

# 2021 Cost Engineering Conference:

COST OPTIMIZATION, ESTIMATING, AND CONTROLLING IN THE WORLD OF UNCERTAINTY

November 17-18, 2021





## Experience you can count on

The Society of Product Cost Engineering and Analytics is the only non-profit organization that specifically focuses on the needs of cost engineering professionals within the manufacturing industry. We are passionate about providing training, certification, information sharing, job boards, and networking opportunities for cost engineering professionals.

SPCEA believes that increased awareness and knowledge of cost engineering within manufacturing will lead to improved accuracy of cost estimates and analysis, better organizational cost control, and highly cost optimized products. This, in turn, will lead to higher levels of industry profitability and increased employment.

As a 501(c)(6) non-profit organization, SPCEA's income is reinvested into the organization to create more content and services. We encourage your contributions in support of this great cause. We rely heavily on volunteers to maximize value to our members. You do not need to be an engineer to get involved. We hope you will join us!!

## **Our Mission**



The Society of Product Cost Engineering and Analytics is a 501(c)(6) non-profit organization dedicated to

promoting awareness and knowledge of cost engineering and analytics in the manufacturing of products, thereby enabling improved industry profitability and increased employment that result in the betterment of society.

## **Our Vision**



To be the prominent global hub of cost engineering and analytics knowledge sharing by establishing foundational

standards, providing education and certification, and driving thought leadership within manufacturing industries.

**Contact us:** 

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## s beaker

### **Rob Lidster**

GE Appliances Chief Procurement Officer USA

GE Appliances' Vice President and Chief Procurement Officer Rob Lidster will deliver the SPCEA 2021 Conference keynote address, discussing strategic sourcing using cost knowledge, the challenges of cost engineering within an unpredictable business environment, and more.

Rob Lidster is responsible for the procurement and sourcing function at GE Appliances – a Haier company, where he champions the acceleration of profitable growth while driving efficiency, reducing spend, improving stakeholder buy-in, and enabling value creation and overall total cost competitiveness. Additionally, Rob represents GE Appliances on Haier's Global Sourcing Council, focused on identifying and realizing synergies across the businesses and ensuring a standardized set of best-in-class procurement practices across the company.

Previously, as the Senior Vice President of Shared Services at Entergy, Rob was responsible for Supply Chain, Facilities and Administration, HR Operations, Finance Operations, and Business

For more information and to register, please visit: https://spcea.org/2021-virtual-conference/



Transformation Office (BTO). Prior to Entergy, he was Chief Procurement Officer and VP Operational Excellence at Energy Future Holdings. During his tenure, Rob had leadership responsibilities over Strategic Sourcing, Procurement, Warehousing, Materials Management, Asset Management and Operational Excellence. Rob brings over 25 years of experience in the global supply chain, procurement, and operational excellence roles within private equity, energy/utility, hospitality, cruise lines, musical instruments, and automotive industries.

Rob holds a master's degree in business administration from Wayne State University and received his Lean Six Sigma Black Belt certification from Ford Motor Company.

## Speakers



in the world of uncertainty

Chris Domanski
President, SPCEA
Senior Costing Manager, Faurecia
USA



**Dr. Bob Mills**President
ACostE
UK



Suresh Palaniswamy
Engineering Group Manager –
Electrification Cost Optimization
General Motors
USA



Nis-Peter Iwersen
Owner
NP Iwersen Consulting
Germany



Pradeep Seneviratne
President
Campfire Interactive
USA



**Jeoff Burris**Founder and Managing Partner
Advanced Purchasing Dynamics
USA



Michael Betz
CEO and Managing Partner
Advanced Purchasing Dynamics
USA



Robert Hurley Senior Manager, Value Chain Bose Corporation USA



Matt Smith President/CEO 3C Software USA



Rich Buttrey
Senior Manager - Cost Estimation
Lucid Motors
USA



Jeff Miller
President
Senoia Engineering Solutions
and SPCEA Secretary/Treasurer
USA



Emmanuel Mary Head of Delivery Price® USA



**Dave Tween**Head of Automotive Segment Price®
USA



**Chris Jeznach** Senior Manager, Product Marketing aPriori USA



Ralf Altpeter
Partner
Umlaut
Germany



Alex Swoboda CEO FACTON Germany



John Monica
Portfolio Development Executive
Siemens
USA



Javier Masini
Partner at RHA LLC and Past Director of
Education at SAVE International
USA



**Dan Sharkey**Co-Founder and Managing Partner
Brooks Wilkins Sharkey & Turco, PLLC
USA



## NOVEMBER 17, 2021

INTRODUCTION

#### 8:00 Introduction by SPCEA President

Chris Domanski, SPCEA President

Chris Domanski, President of SPCEA, Senior Costing Manager at Faurecia, and author of "Cost Engineering" and "The Cost", will discuss SPCEA and its offerings. From humble beginnings in 2020, learn about SPCEA's training and certification online modules and how SPCEA is trying to raise awareness and knowledge of cost engineering methodologies through such events as its first ever conference just one year after launching as a nonprofit organization.

