

# COST EFFICIENCY MANAGEMENT

~Equip skills, conduct improvements and train subordinates~

**Has your factory's management successfully achieved the competitiveness in manufacturing cost?**

**Has your factory implemented cost improvement program to maximize productivity and profit?**

- ✦ How to improve cost competitiveness to maximize your profit?
- ✦ How to identify and reduce Muda, Mura, Muri whose factors shall effect your cost improvement activities?
- ✦ How to prevent unnecessary or unplanned arising costs?
- ✦ How to manage your cost improvement objectives?
- ✦ How to increase cost awareness among your employees?

**Our "Cost efficiency management" course focuses on cost-competitiveness improvement and profit maximization – survival factor for business. Besides, this course also provides essential methods to solve problematic issues in the production process.**

## CONTENT

### Part 1: Basic understanding of cost

~ The definition of cost and the relation between cost and profit ~

- ◆ The definition of cost
- ◆ Cost's structure

### Part 2: Enhance the capability of improving cost efficiency!

~ Understand the principles of cost improvement and its applications to production site ~

- ◆ Understanding of the principles of cost improvement
- ◆ Labor cost reduction
  - Improve productivity (developing capabilities and performance)
- ◆ Material cost reduction
  - Reduce inputs' cost (Value engineering (VE)/ Value Analysis (VA) technique for cost reduction)
- ◆ Other expense reduction
  - Visualize potential expenses for reduction and apply it to production site for controlling
- ◆ Other costs
  - What is cost of defective products? Inventory cost reduction

### Part 3: Implementation of cost improvement program

~ Adopt PDCA cycle to cost improvement activities ~

- ◆ Identify the purposes of cost improvement
- ◆ Determine the steps to implement cost improvement activities
- ◆ Identify the costs needed for improvement
- ◆ Analyze costs' data and propose improvement strategies
- ◆ Set target and make plan
- ◆ Assign tasks and identify improvement method for each task

### Part 4: Summary and Action Plan

\* The essential QC tools for solving problem



## OBJECTIVES



- ➔ Understand the basic knowledge of cost and its relation to profit.
- ➔ Understand cost improvement methods in order to apply to practice.
- ➔ Develop skills and practical ability of applying cost improvement methods through exercises

## TARGET



- ☐ Staff
- ☒ Middle-Management
- ☒ First-line Management
- ☐ Top-Management

## METHOD



**30% theory, 70% practice** through group discussions, presentations, case studies, role-playing, games, etc.



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