

# Cost Reduction Techniques

- I. Introduction
  - a) Why the need for cost reduction measures
  - b) Who can implement these methods?
  - c) Can I really make a difference?
  
- II. Organizing and Developing a Successful Cost Reduction Program
  - a) What management can do about cost reductions
  - b) Developing your cost reduction program
  - c) Waste Prevention and its impact to the bottom line
  - d) Operational analysis – a key to many savings
  - e) Promoting a cost reduction program
  - f) Communication results to all levels of management/organization
  - g) Case history of a successful program
  
- III. Employee Involvement the Key to Cost Cutting
  - a) Best way to promote the suggestion system
  - b) Using a five-step approach
  - c) Administration of the program
  - d) Should awards be considered?
  
- IV. Forms Management in Today's Modern Business
  - a) The basis of forms management
  - b) Future of forms management
  - c) Creating a forms program
  - d) Organizing a forms program
  - e) Steps to establish a program
  - f) Implementing and maintaining the program
  - g) Reports to management
  
- V. Techniques to Reduce the Cost of Paperwork & Cycle Time
  - a) What the history shows!
  - b) Analyzing your paperwork costs
  - c) Establishing your operational flow
  - d) Formulation of the BPI application
  - e) Forms to use in a BPI review
  - f) Checklist procedures

- VI. MRP in Purchasing and Inventory Management
  - a) What a systemized plan confers
  - b) Making plans complimentary
  - c) Symptoms problems of MRP
  - d) MRP conversions
  - e) Knowing the cost of inventory
  - f) How to control inventory investment;
    - 1) VMI applications
    - 2) Baby “k” savings
  - g) How best to dispose of obsolete materials
  
- VII. Productivity Improvement and Cost Controls
  - a) Organizing for productivity improvements
  - b) Performance measurements and improvements
  - c) Expected payoff and benefits
  - d) Applying Activity Based Costing to a process
  
- VIII. Quality Assurance as a Cost Reduction Application
  - a) What quality control really is
  - b) Establishing a quality policy
  - c) Analyzing specific process costs
  - d) Quality cost components
  - e) Types of quality methods to apply;
    - 1) standards methods
    - 2) process charts
    - 3) SPC applications
    - 4) 6~Sigma control
  
- IX. Product Engineering & Production Techniques
  - a) Value Analysis
  - b) Value Engineering
  - c) Computerized techniques
  - d) JIT Models
  - e) Applying JIT techniques
  - f) Product Engineering
  - g) Re-manufacturing
  
- X. Cost Reduction Methods in Maintenance
  - a) Preventive maintenance

- b) More maintenance tips and applications
- c) Energy reduction
- d) Cases of energy reduction savings
- e) Purchasing machinery
- f) Getting your moneys worth
- g) Reliability vs. total cost
- h) Other machine cost reduction ideas

XI. Cost Estimating and Control to Reduce Expenditures

- a) Cost per direct labor
- b) Analyzing manufacturing costs
- c) Breakeven analysis
- d) Impact of parts shortages on labor costs
- e) Network analysis
- f) PERT/CPM applications
- g) PERT/CPM calculations
- h) Cost reduction ratios

XII. Cost Reduction Strategies in Marketing

- a) Using the computer for market analysis
- b) Segmentation analysis
- c) Balancing cost reduction with customer satisfaction
- d) How to apply the 80/20 rule for reducing efficiencies

XII. Miscellaneous Cost Reductions

- a) Conducting a better business plan
- b) Cash management services
- c) Improving plant layout and design
- d) Vehicle economy
- e) Office efficient applications
- f) Pay for knowledge
- g) Successful EDI/EFT applications and savings
- h) How to choose a consultant
- i) Reducing travel costs
- j) Money savings in your mailroom
- k) Recycling paper

XIV. Summary of the Session