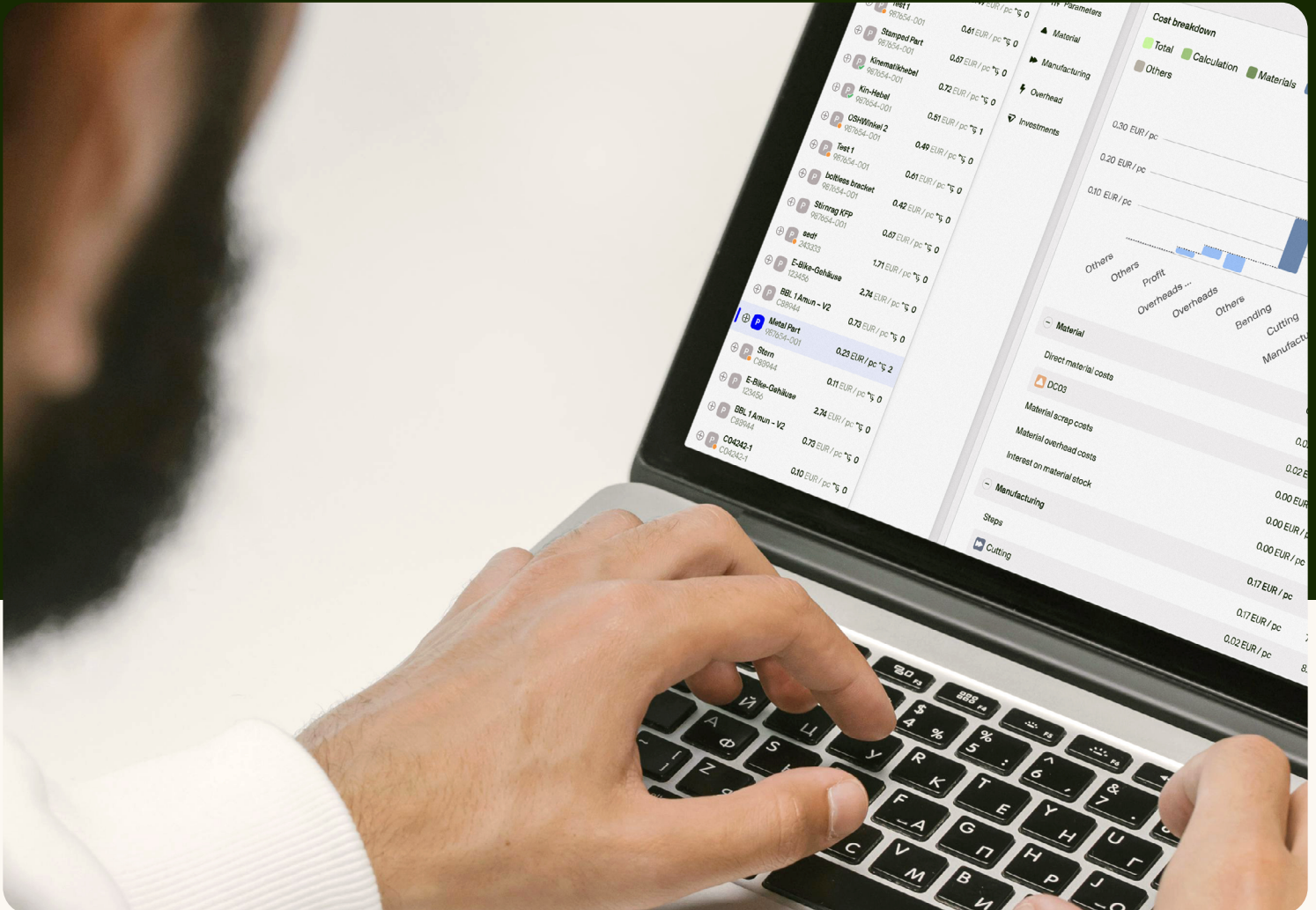


How to Build the Business Case and Win Budget for Cost Optimization Initiatives

# The Hidden ROI of Cost Engineering Tools





# Contents

<b>Introduction</b>	<b>04</b>
<b>Why You Need an Automated, Transparent Calculation Tool</b>	<b>06</b>
01 Centralized Data Management: Eliminating Information Silos	07
02 Scaling Cost Engineering Expertise: Addressing Gaps Across Teams	08
03 Automated Costing Modules: Faster, More Reliable Cost Calculations	09
<b>What is the ROI of Implementing a Cost Engineering Software</b>	<b>10</b>
<b>Business Case Toolkit: A Step-by-Step Guide to Secure Buy-In</b>	<b>12</b>
<b>Turning Cost Engineering into a Scalable Advantage</b>	<b>14</b>
<b>About Tset</b>	<b>16</b>



# 01 Introduction

Every cost engineering team faces the same fundamental challenge: making the right decisions at the right time with the best available data. Yet, even organizations with dedicated cost engineering teams still deal with inefficiencies.

Data is scattered, outdated spreadsheets slow processes, and teams struggle to align on cost decisions. As a result, cost engineers deal with tedious manual processes and miss opportunities for cost optimizations.

Imagine a procurement team negotiating with a supplier without real-time cost insights or a design engineer finalizing product specifications without visibility into cost implications. These scenarios create friction between departments and eat up potential profits. Cost engineers are expected to bridge these gaps, but without the right tools, they spend more time collecting and verifying data than optimizing costs.

What if cost engineers could focus on strategic improvements instead of troubleshooting inconsistent data? What if reliable should-cost estimates could be generated in minutes, not hours or days - even for new components? What if procurement, controlling, design, and manufacturing teams had a single source of truth for cost analysis?

