**Procurement Journey**

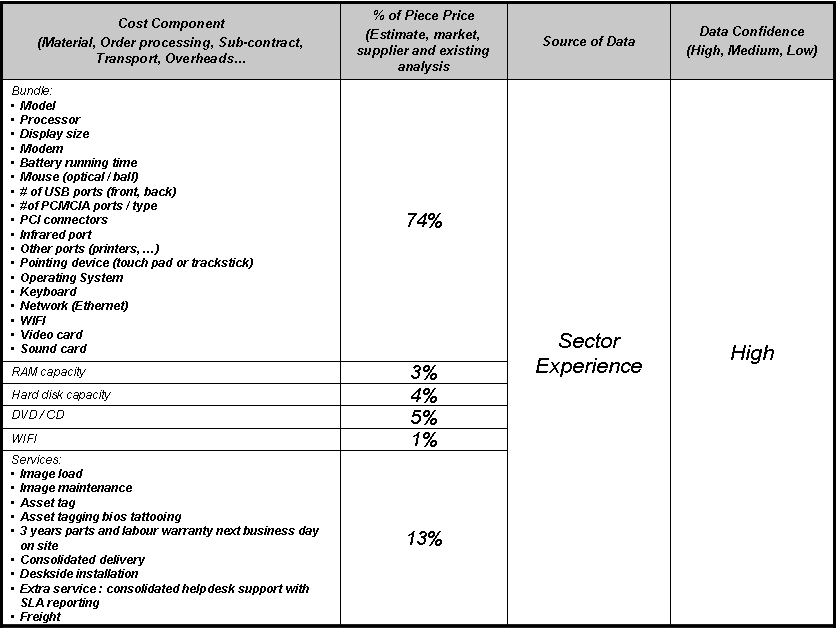
**Supplier Cost Drivers**

|  |  |  |  |
| --- | --- | --- | --- |
| **Labour** | **Overheads** | **Materials** | **Transportation** |
| * Wage * NI * Insurances * Pension contribution * Sick/Holiday pay * Maternity/Paternity pay * Training * Travel & Subsistence | * Utilities * Property costs e.g. offices, warehousing * Rent/Rates * Consumables * Sundries * Head Office charge * Car Fleet * R & D * Functional support e.g. IT, HR, Fin, Proc, PR, Acc Mgt * Hospitality * Refrigeration (specialist) * Quality Assurance & control | * Raw Materials * Work in Progress * Finished Goods * Rework/ Quality cost * R & D * Inventory * Storage * Picking Costs | * Vehicles * Fuel * Maintenance * Distribution Centres * Software e.g. route planning/sat nav. * Shipping – rail, road, air, sea * Port storage * Import/export duties * Insurances |

Supplier Cost Drivers : Checklist

Supplier Cost Drivers Example

|  |  |  |  |
| --- | --- | --- | --- |
| * *Cost Component* * *(Material, Order processing, Sub-contract, Transport, Overheads…* | * *% of Piece Price* * *(Estimate, market, supplier and existing analysis* | * *Source of Data* | * *Data Confidence (Low, Medium, High)* |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| * *Total* |  |  |  |



Suppliers Cost Drivers – Sources of Information.