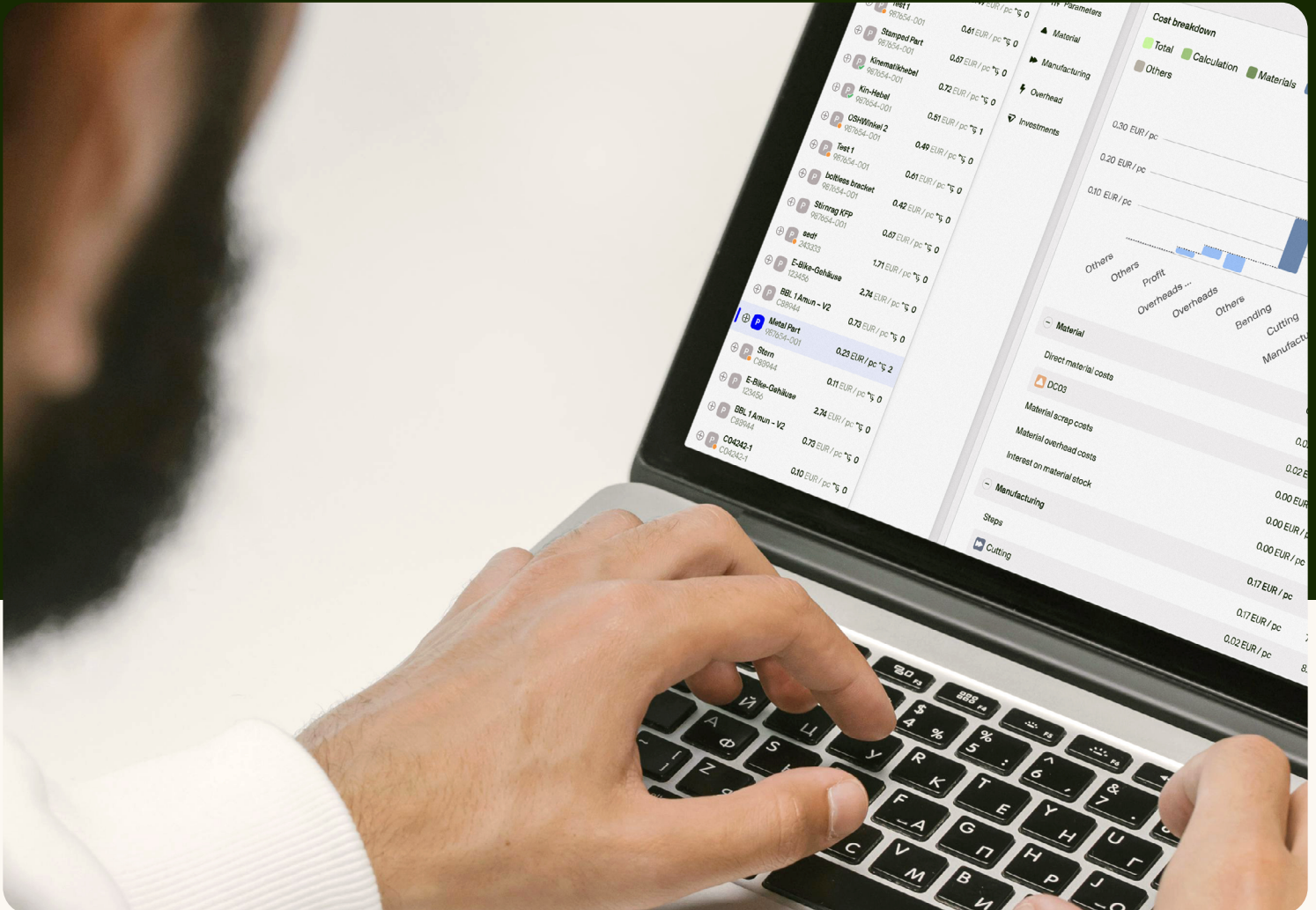


Making the Investment Case in 2025

Cost Engineering as a Profit Lever



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Introduction

Every day your teams make cost decisions without the full picture - and that's costing you.

Yet many organizations still rely on outdated costing processes that delay decisions, obscure cost visibility, and leave money on the table. Product cost decisions are being made without real-time insights—whether it's in procurement negotiations, design reviews, or make-or-buy evaluations. The result? Missed savings, slower time to market, and reduced profitability.

Modern cost engineering software changes this. By giving your teams a centralized, automated, and reliable view of cost data, you accelerate commercial decisions, reduce risk in supplier negotiations, and uncover margin opportunities earlier in the product lifecycle.

