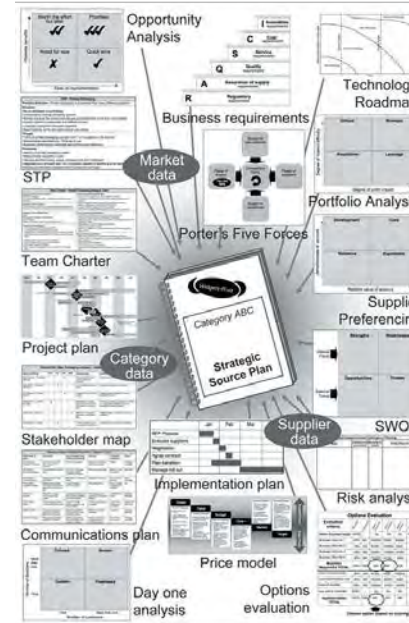


Month	CSC Timetable 2013 (Week Numbers)				
	1st Week	2nd Week	3rd Week	4th Week	5th Week
January	01	02	03	04	
February	05	06	07	08	
March	09	10	11	12	13
April	14	15	16	17	MGP Update
May	18	19	20	21	
June	22	23	24	25	26
July	27	28	29	30	MGP Update
August	31	32	33	34	
September	36	37	38	39	40
October	40	41	42	43	Annual Targets
November	44	45	46	47	
December	49	50	51	52	



Existing spend analysis

- % of totals, spend by supplier, spend by country, spend by lot

Existing supplier analysis

- Spend, performance (quality, delivery, etc), variations

Sub-category profiling

- Nature of requirement (RAQSCI), technology trends, part criticality, risk analysis (e.g. FMEA)

Cost driver analysis

- Direct labour, indirect labour, materials, energy, capital investment, overhead, profits
- Pricing model / price regression analysis

Market analysis

- Potential suppliers, competitor analysis, Porters 5 forces, PESTLE (as appropriate)

Strategy analysis

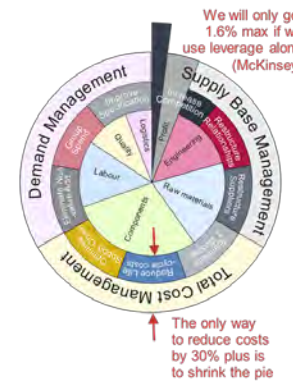
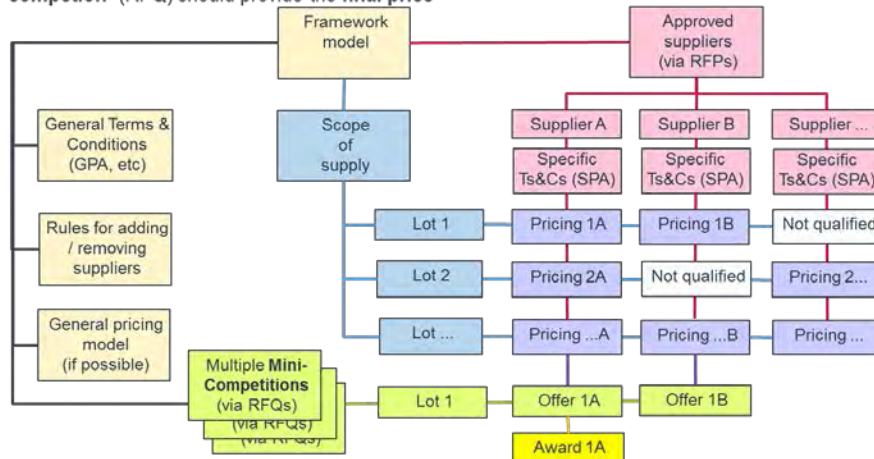
- Portfolio analysis, supplier preferencing, SWOT

Implementation strategy

- Opportunity analysis, leverage analysis, Situation-Target-Proposal (STP), project plan, stakeholder map, communications plan, business case

This structure is **not the same as an SAP framework** where any contracted supplier can be selected to provide items based on agreed final prices.

Whilst it may be possible to place a very small order directly with a supplier on the basis of the agreed pricing model alone, it is not the intention. The **model provides the basis for the „budget“, the „mini-competition“ (RFQ) should provide the final price**



Obvious methods to reduce costs:

- Increase competition, change **who** / **where** we buy it
- Challenge the overall costs and **how** it is bought
- Only buy **what we need** not want

No	Rule	Supply base mgmnt		Total cost mgmnt		Demand mgmnt			
		Increase competition	Restructure relationships	Eliminate 7 Wastes	Reduce life-cycle costs	Optimise supply chain	Eliminate non-value add	Group spend	Improve specification
1	2 pre-qualified suppliers, at least 1 3C source	●	●	○	○	○	○	○	○
2	Own IPR, Secure supply chain, formal relationships	●	●	○	○	○	○	○	○
3	Evaluate performance, develop suppliers	●	●	○	○	○	○	○	○
4	Work with suppliers to reduce wastes	○	○	●	●	○	○	○	○
5	Risk adjusted TCO, Flexibility if paid for	○	○	○	○	○	○	○	○
6	Full visibility of the supply chain	●	●	○	○	○	○	○	○
7	Challenging non-value adding extra "features"	○	○	○	○	○	○	○	○
8	Leveraging overall group spend	○	○	○	○	○	○	○	○
9	Zero base, target cost, supplier/location neutral	●	●	○	○	○	○	○	○
10	1 set rules, 1 set processes, 1 set measures	Foundation for delivering the above							