

# BUYER BENCHMARKING

Effective benchmarking instruction for purchasing  
 TELEPHONE: +1 248-626-1310 EMAIL: [info@icgpartners.com](mailto:info@icgpartners.com)

**BUYER BENCHMARKING** trains buyers and engineers to analyze products, services, processes, technologies, and costs and determine the right price and appropriate supplier for that item or service – within short time frames and limited resources.

**BUYER BENCHMARKING** answers key questions:

- How do I compare two quotes when feature sets and characteristics are different?
- How do I select one component, service or design instead of another?
- Who has highest and lowest costs?
- What are the core cost elements?
- What are the drivers for cost element differences?
- What are the key non-cost issues?

  

Part Name

- 0 GRAB HANDLE
- 1 GRAB HANDLE
- 2 FRT HANDLE
- 3 FRT HANDLE
- 3 FRT HANDLE
- 4 SWITCH
- 4 SWITCH
- 4 SWITCH
- 3 FRT HANDLE
- 3 FRT HANDLE
- 3 FRT HANDLE
- 4 VENT
- 4 VENT
- 3 DIFFUSER / LENS COVER
- 3 REFLECTOR
- 3 LIGHT
- 4 SWITCH
- 4 CONNECTOR
- 2 REAR HANDLE
- 3 REAR GRAB HANDLE
- 3 REAR COAT
- 3 REAR BEZEL
- 3 REAR LAMP
- 4 HVAC REGRAB
- 4 SINGLE LAMP
- 3 WIRING
- 3 SWITCH
- 3 LIGHT
- 3 DIFFUSER
- 3 LIGHT
- 3 REFLECTOR
- 3 CONNECTOR
- 4 ASSY FAN
- 4 HVAC GRAB HANDLE
- 3 HVAC
- 3 REAR XMAS
- 3 REAR HINGE ASSY
- 4 HINGE
- 4 SPRING
- 4 RETAINER CLIP

Plastiteka Landeville GmbH (cologne, de)

Item	ZEBRA	BIC	PENTEL	PILOT	TUL
Item	2-865	Round Slim Grip Ball Pen	R.S.V.P. Stick Ballpoint Pen	Proline V58T	Ball Point
Comments	Soft rubber, friction controlled grip, which	Round slim barrel with rubber grip	Signature design provides gripping	Unique liquid ink formula maintains super smooth ink flow. Fully	

  

**Current Pricing: 1 x 48 Calipers**

Vehicle	A	B
Supplier	Asia 1	LEC 1
Brake Pad	Asia	LEC
Supp.	Supp. X	Tier A
Caliper Vol.	200,000	50,000

  

**Brake Calipers: Cost Analysis Structure**

- Design/Components**
  - # of Pistons
  - Piston Diameter
  - Slider/Fixed
  - Pin design
- Feature**
  - Wear Indicator - Y/N
- Material Type**
  - Housing - Fe/Al
  - Anchor bracket - Fe/Al/None
  - Piston - Steel/Phenolic/Combo
  - Protection - Paint/coat/none
  - Damage
- Mfg/Asyl/Integration**
  - Housing mfg.
  - Linings
- Performance Specifications**
  - Corp Reqts.
  - Car vs. Truck reqts.

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**BUYER BENCHMARKING** *results in immediate improved buyer performance:*  
Merging instructional design with technical content, participants embed learned skills by interactive class engagements and practicing with relevant case studies.

**BUYER BENCHMARKING** *solves an industry need:* Buyers are responsible for carrying out thorough analysis of value to cost. However, too many buyers accept vendor-supplied data – “unchecked” -- are unaware of external, non-confrontational data to challenge supplier proposals and are not rigorous in their benchmark efforts.

**BUYER BENCHMARKING** *derives its power from successful benchmarking consulting:*  
After thirty years of consulting to buyers and engineers, ICG offers the benchmarking process presented by consulting professionals with adult-learning experience.