In this guide, you will get a clear view of the business impact of cost engineering software, including how to:

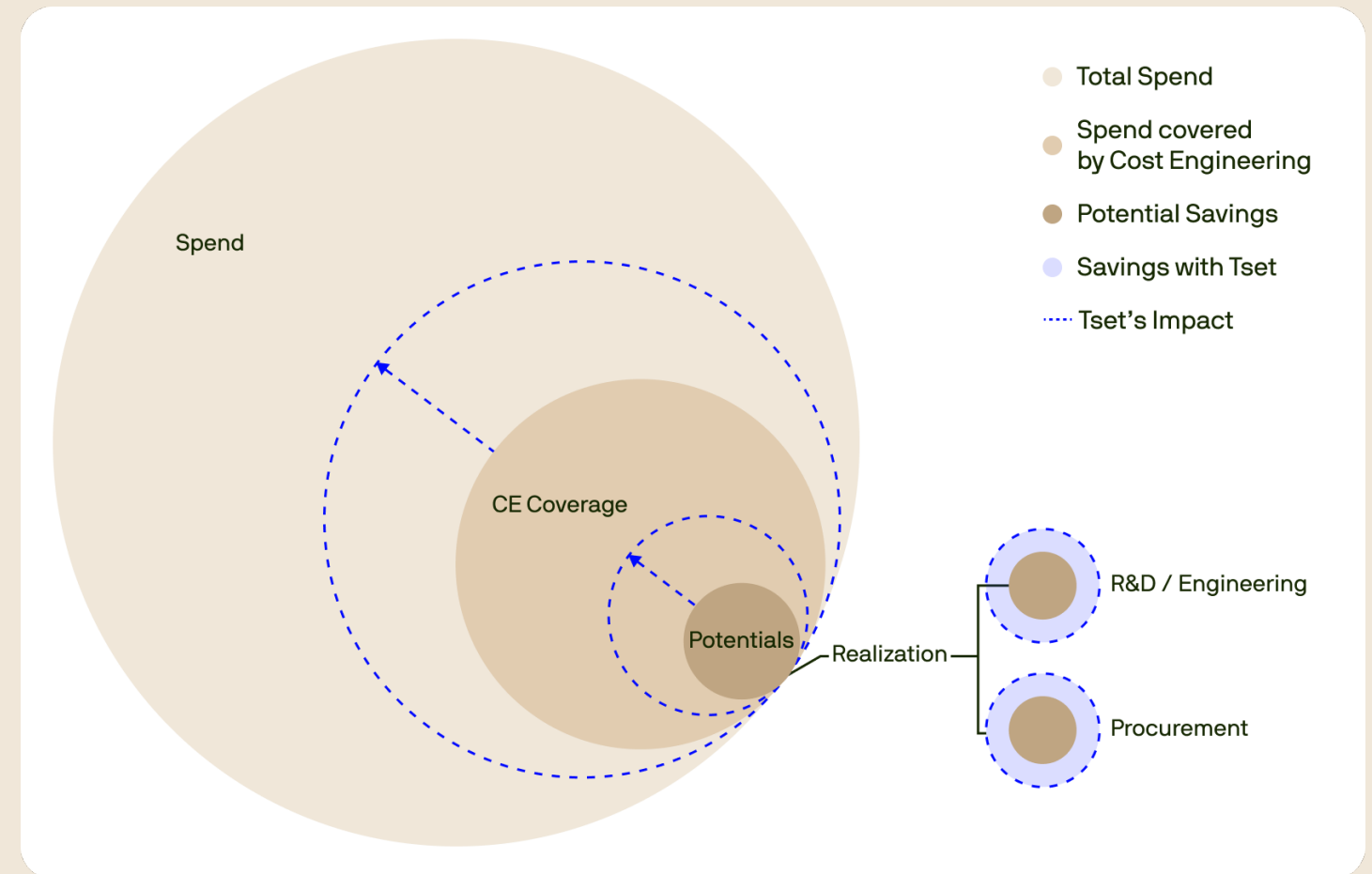
- Identify where **manual costing processes are slowing down decisions** and adding risk to your margins
- Quantify the **ROI of cost engineering tools** based on your product spend, team capacity, and cost structure
- Build a **step-by-step business case for investment** - backed by real metrics and tailored to your organization
- Understand how leading manufacturers are using modern costing platforms to **boost profitability and cost control**

ROI of Implementing a Modern Cost Engineering Software

As cost engineers, we understand that better cost transparency leads to smarter decisions - whether it's optimizing designs, validating supplier quotes, or identifying hidden savings. But translating that technical value into a compelling business case for management is not always straightforward.

C-level stakeholders do not just want to hear that a new tool “helps.” They’re focused on the bigger picture: improving overall cost structures, increasing operational efficiency, and driving profitability. They want hard numbers - how a costing tool reduces part costs, speeds up supplier quote validation, or prevents missed savings opportunities that directly impact margin and revenue.

