

Managing Costs Intelligently:

Continuous and sustainable cost reduction in good times and bad



Agilenty Consulting Group

in collaboration with

Minnesota Section of ASQ

About Managing Costs Intelligently

Managing costs is a critical organizational function, in good times and bad. And yet only a few organizations, small or big, get their cost-reduction basics right. In absence of a robust cost management approach, based on product/service life cycle considerations across the entire supply chain, cost reduction initiatives invariably fail to realize their full potential. In such cases, they are not sustainable, and wasteful practices creep back as dire pressures recede. *Managing Costs Intelligently* (MCI) is designed to equip participants with a robust and comprehensive cost reduction framework to help realize continuous and sustainable cost reduction in good times and bad. It's equally pertinent to public and private sector organizations.

In this introductory workshop, fundamentals of MCI framework would be presented from a practical cost and quality perspective. Best practices of global cost leaders such as GE, Wal-Mart, Toyota and Intel would be presented. By the end of the program, the participants should be able to undertake a variety of practical cost reduction initiatives. The participating organizations should realize a healthy return on their training investments in the short- as well as long-term.

Who should attend?

This program is suitable for CEOs and senior- and middle-level managers in operations, finance, IT, quality, HR, marketing, and general management. Organizations would benefit by sending managers in any leadership position including their Six Sigma/DFSS/Lean Black Belts and Master Black Belts to the MCI program.

How would they benefit?

Participants would acquire skills to help reduce costs in a systematic and sustainable manner. Participating organizations would benefit from positive impacts of the MCI methodology on cost as well as schedule, productivity, quality, and customer satisfaction. MCI would help:

- Develop a robust cost reduction framework
- Create a culture of waste elimination
- Understand cost and quality from customer perspectives
- Benchmark best practices of global cost leaders
- Understand fundamentals of cost behavior
- Address cost reduction challenges along the entire supply chain
- Leverage cost reduction for competitive advantage
- Deliver value for acquisitions and mergers
- Build organizational infrastructure for cost leadership
- Create superior shareholder value

Program Availability

It is offered as a public as well as in-house program. The in-house program would be customized to enhance value and team work and would be considerably more cost-effective.

Duration

This introductory workshop consists of 3 days of class-room training and group work.

Workshop Outline

Day 1: The Basics of Managing Costs Intelligently

- A Framework for Robust Cost Reduction
- Cost Management Leadership
- Fundamentals of Cost Behavior
- Some Indispensable Techniques
- Managing Costs Related to
 - People
 - Suppliers
 - Assets

- Management Practice

Day 2: Going Beyond the Basics

- Managing Costs Related to
 - Working Capital
 - Operations and Logistics
- Cost Improvement by Using Innovation and Best Practices
- Case Study 1: *Cost Cutting* (Andrew Wileman)

Day 3: Building Organizational Infrastructure for Cost Leadership

- Beyond Bean Counting
- Opportunities in Global and Wired World
- Value of Lateral Thinking
- Cost Management and Strategy
- Understanding Relative Costs
- Managing Costs in the Public Sector
- Case Study 2: *Analyzing Relative Costs* (Jan W. Rivkin and Hanna Halaburda)

Program Schedule

For the next public program or to schedule an in-house program contact:
director.customerservice@agilenty.com

Instructors

Dr. Peter Patton is Chairman of Agilenty Consulting Group. He has taught at the University of Minnesota, University of Paris, University of Stuttgart, and the University of St. Thomas and has held the position of Chief Information Officer at the University of Pennsylvania. He was Chief Technology Officer at Lawson Software from 1996 to 2002. He has taught, researched and consulted for some 50 years and has engineering and mathematics degrees from Harvard, Kansas, and Stuttgart. He is a recipient of the ASQ Crosby Medal for 2007 for his book *Design for Trustworthy Software*. He is a Master Black Belt in Design for Trustworthy Software (DFTS) Technology and is currently an adjunct professor of engineering at Oklahoma Christian University. His email contact is peter.patton@oc.edu

Bijay Jayaswal is the CEO of Agilenty Consulting Group, LLC. He has held senior executive positions and has consulted in quality and strategy for the last 25 years. His consulting interests include value engineering, process improvement and product development. He has taught engineering and management at the University of Mauritius and California State University, Chico and has directed MBA and Advanced Management programs. He has helped introduce corporate-wide initiatives in re-engineering, Six Sigma, and Design for Six Sigma. He is a recipient of the ASQ Crosby Medal for 2007 for his book *Design for Trustworthy Software*. He is a Master Black Belt in Design for Trustworthy Software (DFTS) Technology and is an adjunct professor of management at Concordia University, St. Paul. He can be reached at

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Richard E. Zultner is an international consultant, educator, author, and speaker. Applying powerful improvement methods, such as QFD, to high-tech software-intensive products and processes has been his primary focus for over ten years. He is a founder and director of the QFD Institute - a nonprofit organization dedicated to the advancement of the theory and practice of QFD. For his pioneering work in Software QFD, he received the International Akao Prize in 1998. He is also a certified "Jonah" in the Theory of Constraints (TOC), and is a Six Sigma Master Black Belt, specializing in Design for Six Sigma. Richard provides consulting and training in Software QFD, Design for Six Sigma, and Critical Chain Project Management. Richard holds a master's degree in management from the J. L. Kellogg Graduate School of Management at Northwestern University, and has professional certifications in quality, project management, software engineering, and theory of constraints. He has taught QFD and Critical Chain project management in the graduate program at Stevens Institute of Technology as an adjunct professor. His email contact is richard@zultner.com.