



DRIVING VALUE

Understanding the Full Economic Impact of Sourcing Decisions

**Participants
receive a copy of the
VQ™ value quantifier:
a spreadsheet-based
sourcing tool**

A PROGRAM FOR BUYERS OF:

- *Chassis components*
- *Braking & suspension products and systems*
- *Safety systems & components*
- *Body controls*
- *Paints & coatings*
- *Interior components*
- *Engine components*
- *Steering components*
- *Raw materials & chemicals*
- *Services*
- *Process manufacturing & testing equipment*
- *Electrical/electronic components & systems*



WHY IT'S IMPORTANT TO BE VALUE-DRIVEN

The automotive industry appears to be on the mend. While volumes are once again rising, challenges remain. The industry is attempting to reinvent itself on a host of fronts – in efficiency, innovation, and sustainability – all at once. Yet progress will be obstructed at every turn if the traditional, cost-focused sourcing paradigm holds sway.

Increasingly, the purchasing community is looking to award business based not necessarily on low costs and low price, but on the basis of real value. In order to determine how much value a given supplier can bring, purchasing and sourcing professionals need to be skilled at identifying the total cost of a transaction; not just the landed costs. For example, slight differences in the quality of a sourced component can often have a profound impact on homologation and manufacturing costs, as well as the value of the finished part. In other cases, suppliers may offer a host of services, such as design and engineering support, the value of which is often not well understood. Whether you are responsible for purchasing raw materials, components or advanced technologies, the objective should be to identify vendors that will be able to help your organization to reduce its manufacturing and production costs or increase revenues and profit on sales.

Documenting and demonstrating value is both challenging and rewarding. It involves quantifying benefit claims that can touch on complex design, engineering, production and marketing processes. But the rewards dwarf the effort required. Identifying suppliers that add the most value enables automakers to find efficiencies, improve quality, and innovate new products.

The answer is to create a discovery and negotiation process that is fact-based and data-driven. This workshop gives personnel the skills and tools to contribute to, or even create, that process. Participants get a unique opportunity to work together with industry colleagues to learn a proven methodology and apply it to real-world, industry-specific examples. Ample time is also spent working with participants to identify and document the value of the specific components they are responsible for.

Common Sourcing Challenges Addressed By The Workshop:

- What value is and other key definitions and concepts
- Key success factors in implementing a value-based sourcing approach
- Beyond the piece price – basing sourcing decisions on financial metrics such as TCO, ROI and Payback
- Get better information by asking suppliers the right questions
- Validate supplier claims with internal stakeholders (e.g., manufacturing, quality, marketing)

Understand How to Quantify the Value of:

- Improving R&D cycle times
- Reducing warranty costs
- Reducing downtime
- Improving productivity
- Reducing supply chain management costs
- Improving quality and performance
- Improving fuel efficiency

ABOUT THE VQ™ SOURCING TOOL

- Designed specifically for buyers in the Auto and Heavy Duty Industries
- Identifies key sources of value
- Quantifies the dollar value of benefits
- User-friendly, feature-rich software designed to aid the sourcing and negotiation process
- Can be customized and integrated with other tools such as cost and pricing models
- Compatible with Windows XP, 2000, and later versions

BENEFITS OF ATTENDING

- Hear how purchasing organizations are maximizing the value of sourcing decisions
- Learn how to identify sources of value in supplier proposals and bids
- An opportunity to benchmark yourself against industry best practices
- Learn to validate and confirm what differences in supplier offerings are really worth
- Receive a copy of the first-of-its-kind tool, the VQ™ v1.75



WHO HAS ATTENDED?