The question isn't whether cost engineering needs improvement, but how much potential is still unused and how quickly companies can take action. This guide explores how modern cost engineering software, like Tset, transforms cost management.

You will learn how to:

- Centralize data to improve collaboration across departments
- Automate cost calculations to reduce manual effort, save time, and eliminate errors
- Understand the ROI of product costing software based on your company's spend and current setup
- Build a clear, data-backed business case to secure buy-in from your management

# 02 Why You Need an Automated Calculation Tool

For many organizations, cost engineering is a trade-off between accuracy and efficiency. While pressure to control costs and ensure profitability continues to grow, cost engineers often rely on spreadsheets, outdated models, and scattered supplier data. This leads to version mismatches in supplier comparisons and makes it difficult to explain differences in should-cost logic across projects.

Whether you’re using Excel or a legacy expert tool, the results of cost calculations are often hard to trace, validate, or explain to stakeholders. A dedicated cost engineering software like Tset does not just improve processes – it transforms how organizations approach cost optimization.

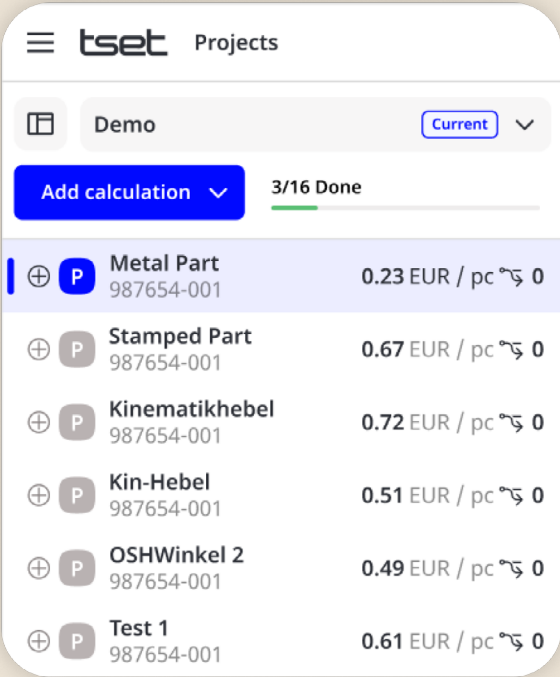
Learn how in the following sections.

## 2.1 Centralized Data Management: Eliminating Information Silos

Cost-related data often lives in multiple places – supplier quotes in emails, material prices in spreadsheets, and process data in separate tools. Without a single source of truth, decisions are made using outdated or incomplete information.