#### **KEYNOTE SPEAKER**

#### 8:30 Cost engineering in the world of uncertainty

Rob Lidster, Chief Procurement Officer, GE Appliances

Listen to Rob Lidster, the CPO at GE Appliances, kick off the conference with his thoughts about the importance of cost engineering in Procurement. Rob will share his experiences, including the challenges of the last few years, such as China tariffs, COVID shutdown, post COVID restart, raw material price volatility, and electronic component shortages.

## 9:00 Project/program controlling during the product development process Dr. Bob Mills, President, ACostE

We have all heard the philosophical question of which came first, "chicken or the egg". The fact of the matter is that the idea came first, and all too often Cost Engineering is adopted as an afterthought, often in an attempt to 'recover' the Project/Program. In the material being presented Cost Engineering and its modern sister Margin Engineering will be brought to the immediate post idea and together they will inform the Project/Program Control throughout the development process.

### 9:30 Cost engineering in electrification

Suresh Palaniswamy, Engineering Group Manager - Electrification Cost Optimization, General Motors

The world of Electric Propulsion is evolving at a faster rate than ever! The desire to make early component selections in the development process necessitates the need for credible cost guidance, even when inputs may be ambiguous. High component costs along with compressed timing add to the complexity. Suresh Palaniswamy, Manager of Electrification Cost Engineering at GM, will discuss ways in which the team deals with these issues. Easier said than done!!

## 10:00 The Corona Crisis: How can companies take actions on supply chains to build resilience against future shocks?

Nis-Peter Iwersen, Owner, NP Iwersen Consulting

There are still significant supply disruptions to supply chains, as well as packaging, metal, and raw materials. Lead-times are continuing to extend with most products affected and prices are continuing to rise. After the short-term issues have been identified and solved, leaders must carry through a learning lesson session and then design a resilient supply chain for the future.

## 10:30 Maximizing the profitability of quotes in a complex and an uncertain environment

Pradeep Seneviratne, President & CEO, Campfire Interactive

Automotive suppliers create customer quotes subjected to multitude of complexities. Adding to this complex environment is the necessity of dealing with other new and uncertain conditions such as electrification and effects of COVID. Drawing upon customer case studies, Mr. Seneviratne will highlight quoting, costing, pricing and change management techniques deployed by automotive suppliers to handle today's business complexities.



## NOVEMBER 17, 2021 (CONTINUED)

#### 11:00 Negotiation using cost targets

Jeoff Burris, Founder and Managing Partner, Advanced Purchasing Dynamics

For over 17 years, Jeoff Burris has been leading Advanced Purchasing Dynamics promote cost and collaboration into the manufacturing supply chain. In this session, Mr. Burris will highlight best practices for setting cost targets and describe techniques you can use to leverage cost targets in negotiations with suppliers.

## 11:30 Starting up a cost engineering department within the Bose Automotive Systems Division

Michael Betz, CEO and Managing Partner, Advanced Purchasing Dynamics Robert Hurley, Senior Manager, Value Chain, Bose Corporation

In 2020, the Automotive Systems Division at Bose Corporation decided to establish and deploy a brand new Cost Engineering function. To help guide them through this journey, Bose partnered with the Costing experts at Advanced Purchasing Dynamics. Join us as Mike Betz, the CEO and Managing Partner of APD, along with Robert Hurley, Senior Manager, Value Chain Strategy and Costing at Bose, discuss the process of developing the critical tools, capabilities, and mindsets necessary to make costing a core competency, and to ultimately help create a culture around cost.

### 12:00 The value of costing in changing business environments

Matt Smith, President/CEO, 3C Software

Recent events have taught finance and costing leaders that unpredictability is the new norm – and effective cost planning a necessity. Cost data impacts organizational decisions from quoting new business, selecting vendors and suppliers, planning production, and servicing customers. The most innovative teams have enabled costing models that generate planned, forecasted, historical, and simulated cost data to drive commercial and operational decisions. This session will highlight use cases of cost analytics models that predict how market shifts and cost changes impact profits, evaluate performance compared to benchmarks, determine the success of quotes to actual performance, and establish targeted cost management programs.

