



Solutions in Operations

*How do you design,
manage, and improve your
key products and work
processes?*

*How do you ensure effective
management of your
operations?*

Total Cost of Ownership Supply Chain Strategy

The Total Cost of Ownership (TCO) allows companies to account financially, for each activity along the supply chain including costs associated with the acquisition of materials, transportation, storage, and the selling of purchased good or services. The goal is to equip companies to make strategic sourcing decisions.

The TCO Calculator, a key tool available only to participants of the MEP Supply Chain Optimization program, facilitates a side-by-side comparison of suppliers, analyzing multiple sourcing possibilities on a global scale. TCO helps minimize total costs while maximizing value to the customer.

OBJECTIVES OF THE PROGRAM

- Provide participants with an overview of Total Cost of Ownership concepts
- Review key elements of TCO
- Contrast Piece-Part Variance method with TCO costing
- Understand the importance of implementing an effective TCO strategy
- Learn how to identify and measure TCO cost drivers
- Demonstrate the use of the TCO calculator
- Learn how to input data, interpret results and use the output of the analysis to make strategic sourcing decisions.

THE WORKING SESSION IS COMPRISED OF THE FOLLOWING KEY EDUCATIONAL ITEMS

1. Defining common TCO terms and concepts
2. Learning to identify and measure TCO costs
3. TCO cost categories and elements – using the TCO data collection form
4. Using the TCO calculator
 - » Overview of TCO calculator input & output screens
 - » Discuss alternate sourcing decisions based on TCO results

WHO SHOULD ATTEND

Financial Managers, Program Managers, and Supply Chain Managers

WHAT WILL YOU GAIN

Sound sourcing decisions based on analysis of Total Cost of Ownership factors help to achieve overall supply chain strategic objectives.

For more information, contact IMEC at 888-806-4632 or info@imec.org.

