

# € TRAINING

Contract Cost and Price Analysis



23 - 27 September 2024  
Madrid (Spain)



# Contract Cost and Price Analysis

REF: U332 DATE: 23 - 27 September 2024 Venue: Madrid (Spain) - Fee: 5300 Euro

## Introduction:

Obtaining fair and reasonable pricing from contractors and suppliers is a primary objective for all businesses and governments. Evaluating prices through Cost and Price analysis are essential skill sets in meeting these objectives. Those involved in these activities understand well the significant challenges in this ever changing business environment and also that there exist significant opportunities for improvement by providing best practice competencies to all those involved in contract and procurement activities. Attending this programme will provide insight into:

Managing Cost and Prices in Volatile Market Conditions.  
Obtaining Better Pricing for the Original Contracts and Changes.  
Understanding the Methods Contractors use for Pricing.  
Understanding the Elements of Price that Make up the Price.

## Course Objectives:

At the end of this course the participants will be able to:

- The Importance Of Price/Cost Analysis In Continuous Improvement Programmes.
- The Difference Between Price And Cost Analysis.
- Criteria For Selecting The Analysis Type.
- Methods Of Price Analysis.
- Knowledge of Supplier Strategic Alliances.
- Analytical Tools for Cost Drivers.
- Methods Of Cost Analysis.
- Development Of "Should Cost".
- Types Of TCO Models.

## Targeted Audience:

- Procurement professionals
- Contract administrators
- Financial analysts
- Project managers
- Small business owners

## Course Outline:

### Unit 1: Defining Cost Savings Opportunities:

- Reducing The Cost Of Purchased Goods And Services.
- Contract's Savings Impact On The Bottom Line.
- Understanding Where To Focus Your Efforts.

- Supplier Pricing Models.
- Develop Opportunity Hypotheses.
- Cost Reduction Reporting Procedure.
- Continuous Improvement Skill Sets.

## Unit 2: Performing Price Analysis:

- Difference Between Cost And Price Analysis.
- Selection Tool.
- Methods Of Price Analysis.
- Historical Analysis.
- Using Price Indexes.
- Calculating Change.
- Developing the Organization's Contract Price Index.

## Unit 3: Performing Cost Analysis:

- Methods Of Cost Analysis.
- Major Elements Of Cost.
- What And How Important Are Supplier Overheads.
- Developing "Should Costs".
- Requesting Supplier Cost Info.
- Issues In Analyzing Supplier Cost Breakdown.
- How much Profit should the Supplier make.

## Unit 4: Other Important Valuation Criteria:

- Industry Analysis.
- Global Industrial Labor Rates.
- Working With Currency Exchange Rates.
- Total Costs Of Ownership Models.

- Reengineering Processes to reduce Cost.
- Cost Volume Profit Analysis.
- Defining Value Analysis?

#### Unit 5: Controlling Contract Pricing in Volatile Markets:

- Dealing in Volatile Economic Situations.
- Contract Economic Adjustment Clauses.
- Continuous Improvement Methods.
- Early Supplier Involvement.
- Reducing Waste In The Supply Chain.
- Savings Reporting.
- Get The Big Savings Now.