

# COST-REDUCTION TECHNIQUES & ROI-MEASUREMENT IN MANUFACTURING

18-19 FEBRUARY 2008 . GRAND MILLENNIUM KUALA LUMPUR

Fierce competition and increasing demand for customised products and services, coupled with shortened product life cycles in most manufacturing industries, suggest that many of today's leaders will not necessarily be tomorrow's.

Traditional recipes for success are no longer adequate to compete in today's marketplace.

Globalisation and rapid technological change are rewriting the rules of competition.

The New Mantra for survival:

## **COST REDUCTION AND INCREASED PROFIT MARGINS**

In the struggle to stay ahead of the competition, corporations around the world are now racing to build flexibility and rapid-response capabilities into their organisations, re-designing their business processes, re-aligning their organisations and leveraging technology to develop innovative, integrated solutions.

But many overlooked the New Mantra for survival:

## **- Cost Reduction and ROI Measurement Tools -**

Manufacturing is poised for a renaissance - but only for those companies that have already embraced and instilled Cost Reduction and ROI Measurement tools into the fabric of their organisation.

Market leaders have already started to tighten the links of their supply chain to squeeze excess costs out of their pipeline and seen significant results

- 3M -

**Reduced maintenance cost by 60% within three years**

- Toyota -

**Toyota Motor Corp's cost reduction measures resulted in a 32.3% jump in profit to 491.54bil yen (US\$4.1bil) for the April-June**

- PROCTER & GAMBLE -

**30%-50% Lower Manufacturing Costs**

Transform your facilities to compete successfully with the best in class. Achieve Manufacturing Excellence Today!

IBN Global's highly interactive workshop on Cost Reduction Techniques & ROI-Measurement will empower delegates to formulate and direct strategic technical manufacturing improvement plans to achieve required cost reductions for higher ROI. Moses Tan, a highly evaluated professional backed with 20 years of hands-on practical experiences will elaborate on effective strategies to **boost profits**, **cut losses** and **improve manufacturing productivity** and potentially saves up to 20-30%!

**"Under Moses Tan's training and consulting, we have improved our Plant's performance over several years. Now, we are confident and planning to invest and expand our capacity by 100%."**

- Ceramics Tiles Industry

## **ATTEND THIS TWO DAY MASTERCLASS TO**

- **Leverage** from the elements of a comprehensive cost management strategy
- **Link** an effective cost management to marketing, design, production, logistics, supply chain and other functions in production line
- **Identify** tangible and systemic cost drivers
- **Grasp** the tactics for reducing the impact of cost drivers on product cost
- **Comprehend** on better methods for allocating burden and overhead
- **Lower** your total cost of manufacturing
- **Determine** and **reduce** the asset drain of work-in-progress
- **Keep** non-value added activity from depleting resources
- **Reduce** procurement costs
- **Positively impact** your bottom line with improved factory utilisation
- **Determine** if a product line truly is profitable to your bottom line
- **Identify** and **eliminate** waste in all parts of your operation
- **Analyse** the non-value added cost in manufacturing and how to eliminate/reduce them
- **Enhance** the operations supply chain through manufacturing innovation process
- **Develop** action plans to analyse, implement and monitor the results
- **Utilise** major key performance indices to measure effectiveness and to drive continuous improvement
- **Boost** overall operational, team working ability and problem solving skills
- **Slash** change-over time significantly
- **Marginally decrease** production costs, loss time, emergency dispatches, unplanned maintenance schedules and downtime
- **Enhance** plant and equipment effectiveness to achieve optimum life cycle of production equipment
- **Obtain** an increase in production quality, improvement in Overall Equipment Efficiency and worker efficiency

Researched and Developed By:



*“Cost reduction is one of the critical factors that ensure the long term profitability and survival of the company. The group believes that cost reductions can be effectively achieved through not only controlling the operational expenditures, but also by increasing the productivity and efficiency of the operation.”*

- SALWAN Corporation Berhad, Malaysia

## THE AGENDA

### MODULE 1 WHY MEASURE MANUFACTURING ACTIVITIES' ROI?

- Science of Cutting-Edge World-Class Cost-Reduction Management and Strategy
- Ensuring Business Profitability in Global Competition
- Driving all Cost-Reduction Manufacturing Improvement Activities Using Cost Measurement
- Concept of the Ideal Costs, Concept of Utopia Costs
- Concept of Key Concept Points in Setting Targets for Ideal Costs
- Setting Do-able Cost-Reduction Goals for Profitability
- Prioritising and Managing All Your Cost-Reduction Activities Using Cost-ROI
- Knowing Your Technical Limits of Achievable Lowest Manufacturing Costs
- Stretching Beyond and Reaching the Limits of Possible Cost-Reduction