AUTOMAKERS

GM
FORD
CHRYSLER
RENAULT
OPEL
BENTLEY
VOLVO
VOLKSWAGEN
FIAT

SUPPLIERS

AK STEEL
ALPS
AMERICAN STANDARD
ARCELOR MITTAL
AUTOTUBE MANUFACTURING
BASF
BEHR
BORGWARNER
BOSCH
CUMMINS
DANA
DENSO
DOW
DURA AUTOMOTIVE SYSTEMS
EBERSPAECHER
EXCEL-POLYMERS
EXXONMOBIL
FAURECIA
FEDERAL MOGUL
FERRIFORM
GKN SINTER METALS GMBH
GOODYEAR
HITACHI
INERGY AUTOMOTIVE SYSTEMS
ITW
JOHNSON CONTROLS
MAGNA INTERNATIONAL
MAGNETTO WHEELS S.P.A.
MICHELIN
MULTIMATIC
NAVTEQ
PARKER HANNIFIN
PLASTICOMNIUM
RIETER
SAINT GOBAIN
SHELL
SKF
TAKATA
THYSSENKRUPP
TI AUTOMOTIVE
TIMKEN
VISTEON
VOITH
WEBASTO
YAZAKI
ZF

Who Should Attend

This one day seminar is designed for:

- Purchasing agents and buyers
- Purchasing managers and executives
- Commodity managers
- Supply chain professionals

The Presenter

The workshops are facilitated by the following instructor:

Steve Rose is an automotive industry veteran with over 27 years of industry experience.

Steve started his career at Michelin, where he held leadership positions, with P&L responsibility, in a number of divisions, including Passenger, Truck and Earthmover. Under Steve's leadership, Michelin's Truck and Earthmover divisions routinely exceeded expectations and remain market share leaders today.

He's a sought-after speaker and expert on the subject of value measurement, negotiations and pricing. Steve has given keynote at presentations at many automotive-focused conferences and events in North America, EMEA, and Asia.

He's conducted training programs for hundreds of parts suppliers and purchasing groups all over the world. Steve has personally trained and advised over 3,500 professionals from more than 650 parts suppliers and purchasing organizations. Program attendees have characterized the workshops that Steve leads as the best training they have ever had.

Steve has also advised leading car makers on their purchasing and sourcing process. Given his experience with suppliers and buyers, Steve enjoys a unique perspective on the supplier-buyer relationship in the Automotive and Commercial industries.



Session Agenda

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|-------------|---|
| 08:00-09:00 | Continental Breakfast |
| 09:00-10:30 | The Value-Driven Sourcing Approach |
| 10:30-10:45 | Break |
| 10:45-12:00 | Case Study |
| 12:00-13:00 | Lunch |
| 13:00-14:00 | Applying value-based concepts to the current bid evaluation process |
| 14:00-15:00 | Constructing a Value Framework |
| 15:00-15:15 | Break |
| 15:15-16:00 | Introduction to VQ™ Sourcing Tool |
| 16:00-16:45 | Documenting Value |
| 16:45-17:00 | Wrap Up |

What Purchasing Has to Say

“We need to ask suppliers to prepare the analysis this course teaches before coming to meetings.”

– Scott Murphy, Purchasing Manager, Volvo

“As a purchasing representative I found it very interesting and educational. It will enable those of us in purchasing to identify the best suppliers more easily!”

– Karl Simmons, Design and Development Manager, Bentley

“Working in the purchasing department, the information and methodology covered in this workshop has set a new vision in terms of how to work with suppliers.”

– Cathy White, Group Supply Chain Manager, St. Clair Technologies

“As a result of this training I can see that we need to modify and revisit some of our existing supplier performance metrics.”

– Jeremy Wilson, VP Supply Chain Management, Spartan Motors, Inc

“This was a very good training. I am particularly interested in the Sourcing VQ software that was provided.”

– Devinder Singh, SCM Manager, Borg Warner

Fees

Registration fees are \$995.00 per person. Continental breakfast and lunch are included in all registrations. Payment must be made in the form of a wire transfer or credit card and must be received on or before the registration deadline.

Cancellations

Should you be unable to attend for any reason after registering, please inform Kotler Marketing Group within ten (10) business days of the program date, and you will receive a credit voucher for the full amount, or a full refund less a \$495.00 non-refundable deposit.

For more information on this training program, or any of our services, call us at 1-202-331-0555