With Tset:

- All cost-related data is centralized, ensuring that every department works with the most up-to-date and consistent inputs.
- Cost engineers save time by removing the need to manually collect and verify fragmented data.
- Procurement, R&D, and finance teams access aligned data sets – each tailored to their needs – while cost engineers maintain traceability and logic behind each number.



The screenshot shows the Tset software interface. At the top, there's a header with the Tset logo and 'Projects'. Below that, a 'Demo' tab is selected, and a 'Current' dropdown menu is visible. A blue button labeled 'Add calculation' with a dropdown arrow is on the left, and a progress indicator '3/16 Done' is on the right. The main table lists several parts with their IDs and costs. The first row is highlighted in blue.

⊕	<b>P</b> Metal Part 987654-001	0.23 EUR / pc 0
⊕	<b>P</b> Stamped Part 987654-001	0.67 EUR / pc 0
⊕	<b>P</b> Kinematikhebel 987654-001	0.72 EUR / pc 0
⊕	<b>P</b> Kin-Hebel 987654-001	0.51 EUR / pc 0
⊕	<b>P</b> OSHWinkel 2 987654-001	0.49 EUR / pc 0
⊕	<b>P</b> Test 1 987654-001	0.61 EUR / pc 0



## 2.2 Scaling Cost Engineering Expertise: Addressing Gaps Across Teams

Not every stakeholder has deep cost engineering knowledge. Procurement professionals, design engineers, and financial analysts often lack visibility into cost structures. Even within experienced cost engineering departments, gaps in commodity knowledge can slow things down.

Tset helps close these gaps by embedding expert knowledge and support into the platform

- An intuitive, easy-to-use interface enables even non-experts to produce reliable cost breakdowns.
- Standardized cost logic ensures consistent and explainable results across departments.
- Built-in market data and cost models allow cost engineers to confidently cover more commodities – without relying on external experts.
- Software configurations and best practices are tailored to your organization’s unique needs.
- Access to Tset's expert support helps refine complex cost models and ensures accuracy when internal know-how is limited.

## 2.3 Automated Costing Modules: Faster, More Reliable Cost Estimates

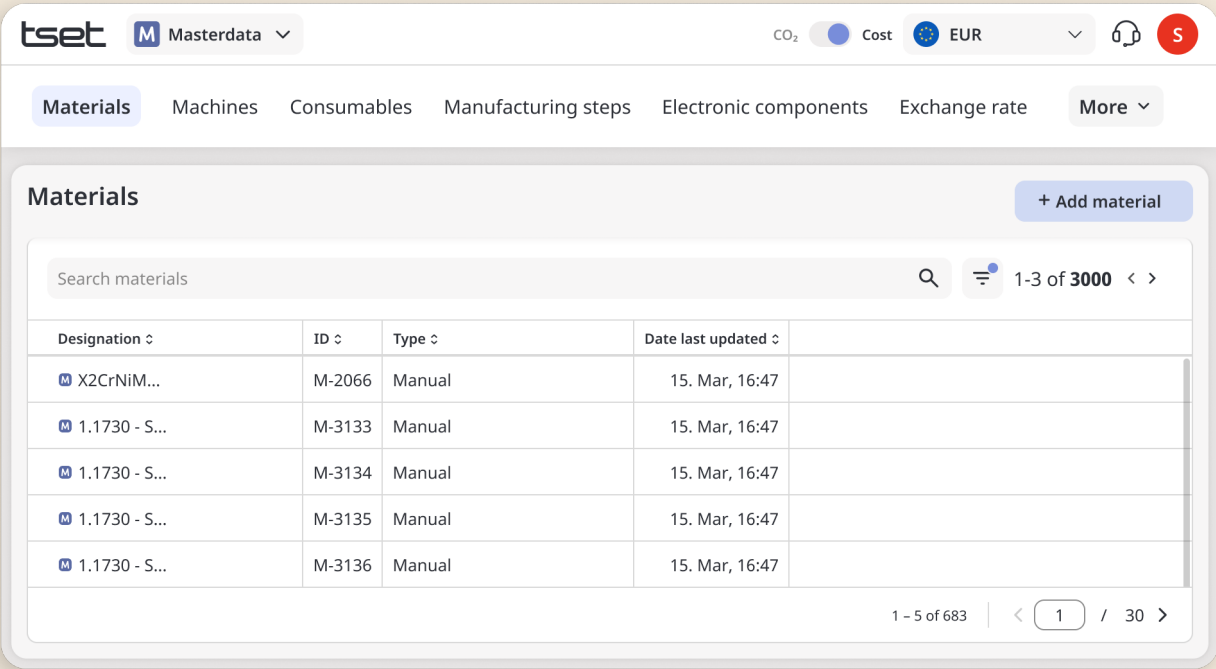
Cost engineers should not have to manually calculate costs. Supplier quotes should be validated in seconds, and cost estimates should always reflect the most up-to-date market data. That is the advantage of automated cost calculations.

