchmarking and market price intelligence analysis.
- Apply value engineering and value analysis techniques.
- Identify cost drivers across specification, volume, and process.
- Structure supplier value propositions and co-creation initiatives.
- Negotiate for total value rather than unit price alone.
- Track savings, cost avoidance, and benefits realisation.
- Report value delivery through dashboards and business cases.

Course Methodology

- Interactive workshops using real category and cost files.
- Structured cost breakdown and should-cost modelling labs.

- Value engineering workshops on specifications and processes.
- Guided benchmarking and price intelligence exercises.
- Negotiation labs focused on value creation and trade-offs.
- Action planning that converts each session into a workplace commitment.

Who Should Take This Course

- Procurement and category managers.
- Cost engineers and value analysts.
- Commercial and finance business partners.
- Technical and design engineers influencing specifications.
- Supply chain and operations professionals.
- Supplier development and relationship managers.
- Internal audit and cost assurance staff.

Strategic Cost and Value Management in Procurement Course Outlines

Day 1: Strategic Cost Management Foundations

- Defining cost management, cost reduction, and value management.
- Price versus total cost of ownership perspectives.
- Cost drivers: specification, volume, competition, and process.
- The value chain and procurement's leverage points.
- Category positioning and cost strategy alignment.
- Cost culture, data quality, and baseline discipline.
- Building the cost management strategy.

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Day 2: Cost Analysis and Modelling Techniques

- Cost breakdown structures and cost element analysis.
- Should-cost modelling and open-book costing.
- Lifecycle costing and total cost of ownership modelling.
- Cost regression and driver-based analysis.
- Learning curves and volume-based cost behaviour.
- Inflation, indexation, and currency cost effects.
- Presenting cost analysis credibly to stakeholders.

Day 3: Benchmarking, Value Engineering, and Demand Management

- Market benchmarking and price intelligence methods.
- Comparative cost and productivity benchmarking.
- Value engineering: function analysis and alternatives.
- Value analysis across specification and design.
- Standardisation, simplification, and variety reduction.
- Demand management and requirement challenge.
- Make-or-buy and total cost of ownership comparison.

Day 4: Negotiation for Value and Supplier Collaboration

- Value-based negotiation versus price negotiation.
- Cost transparency and open-book negotiation.

- Trade-offs: price, lead time, quality, and risk.
- Gain-sharing and incentive mechanisms.
- Supplier value co-creation and joint improvement.
- Supplier cost reduction programmes and target costing.
- Recording and implementing value agreements.

Day 5: Benefits Tracking, Reporting, and Governance

- Savings taxonomy: hard, soft, and cost avoidance.
- Baseline locking and savings validation methods.
- Benefits realisation and leakage monitoring.
- Value dashboards and executive reporting.
- Business cases for cost and value initiatives.
- Governance of cost programmes and accountability.
- Personal action plan and continuous improvement.

Conclusion

By successfully completing Strategic Cost and Value Management in Procurement, participants will have acquired a practical command of total cost of ownership, should-cost analysis, value engineering, and benefits tracking. They will know how to analyse cost structures, negotiate for total value, and present savings that finance accepts without dispute. In addition, the course prepares delegates to run supplier collaboration programmes that reduce cost sustainably. As a result, they return to work ready to deliver procurement value with analytical rigour. Gentex Training Center delivers this Training Course with a practical, standards-based approach.

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FAQs for the Strategic Cost and Value Management in Procurement course

Q1 What is the "Strategic Cost and Value Management in Procurement" course about?

It is a five-day programme that explains how procurement creates measurable value beyond price cuts. It covers total cost of ownership, cost breakdown and should-cost modelling, benchmarking, value engineering, demand management, value-based negotiation, supplier collaboration, and benefits tracking.

Q2 What are the key benefits of the "Strategic Cost and Value Management in Procurement" course?

Participants gain the ability to analyse cost structures credibly, challenge specifications constructively, and negotiate for total value rather than unit price. They also learn to validate savings with figures finance accepts and to run supplier collaboration that lowers cost sustainably.

Q3 What skills will I gain from the "Strategic Cost and Value Management in Procurement" course?

Total cost of ownership and lifecycle cost modelling, cost breakdown and should-cost analysis with benchmarking, value engineering and demand management application, and value-based negotiation with savings validation and benefits reporting.

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Q4 What tools, methods, or standards are covered in the "Strategic Cost and Value Management in Procurement" course?

The course covers total cost of ownership and lifecycle costing models, cost breakdown structures and cost element analysis, should-cost modelling and open-book costing, regression and driver-based cost analysis, learning curve modelling, benchmarking and price intelligence methods, value engineering function analysis, standardisation and variety reduction techniques, demand management and requirement challenge practice, value-based negotiation frameworks, gain-sharing and incentive mechanisms, target costing, savings taxonomy and baseline locking methods, and benefits realisation and leakage monitoring tools.

Q5 How is the "Strategic Cost and Value Management in Procurement" course applied in real-world practice?

Delegates apply it through cost models, should-cost analyses, benchmark reports, value engineering workshops, negotiation plans, supplier cost reduction programmes, savings trackers, benefits realisation reports, and value dashboards. They also use it to brief category teams on cost drivers and to support business cases for procurement investment.