What is often overlooked is just how far the value of automated costing software reaches across the organization - from engineering and procurement to finance and program management. In the next section, we break down the real ROI of cost engineering software, and how to communicate it in a way that supports strategic alignment and financial approval.



Most organizations only manage a portion of their total spend when it comes to cost optimization. Current processes tend to focus on familiar parts, high-volume components, or where historical data already exists. But many cost drivers go untouched - whether due to limited visibility, missing commodity expertise, or disconnected workflows.

That's where cost engineering software creates real value. It enables teams to extend their reach by identifying and optimizing costs in areas that were previously overlooked. With better data, automation, and collaboration, companies move from partial cost control to organization-wide cost transparency, unlocking measurable savings and a clear return on investment.

Making the Business Case: A Guide to Evaluating Cost Engineering ROI

Digitizing your cost engineering process isn't just an efficiency upgrade - it's a strategic move that can unlock millions in savings, improve supplier leverage, and accelerate time-to-market.

This section helps you evaluate whether a cost engineering solution is the right investment for your organization - and how to assess the ROI behind any proposal your team brings forward.

01 Identify the Hidden Costs of Your Current Process

Ask yourself: Where are we losing time, money, or visibility today?

- How much time do engineering and procurement teams spend on manual cost tasks?
- Are sourcing decisions delayed due to cost validation bottlenecks?
- Do we see inconsistent numbers or cost assumptions across teams?
- How often are we reacting to cost issues late in the process—when they're most expensive to fix?

03 Align with Business Goals

The strongest cases align with your key initiatives:

- Improving profitability through earlier and more accurate cost insights
- Supporting cost-down targets in procurement with should-cost data
- Enabling faster launches by reducing cost validation delays
- Building traceability and transparency into your costing process

05 Look for a Low-Risk, High-Impact Rollout

A strong business case should include a realistic path to value—not just a promise of savings. When evaluating proposals, look for:

- Clear, measurable benefits tied directly to business goals like margin improvement, sourcing speed, or cost coverage
- Relevant case studies from companies in your industry that demonstrate real results
- A phased implementation plan that starts small, shows value early, and minimizes disruption

02 Quantify the Impact of a Digital Costing Solution

When evaluating a solution, look for clear answers to questions like:

- Where does time get wasted today—and how much could be saved?
- How often do cost errors lead to late-stage changes or margin loss?
- Can faster, more accurate costing improve negotiation outcomes?
- Could your team cover more parts or projects without hiring?

04 Review the ROI Model

Don't settle for generic benchmarks. A good proposal should include:

- ROI based on your actual spend, cost coverage, and current process
- Conservative and transparent assumptions
- A clear payback period (e.g. within 12 months)

Ask: Does the model feel grounded in reality - or inflated with assumptions?

If you're looking for better margin control, faster decisions, and more confident supplier negotiations, modern cost engineering software delivers a clear and measurable business case. This guide helps you assess the value - on your terms.

Cost Engineering as a Driver of Your Business Profitability

Even organizations with most experienced cost engineering teams are under growing pressure to deliver faster results, reduce risk, and support cost-down targets across departments. Traditional tools and manual workarounds are no longer enough to meet those demands.

Modern product costing software like Tset is built to move cost engineering forward. It will give your organization:

- Faster, more confident decisions across sourcing, design, and finance
- Scalable cost insights without growing headcount
- Early visibility into margin risks before they hit your bottom line

If you're aiming to improve profitability, reduce sourcing risk, or accelerate product timelines, it's worth asking:

Do we have the cost visibility and speed we need to compete?

This guide is your first step to finding out.

[Click here](#) to get a tailored ROI assessment to see where your cost savings potential lies.

Call us at [+43 676 4487761](tel:+436764487761) (We speak DE, EN, IT, FR, and NL).

About Tset

Tset Software GmbH, known as Tset, transforms product development and manufacturing with its innovative solution for product costing and CO₂ analysis.

Founded in 2018 by Andreas Tsetinis and Sasan Hashemi, Tset empowers manufacturing businesses with advanced, cloud-based analytics for precise cost reporting and impactful cost optimization. Its software seamlessly integrates automation, comprehensive industry data, and expert support, enabling teams in procurement, R&D, cost engineering, and sales to collaborate effectively and make strategic decisions.

Trusted by global manufacturers such as BMW Group, Brose, AGCO, Chiron Group, and Stabilus, Tset serves diverse sectors including automotive, machinery, and medical industries.



Headquartered in Vienna and Kuchl, Austria, and supported by over \$25 million in funding, Tset's team of more than 70 experts continues to innovate and expand its software capabilities.



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