Tset’s automated costing modules:

- Reduce manual effort and free up time for strategic decision-making.
- Minimize the risk of human error by applying standardized cost logic.
- Accelerate product development by removing bottlenecks caused by outdated or incomplete cost data.



Despite knowing all the benefits of implementing a cost engineering software in your organization, convincing upper management to invest in the tool is often a challenge. Cost engineers know the value of streamlining cost processes, but decision-makers need hard numbers and clear justifications before approving any new investment. In the following chapter, you will learn a structured approach to building a compelling business case for a cost engineering software.

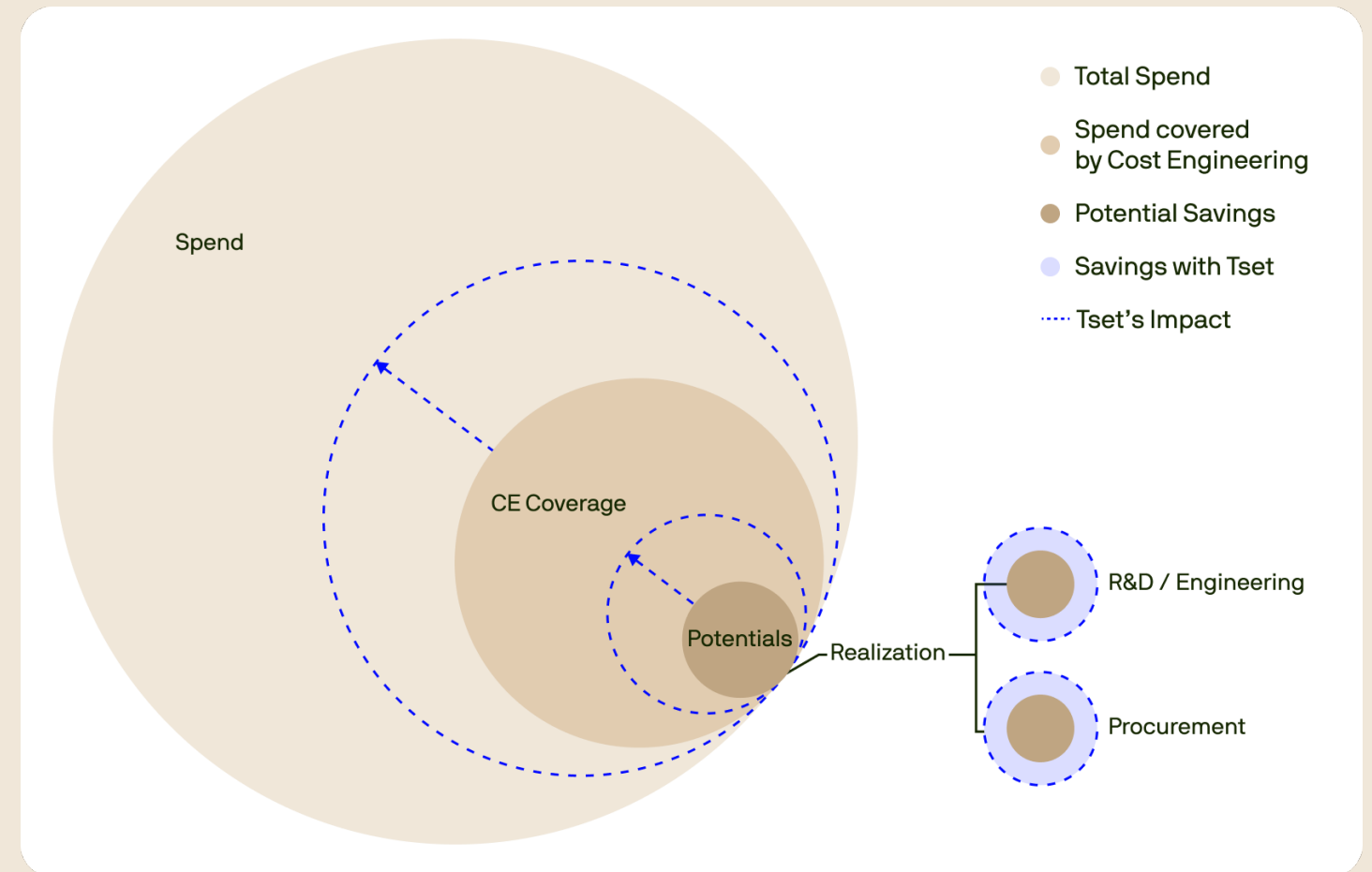


# 03 What is the ROI of Implementing a Cost Engineering Software

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.

# 04 Business Case Toolkit:

## A Step-by-Step Guide to Secure Buy-In

Understanding the ROI of cost engineering software is one thing, but communicating it effectively to decision-makers is another.

To help you build a strong business case, we prepared a practical step-by-step guide to secure internal buy-in. Start with what you already know, and build the case from your own numbers.

### 01 Identify the Hidden Costs of Your Current Process

Before pitching a solution, document the inefficiencies in your current workflow:

- Time wasted on manual data entry and cost calculations.
- Errors caused by fragmented data sources and disconnected models.
- Delayed supplier negotiations due to slow cost validation.
- Duplicated efforts when different teams work in parallel with different cost data.

### 03 Align with Business Goals

Frame your argument in terms that matter to management:

- Speed up time-to-market by reducing delays in cost validation and supplier quoting.
- Strengthen supplier relationships through consistent, transparent cost analysis.
- Improve profitability through better cost control and earlier visibility into cost drivers.
- Present results in a clear, adjustable format that is easy for non-experts to understand.

### 05 Secure Buy-In with a Data-Backed Proposal

- Summarize the key benefits with hard numbers tied to real business goals
