



# Importance Of Right Costing



# About Volvo Eicher Commercial Vehicles Limited

Volvo Eicher Commercial Vehicles Limited is a leading global brands in the automobile industry that sells wide range of future generation trucks and buses. In India, it has the major market share of above 40% and large workforce of 11000+ employees. VECV relied on Systematix to deliver a software that helps them automate the cost estimation of parts.



## ROI

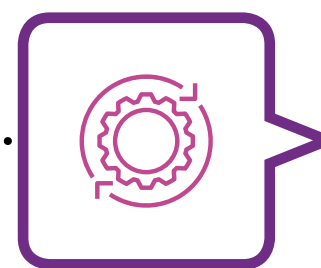
### 20% Increase in Employee Productivity

- Time saving of 40 hours per person per month
- Zero human errors
- Central repository for quick search
- Opportunity to analyse and manage cost



6 months

9 months

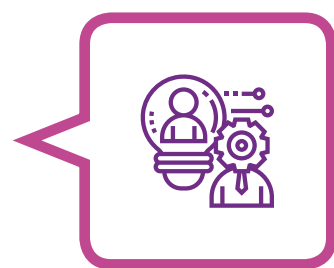


### 30% Increase in Operational Efficiency

- Quicker turnaround on cost-sheet development
- 200+ Cost elements for accurate costing
- Automated workflow for approvals
- Seamless integration with third party application

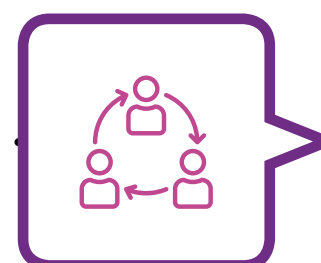
### Informed Decisions

- Business dashboards
- Purchase price analysis
- Predictive cost trends to analyse potential gain or loss
- Vendor analytics



12 months

15 months



### Vendor collaboration

- Request for Quotation (RFQ)
- Online quotation submission
- Streamlined communication
- Real time email reminders and notifications