**BUYER BENCHMARKING** *introduces invaluable tools:*

- “Should Cost” modeling to derive a cost element when data have not been supplied or when validating submitted costs.
- Advanced charting skills for highlighting gaps and accelerating preparation for management reviews.
- Supply Chain analysis extended to include reduction of waste, consideration of risk and consolidation of suppliers with synergistic technologies and materials

**After completing BUYER BENCHMARKING participants will be able to:**

**Define** the appropriate scope of the benchmarking study.

**Select** the relevant attributes for comparison.

**Search** for and gather the appropriate data to support the study.

**Organize** the data in order to highlight differences.

**Choose** the effective criteria to analyze the data for valid comparison.

**Explain** variances between comparison subjects if possible.

**Recommend** further investigation for unexplained variances.

**Utilize** the results of the benchmarking study to achieve cost targets.

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### Sample agenda

**Benchmarking process and guidelines** covers the history and types of benchmarking, the value of using the benchmarking process to evaluate components and services purchased and the benchmarking process steps.

**Defining scope** presents the first step in the benchmarking process, and how it is used to reduce benchmarking cost and time. Participants review examples of tools for defining scope.

**Identifying attributes** explores ways to identify the attributes of products and services in order to differentiate the features, functions, and benefits when you are selecting comparison subjects.

**Gathering data** introduces the methods to gather data to support the benchmarking process.

- Internal sources – using an organization’s historic data and research resources
- External sources – developing search skills and recommended online sites

**Organizing data** proposes tools to effectively organize complex and difficult data from numerous sources and suppliers to support the purchasing benchmarking process. Participants review guidelines for selecting appropriate charts and examples of various chart types.

- Templates - case studies from templates currently in use.
- Charting to identify gaps – chart types effective for presenting comparative data and highlighting opportunities

**Commonizing/Normalizing data** discusses the process for normalizing comparison data in order to make valid comparisons of products and services, explain variances, and price major cost differentiators.

**Analyzing the supply base and commercial environment** investigates how to analyze the variances in a benchmarking study in order to assess the current market situation of suppliers in the market segment.

**Analyzing supplier cost structure** is the benchmarking process for analyzing a supplier’s value-added costs incurred as materials and parts that are transformed and assembled. These value-added costs are key influences on the cost of parts and IME items.

- The benefits of comparing suppliers' value-added costs
- Cost elements that make up value-added costs
- Sources for obtaining cost structure data
- Supplier cost structure analysis steps
- Tools for explaining gaps in comparative supplier cost elements
- "Should Cost" Modeling – how to use the model and case study activity

**Analyzing leading/lagging indicators and the supply chain** introduces the types of indicators that can give the buyer notice of potential risks with a supplier or an industry, influence their buy decision, or affect their company. Indicators used in benchmarking help to predict changes in industry, company, commodity, service, or technology.

**Summarizing the benchmarking study to highlight opportunity** guides participants with elements and samples for developing a summary of a benchmarking study that can be used as an overview or proposal to report the rationale, value, and results.

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### Reaction to **BUYER BENCHMARKING**:

#### **China --**

"This training is good and informative."

"Your skill for presentation is very excellent, we like the way you teach."

#### **North America --**

"Great interactive class!"

"Instructor knew the subject matter very well & taught effectively."

"Constructive approach to material. Information built & layered well."

"Kept us all involved in the case studies."

"Lots of examples; engaging instructor; group work was helpful."

"Very good information, will assist with sourcing and presenting."

"Instructor was engaging, workbook was helpful and easy to follow."

"The instructors were great – very good delivery of information."

"The instructors had tons of valuable experience in the automotive industry."

"Very animated, knowledgeable and experienced."

"Content relevant."

#### **India --**

"This was one of the best courses we have had. If we had known we would have requested the class be held offsite so that we would not be bothered."

"Good suggestions for our regional needs."

"This content will help our buyers."

"They like the materials. They would be asleep if they didn't."

#### **Mexico --**

"Excellent examples."

"Understands beyond the US."

#### **Australia --**

"Thank you very much for the training it was very informative and we got a lot out of it."

"As much consulting as training."

**Contact ICG at**  
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