*Calculating Your Product Profitable Manufacturing Cost*

### MODULE 2 USING COSTS TO DRIVE MANUFACTURING IMPROVEMENT PROGRAMS

- Challenges in Translating Financial, Operational and Technical Indices Freely
- Principles of Translation and Convertibility Between Costs and Process Measurements
- Major Groups of Manufacturing Costs
- Common Elements of Measuring Manufacturing Performance
- Types of Manufacturing Wastes & Losses – Process and Non-Process Controllable
- Various Types of Process Measurements Such as Yield, Machine Basic Cycle Time, MTTR, MTBF, MTBA, Breakdown Rates, Breakdown Frequencies, etc



*Collecting Financial Data on Product Manufacturing Costs*

### MODULE 3 OPPORTUNITIES FOR COST-REDUCTION IN MANUFACTURING WASTES & LOSSES

- Equipment Losses
- Logistics (Man and Method Losses)
- Material Losses in Production, Yield and Design Stages
- Energy losses in Production and Yield Losses
- Utilisation and Capacity Losses
- OEE Losses



*Collecting Your Product Processing & Manufacturing Indices*

### MODULE 4 PRINCIPLES OF MEASURING MANUFACTURING COST- ROI FOR ANY INDUSTRY

- Process Controllable Costs Components
  - Direct Labour Costs, Direct Manufacturing Costs, Purchased Raw Material Costs, Semi-Finished Value-Added Material Costs, Process Yield Costs
- Process Uncontrollable Cost Components
  - Cost Price of Purchased Raw Materials, Production Overhead Costs, Factory Overhead, Costs, Cost of Sales



*Translating and Making the Product Financial and Processing & Manufacturing Indices to Convertible to Each Other*

### MODULE 5 HOW TO MEASURE COST- ROI FOR POPULAR MANUFACTURING IMPROVEMENT PROGRAMS

How to convert technical indices of Popular Improvement Programs into COST reduction ROI measurements

- Six-Sigma Program, FMEA (Failure Mode & Effects Analysis), JIT (Just In Time), SMED (Single Minute Exchange of Dies)
- DOE (Design of Experiments and Its Variants), Kanban (Pull Manufacturing Inventory Control System)
- Poka Yoke (Mistake or Fool-Proofing), TPM (Total Productive Maintenance), Suggestion Systems, 5S Housekeeping, QCCS, etc
- Line Setups and Configurations for Balancing Throughput
- 5S Housekeeping, JIT and Kanban Practices
- Use of OEE Analysis at Bottlenecks Any Line Improvement Activities
- Comprehensive Maintenance Program as A Basis For Manufacturing Excellence
- Worker Maintenance, Line Maintenance and Preventive Maintenance Programs



*Using Key Concept Point to Know Your Achievable Limits of Product Cost Reduction*

*“Speaker’s knowledge on subject-matter is superb.”*  
- CC Polyolefins

*“Very knowledgeable.”*  
- Cabot

*“Really useful to my job. I will apply it to my crew.”*  
- Halliburton Energy Services

*“One of the most practical course I’ve attended.”*  
- Intel

## HOW THE WORKSHOP WILL BE CONDUCTED

This highly interactive workshop is packed full of real life examples, practical exercises and case studies that participants can take back to their business and immediately bring dramatic improvements to bottom line profits.

Delegates are encouraged to identify a Manufacturing Improvement Project they are involved in as a case study to translate the technical achievements (eg: machine downtime reduction, yield improvement, setup time reduction, etc). into cost-savings per month. An actual case study will be provided using data from a manufacturer to demonstrate how any Technical, Process, Machine Index or Measurement can be converted into the corresponding Product Cost equivalent.

As a result of this highly interactive class, we guarantee that you will be in a better position to boost profits, cut losses and improve manufacturing productivity in your organisation.

\* Participants are required to bring along their calculators.

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## REGISTRATION

### PAYMENT

A confirmation letter and invoice will be sent upon receipt of your registration. Please note that full payment must be received prior to the event. Payment may be made via cross cheque / bank draft / electronic transfer, made in favour of

**IBN Global Networks Sdn Bhd**  
158- 4- 6, Kompleks Maluri  
Jalan Jejaka, Taman Maluri  
55100 Kuala Lumpur

*Note: Payments must be received within 7 days upon issuance of invoice*

### CANCELLATION POLICY

Due to contractual obligations, cancellation charges are as follow:

20 to 10 days notice - 50 % of the workshop fee  
9 to 3 days notice - 70 % of the workshop fee  
2 days or less notice - 100% of the workshop fee

However, complete set of documentation will be sent to you. Substitutions are welcomed at any time. All cancellations of registration must be made in writing.

