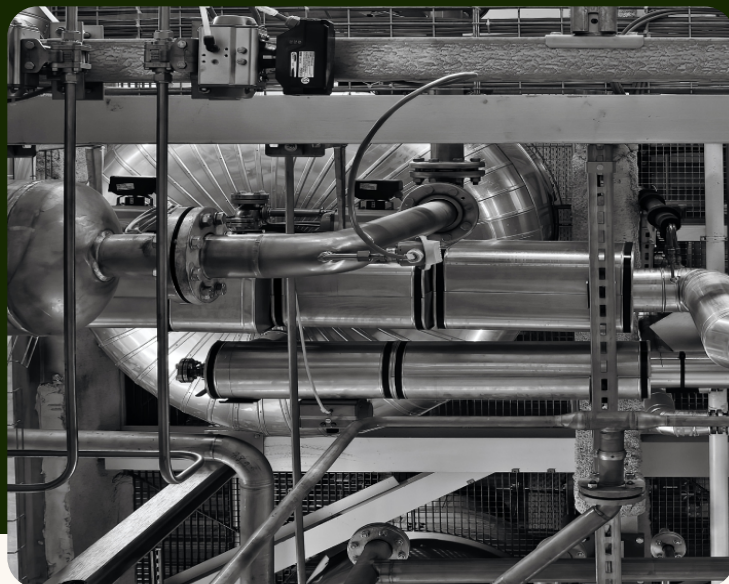


Commercial realisation of product cost optimization of new machine reducing costs by more than 30%



Company profile

The client is a world-renowned manufacturer a wide range of dental products serving a world-wide client base. The company produces products and systems for dentists and dental technicians.

Industry

Medical devices.

Product Life-Cycle Phase

The product is still in conception at time of project (first prototype available).

Revenue

950M EUR

EBIT Margin

12%

Supply-Chain Status

OEM

Challenge

The customer approached Tset with set target costs for a new machine meeting all product requirements. These historical target costs for the new products could hardly be met at SOP, which sparked interest in a proactive product cost optimization approach during the product concept phase and

serial development. The goal of the client was to identify possible ideas and opportunities for the lowest product cost concept meeting all requirements.

Approach

1. Technical and Cost Analysis of machine & benchmark product
2. Support development of target concept & cost for new milling machine via design to cost activities
3. Detailed competitor benchmarking and development of ideas for own new product concept and cost structure
4. Commercial realization

Sources of Potential

- Modularization
- Concept optimization
- Material change/substitution
- Necessary function fulfillment
- Standardization vs variants
- Function/component integration

How did Tset support

- Overview Project Management and status of different simulations
- Import and set-up of Bill of Materials
- Automatic Bottom-Up Calculation for a fast and efficient analysis process
- Capability to adjust all calculations to fit client organizational restrictions
- Capability to add data from various sources, such as supplier data
- Provided Industry Benchmark data to provide objective assumptions for simulations
- Multiple Analytics views to quickly gaps and derive measures for realization