- Provide case studies from similar companies to show what success looks like in your industry
- Offer a phased implementation plan to reduce risk and show short-term wins

### 02 Quantify the Savings Potential

Use real company data to demonstrate measurable savings:

- How much time would automation save your team per week or month?
- What percentage of manual errors could be reduced with access to clean, real-time data?
- How much could be saved by enabling more accurate and faster supplier negotiations?
- How many additional commodities could your team cover without additional hiring dependencies?

### 04 Present a Clear ROI Calculation

- Use a simple ROI formula to show potential savings and efficiency gains over time.
- Leverage Tset's support to build a tailored ROI calculation using your organization's own numbers, requirements, and business needs. ized and traceable using Tset.

By following this approach, you can translate technical improvements into business language that resonates with management - and make a strong case for investment in cost engineering software.

# Turning Cost Engineering into a Scalable Advantage

Even the 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.

Tset is built to move cost engineering forward. It gives your team full visibility into product cost structures, automates complex calculations, and embeds expert logic directly into the workflow. The result: faster decisions, better collaboration across departments, and measurable savings you can take to the bottom line.

If you're looking to:

- Expand your cost coverage without increasing headcount
- Standardize and scale your costing logic
- Prove the ROI of cost engineering to management

Then it's time to assess where you stand - and what you could be missing.

**Book a demo today** to transform your cost engineering process and get an ROI estimate for your business.

Call us at **+43 676 4487761** (We offer support in 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 CO<sub>2</sub> 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.



Tset Software GmbH

#### Offices

Aspernbrückengasse 2  
1020 Vienna  
Austria

Kellau 151  
5431 Kuchl  
Austria

[www.tset.com](http://www.tset.com)