

# Cost Modeling Tool



## What Can Xavor's Cost Modeling Tool Do For Your Business?

Xavor's Cost Modeling Tool (CMT) is a lightweight and powerful way of analyzing product costs across the product value chain by involving Engineering, PMO, Purchasing, Finance and Product Managers in the modeling process. In addition, this robust solution can integrate with your organization's PLM, PCM, ERP and MRP solution(s) to consolidate data across all BOMs where the part under review is used.

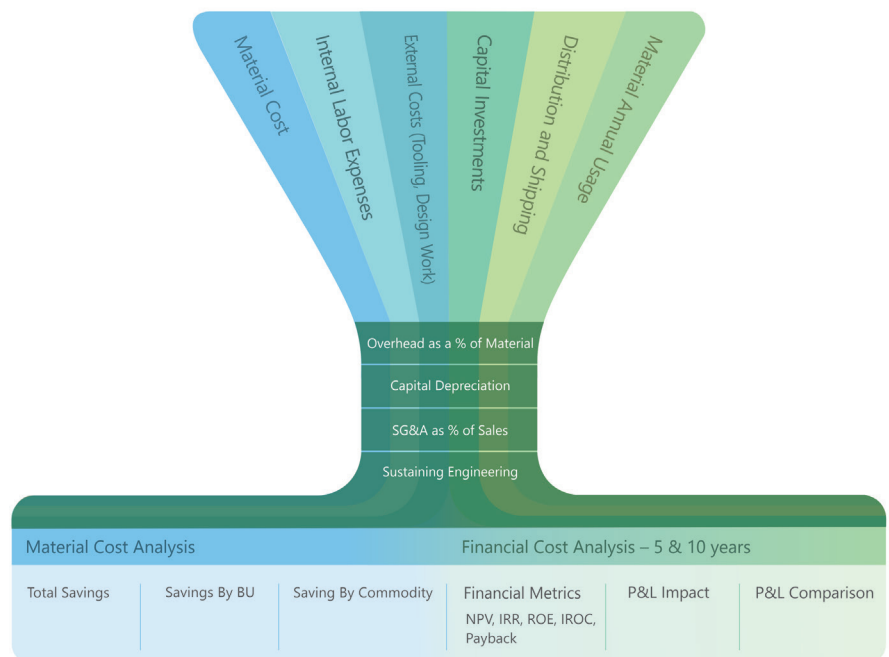
### Analysis Modes

**Annual Usage Analysis:** Users can see the proportional usage of a part across multiple assemblies and carry out a what-if analysis to determine the overall impact of the cost reduction project.

**New Product Analysis:** Allows users to see the financial outlook of launching a new product after capturing product BOM, costs, sales price and sales forecast parameters.

**Replacing Product Analysis:** Provides a way to see the impact of changing an exiting product into a new product. The tool takes into account the possibility of new revenue as well as cost reductions.

Xavor's CMT allows you to confidently develop cost models knowing that each model shares the same underlying structure and organizational variables. This will allow you to compare one project cost to another without worrying about the accuracy and consistency of underlying financial calculations.



# Cost Modeling Tool



Open Saved Analysis

Annual Usage Analysis

New Product Analysis

Replacing Product Analysis

Single Assembly Analysis

## Annual Usage Analysis

Enter Part Number(s):

P01840

Clear

Current Analysis Name:

P01840

Part# P01840							Existing Usage					Material		
							Material Cost	Part Quantity	Existing Annual Usage	Total Usage	Existing Total Cost	New Cost	New	
<input checked="" type="checkbox"/>	P01840	05/16/2016	D02506	AVG-D02506-FG Device	FujitsuSK Hynix		\$4.30000	1.00	210,000.00	210,000.00	\$903,000.00	\$0.05400	Total Material Cost	\$ 1,090,154.64
<input checked="" type="checkbox"/>	P01840	05/16/2016	FG00001	SMART ANGLEO	UE	Mc-Master Carr (DISTRIBUTOR00004)	\$4.30000	1.00	6,540,124.00	6,540,124.00	\$28,122,533.20	\$0.14000	Material With VAM	\$ 1,313,439.33
<input type="checkbox"/>	P01840	05/16/2016	FG000141	Wifi Repeater	CAMBODIA* (KH)	XOMSEMCONS (CTRMRO0003)	\$4.30000	1.00	12,579,676.00	12,579,676.00	\$54,092,606.80	\$0.57890	Overhead (%)	15.00 %
<input type="checkbox"/>	P01840	05/16/2016	P01841	CAP. 33pF AT 50V 1206	Cortus	Murata (COMMR00007)	\$4.30000	1.00	5,214,895.00	5,214,895.00	\$22,424,048.50	\$0.26540	Overhead (\$)	\$ 197,015.90
<input checked="" type="checkbox"/>	P01840	05/16/2016	P01848	Sample description	Analog Devices Inc		\$4.30000	1.00	6,527,891.00	6,527,891.00	\$28,069,931.30	\$0.02500	Total Cost	\$ 79,108,173.70

Material	
New	
Total Material Cost	\$ 1,090,154.64
Material With VAM	\$ 1,313,439.33
Overhead (%)	15.00 %
Overhead (\$)	\$ 197,015.90
Total Cost	\$ 1,510,455.22
Existing	
Total Material Cost	\$ 57,095,464.50
Material With VAM	\$ 68,789,716.27
Overhead (%)	\$ 10,318,457.44
Total Cost	\$ 79,108,173.70
Total Annual Usage	13,278,015
Differences	
Total Material Cost	\$ 56,005,309.86
Overhead (\$)	\$ 10,121,441.54
Total Change Cost	\$ 77,597,718.48
Material Change %	98.09 %
VAM	17.00 %

Manage VAM in the user panel.

## Key Features:

- What-if cost analysis allows users to evaluate multiple scenarios to see which ones are the most effective to reduce product costs
- Ability to save multiple versions of cost modeling projects. Provides a convenient way to share and review different scenarios
- Organization-wide standard cost parameters are managed through an administrative interface to provide consistency across all models
- Pre-defined list of cost parameters including variable costs, cost of change and overheads. Ensures that all aspects of product cost are covered
- Labor costs and material costs are managed separately to allow for more granular analysis of cost drivers
- Multiple year analysis (up to 10 years) allows you to see the impact of your decision on P&L across the whole lifecycle of your product
- Calculates NPV, IRR, ROE and Payback for cost decisions. The tool takes into account all selected BOMs across the number of years that you select and provides the P&L impact of these decisions

Contact us today to schedule a demo!



### About Xavor Corporation

Headquartered in Irvine, California, Xavor has provided business and software consulting services to enterprise companies since 1995. Our Agile PLM team delivers products, services and apps to enhance adoption and extend productivity. We perform new implementations, data migrations, upgrades and process customizations focusing on the semiconductor, medical device and high-tech verticals.

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