

TOTAL COST OF ACQUISITION

By definition, the “Total Cost of Acquisition” (TCA) is a managerial accounting concept that includes all the costs associated with buying goods, services, or assets.

Generally, it is the net price, plus all other costs needed to purchase the item and get it to the point of use. In order to reduce total acquisition costs, it is necessary to consider and analyze not just the basic product cost, but also your entire order process costs.

At GFI we take on many of the responsibilities that normally fall to the in-house staff of the end user. Working with GFI therefore allows clients to share some of their workload, and enjoy the considerable financial savings provided via the process of order consolidation.

Every aspect of the GFI Enterprises Centre of Excellence model is designed to reduce the Total Cost of Acquisition: From our Single Source benefits, right through to the product specialists and graduates that we employ.

“Elite procurement professionals realise that the first cost is not the lowest cost unless it’s the last cost”



List of acquisition costs normally incurred when end users directly purchase products and spares:

- **Engineers time**
- **Communication costs**
- **Purchasing staff time**
- **Payment costs**
- **New Vendor Set-up time**
- **Currency risk costs.**
- **Logistics staff time.**
- **Packing costs**
- **International shipping costs**
- **Transit insurance costs**
- **Import costs**
- **Local delivery costs**
- **Accounts payable staff time**
- **Accounts payable bank charges**



The global centre of excellence for the supply of electrical & mechanical equipment, spares & materials