# Cost Estimation Process Challenges



**MS Excel Dependency**



**Complex comparison of price quotations**

**Inconsistency in documents**



**Raising BOM Level Cost Sheet**

**Unorganized HistoricData**



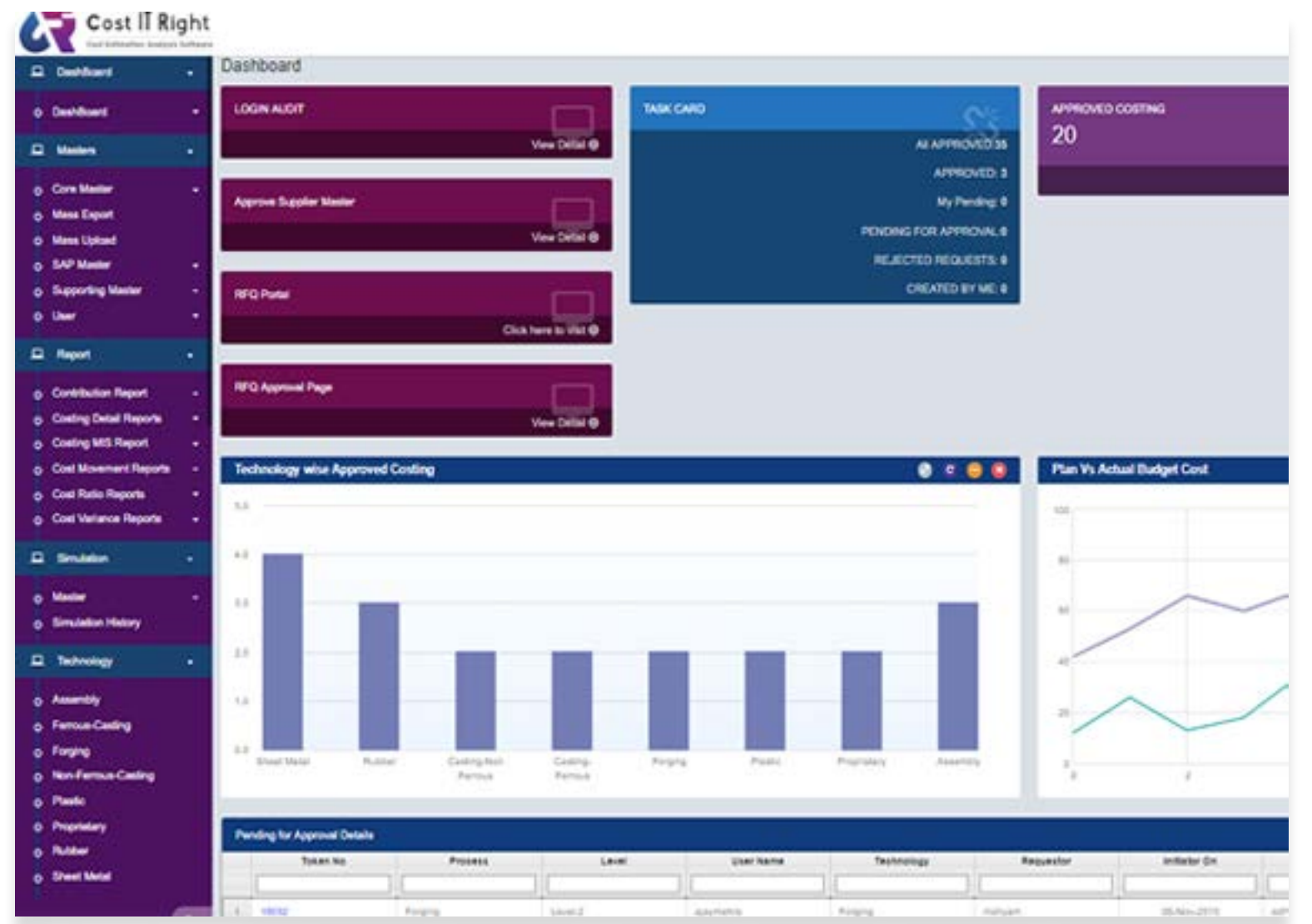
**People Driven**

**Inaccuracy in reports and insights**

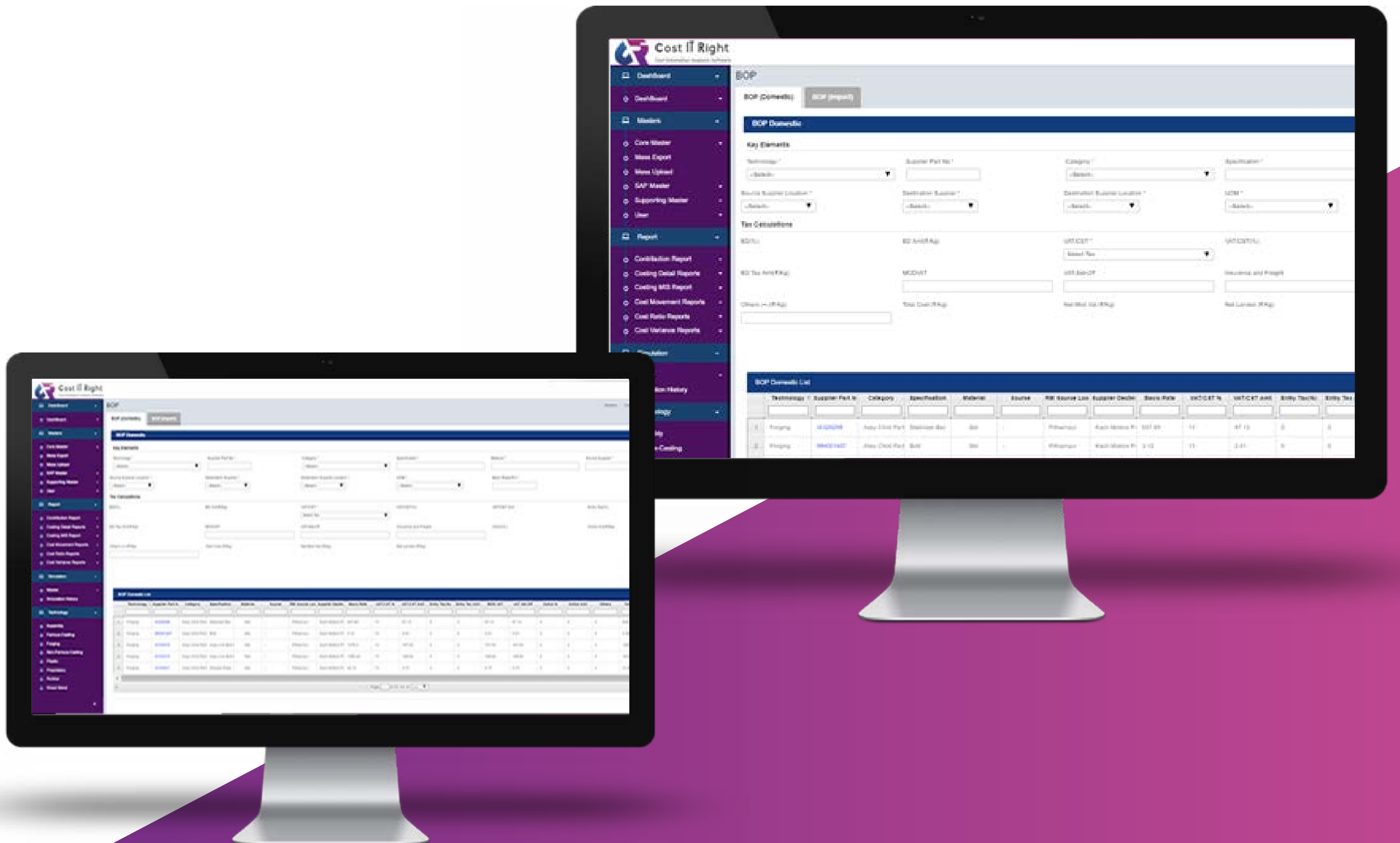


# Solution

Our objective was to design a custom solution that automates cost estimation process. VECV was using MS-Excel for developing cost sheet of over 20000+ BOMs from approx. 30000+ parts. These parts are either produced inhouse or procured from various vendors. The micro level costing of parts included material cost, process cost for conversion, inventory carrying cost and other associated costs such as freight, handling, forwarding etc. It was a complex, time consuming and error prone process. Impact analysis of the change in cost of a particular part and/or subpart to the overall cost was even more complex. Data security was a big question.



Systematix delivered a cost estimation engine that now automates and simplifies costing of any product that has multiple cost drivers. Aside core functionality of cost estimation, it also automates entire workflow among various stakeholders for necessary approvals, negotiations, ordering to the vendors and integration with legacy applications for data exchange. It creates structured cost data that helps in trend, variance and impact analysis and reports. Advance features like Predictive cost trend analysis indicates cost reduction or inflation in the cost of a BOM/ Part/ Product showing potential loss or profit on the current costing. The solution significantly increased the speed, consistency and security of the costing and analysis process.



## Business Benefits



Purchase price analysis



Automated workflows for approvals



Secured Cost-sheet and cost-driver database



Cost Impact analysis with What-if Scenarios at BOM or part level



System driven cost estimation process



Cost comparison basis multiple vendors, historical



Supplier's contribution analysis basis product, raw material, conversion



Predictive cost trend indicating cost reduction or inflation and potential profit or loss

## About Us

Incorporated in 2005, Systematix Infotech has been at the forefront of providing digital transformation consulting and software services to businesses globally. Their focus has been to design solutions that contribute towards the client's success and are sustainable to support the growth and changing dynamics of the business. Our work with over 900+ clients across 2500+ interesting projects speak of our diverse talent, project management and quality management capabilities.

## Contact Us



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