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## NOVEMBER 18, 2021

#### 8:00 Costing during development of startup electric vehicle

Rich Buttrey, Senior Manager - Cost Estimating, Lucid Motors

Rich Buttrey joined Lucid Motors just weeks before the launch of their first electric vehicle. He will share his experiences in establishing and leading a cost estimation team from scratch in a startup environment. Drinking from the fire hose, hiring challenges, and addressing the urgency of quickly creating cost driver models are just a few of the topics he will discuss.

## 8:30 Using cost engineering skills to mitigate electronic component supply chain shortages

Jeff Miller, President – Senoia Engineering Solutions and SPCEA Secretary/Treasurer

Jeff Miller specializes in cost engineering and value analysis of electronic and electromechanical assemblies – helping clients find ways to reduce their costs and manage their spend. In this presentation, he will discuss how cost engineering methodologies and strategies can be applied to mitigate electronic component shortages within today's unpredictable market.

### 9:00 Estimating of software cost in the automotive industry

Emmanuel Mary, Head of Delivery, Price®

Dave Tween, Head of Automotive Segment, Price®

As the car continues its transition from a hardware-driven machine to a software-driven electronics device, the automotive industry's competitive rules are being rewritten. Larger computing power and software, as well as advanced sensors, are becoming the industry's core technology. We intend to share, based on real cases, how we do configure and tune our solutions to support our automotive customers and how we do comply with the current automotive frameworks and standards.

## 9:30 Reducing cost and time to market of lithium-ion battery systems using digital manufacturing software

Chris Jeznach, Senior Manager, Product Marketing, aPriori

Lithium-ion battery systems for vehicles or stationary storage often contain the highest cost (and safety critical) components relative to the entire vehicle or energy storage system. Obtaining timely and accurate manufacturing and cost insight can be challenging due to limited time and resources. In this presentation, learn how digital manufacturing software solutions can help reduce product cost and time to market for lithium-ion battery systems.

### 10:00 Short-term savings in volatile and highly competitive markets

Ralf Altpeter, Partner, Umlaut Alex Swoboda, CEO, FACTON

The economic effects of the corona pandemic require the business units of many industrial companies to reduce costs and thus contribute to maintaining competitiveness. Hidden potential for cost optimization often lies in purchasing and cost engineering organizations with complex cost calculations due to supply chains and a high number of purchased components. A global costing approach helps to understand cost structures, achieve cost transparency, and increase the profitability of projects, services, and software.

### 10:30 Calculating part cost and CO<sub>2</sub> footprint of production parts

John Monica, Portfolio Development Executive, Siemens

The world is changing, awareness of environmental sustainability is quickly becoming a high priority of manufacturing companies in most industries. The challenge for all manufacturers is in balancing the attainment of target carbon footprint numbers for production parts, while controlling the cost of these items. In response, we at Siemens Digital Industries Software, are adding a CO<sub>2</sub> footprint calculator to our current product suite at Teamcenter Product Cost Management to meet this market need.



## NOVEMBER 18, 2021 (CONTINUED)

#### 11:00 Cost optimization in manufacturing using VA/VE

Javier Masini, Partner at RHA LLC and Past Director of Education at SAVE International

Javier Masini, Co-Author of the VM Guide (the current Value Engineering Body of Knowledge) and past Director of Education at SAVE International, will describe the key elements for successful VA/VE activities in the Manufacturing industry. Besides presenting the application of VA/VE in sectors such as Automotive, Oil and Gas, Healthcare, Product Development, Software, and Construction, this presentation will also introduce the collaboration opportunities between SAVE International (the Value Society) and SPCEA.

## 11:30 Chips, steel, resin, freight, and inflation: Managing your costs through contracts in the post-COVID world

Dan Sharkey, Co-Founder and Managing Partner, Brooks Wilkins Sharkey & Turco, PLLC

Dan Sharkey represents more than 100 manufacturers, and concentrates his practice on supply-chain issues: negotiating contracts and litigation. He will discuss how contracts and terms and conditions, can be used to maximize your chance of controlling costs and reducing uncertainty.

#### **CLOSING**

#### 12:00 Formal close out by SPCEA

Chris Domanski, President, SPCEA

Jeff Miller, President – Senoia Engineering Solutions LLC and SPCEA Secretary/Treasurer

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SPCEA GREATLY APPRECIATES THE SUPPORT OF OUR

