*Note: It may be necessary for reasons beyond control, to change the content and timing of the event, speaker(s) or venue, every effort will be made to inform the participants of the change*

### HOTEL DETAILS

**Grand Millennium  
Kuala Lumpur**  
160 Jalan Bukit Bintang  
55100 Kuala Lumpur,  
Malaysia  
Tel : 603 2117 4888  
Fax : 603 2142 1441



Room Reservation can be made by delegates directly with the hotel. Please call the Reservations Department at 603 2117 4888 or email to reservations@grandmillenniumkul.com

### THE IBN GLOBAL CERTIFICATE



Delegates who successfully complete this course will receive the prestigious IBN Global's Certificate of Achievement; a statement of Intelligence endorsed by world renowned subject matter expert.

## Investment

**WORKSHOP FEE**  
RM 3290

**EARLY BIRD REGISTRATION**  
RM 2990  
(register before 4th January 2008)

**GROUP DISCOUNT**  
SAVE ADDITIONAL 10 %  
(for the 3rd and subsequent delegate from the same organisation)

**PLEASE COMPLETE THIS FORM IMMEDIATELY AND FAX TO 603 - 9200 3415**

### PARTICIPANT DETAILS

Name 1 Job title

Name 2 Job title

Name 3 Job title

(name in full)

### INVOICE SHOULD BE DIRECTED TO

Company

Business Address

Name Job title Dept

Email Tel No Fax No

Name of Authorising Manager Job title

Signature Date

**This Booking Is Invalid Without A Signature**

### INFORMATION

For further information on this event, please contact our Program Managers at 603 9206 5800 or e-mail: [ibnglobal@intel-biznet.com](mailto:ibnglobal@intel-biznet.com)

**WORKSHOP SCHEDULE**

Registration	0830
Course begins	0900
Morning Refreshment	1030
Luncheon	1300
Afternoon Refreshment	1530
End of the day	1700

### WHO SHOULD ATTEND

This workshop is exclusively tailored for Senior and Middle Level Management including CEOs, COOs, CFOs, MDs, EDs, SVPs, VPs, GMs, Directors, Engineers, Entrepreneurs, Business Owners, Heads of Department, Managers and Senior Executives with the following responsibilities:

- Plant Maintenance
- Production
- OEM & OEE
- Reliability
- Continuous Improvement
- Operations
- Strategic Planning
- Manufacturing
- Administration
- Warehousing
- Machine Operations
- Logistics
- Six Sigma
- LEAN Production
- Office TPM
- Factory Operations
- Industrial Engineering
- Quality Assurance
- Inventory
- Engineering
- Plant Operations
- Maintenance
- Industrial Engineering
- Purchasing
- Financial Planning & Control
- Engineering
- Human Resources
- Facilities Management
- Plant Management
- Factory Management

### ABOUT YOUR WORKSHOP LEADER



Moses Tan is the Principal TPM Consultant of ZenPower International. Being an experienced manufacturing expert since 1996, his professional experience greatly emphasizes on implementation details and methods. With an extended 20 years of experience, Moses was previously a TPM Training Manager with a Japanese-owned Semiconductor manufacturer, Silicon Systems, a subsidiary of TDK, Singapore.

He has since consulted with the Processing and Discrete Industries that has significantly improved their ROI after his mentoring. His focus of expertise revolves around Cost Reduction Techniques, Autonomous Maintenance, Planned Maintenance, OEE Improvements, Quality Maintenance, Why-Why Analysis and P-M Analysis. Following a comment from his major client, Moses is recognised as an *Expert* in both the implementation know-how and methodologies. Moses has conducted numerous public and in-house trainings for MNCs and even prepared his client for the JIPM award. He has also been recognised for his profession through awards like the **1989 National Training Award for Manufacturing Sector, Singapore; 1992 & 1994 National Training Commendation Award, Singapore; 1995 Essay Prize from Singapore Quality Association for his published article "TQM Implementation in Singapore MNCs"**. His clients include NEC Electronics, Carsem Semiconductor, Hitachi, SCI Manufacturing, NEC Semiconductor, Siemens, Sony Display Device, Sumitomo, Bakelite, Infineon, Malaysia Newsprint Industries, Yamaha Motors, Hong Leong, Hitachi-Nippon Steel, Taiko Denki and Guocera.