



# Cost Manager Tool

## Strategic Commodity Management

### > THE PROBLEM: What we're hearing from customers...

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- Limited visibility into part pricing from contract manufacturers and distributors
- Global pricing and availability is difficult to manage manually
- Increasing project costs and "hidden costs" from Contract Manufacturers
- Duplicate internal part numbers for the same MPNs hinder re-use
- Business Units don't work together to share savings or component management

**Customer Impact: Commodity management is scattered and difficult; it's impossible to get a global, centralized view.**

### > Why is it happening?

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- Mergers & Acquisitions and growth: scattered divisions/business units with different systems
- Business growth: new product lines with new part numbers; BOMs becoming larger and larger
- Contract manufacturers are reluctant to give full cost visibility or pass along savings

**Customer Impact: Existing commodity management schemes are pushed to their limit**

### > The problem in more detail...

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Different business units within the same organization can end up using the same components in separate designs; often with different internal part numbers, purchased from different distributors, or assembled by different contract manufacturers. Often, they will be paying different prices for the same component, and commodity managers won't have visibility into all of them. Cost Manager consolidates all this data, provides the necessary visibility, and facilitates cost savings by consolidating purchasing information.

### > Cost Manager offers four forms of ROI

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**TIME SAVINGS:**

- Less Admin/Data Entry – no more spreadsheets; automate the data collection process

**COST SAVINGS:**

- Consolidate global component cost savings and find new area to save

**COMMUNICATION:**

- Generate PivotTable reports; easily share data between management, engineering, purchasing

**CONSOLIDATION:**

- Get all CMs and BUs on the same system; normalize part info using SiliconExpert data

### > How It Works...

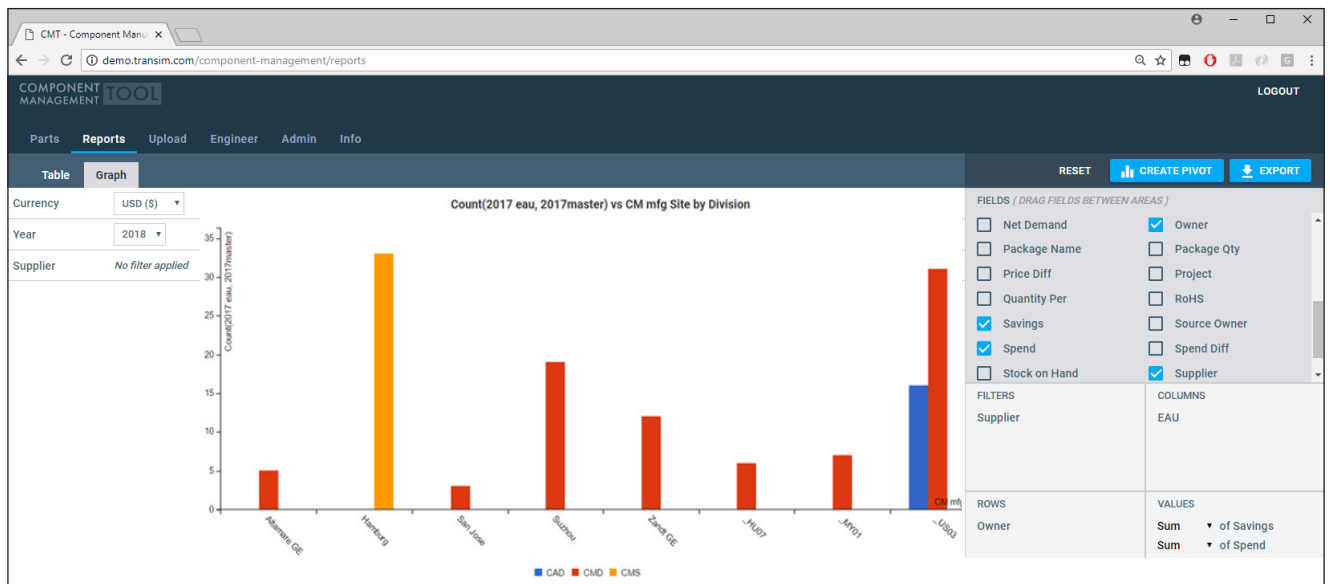
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- Contract manufacturers and/or business units, upload BOM files or part lists
- Part data is normalized and added to a private hosted database
- You manage your process ONLINE in a scalable, reliable, sharable web-based portal:
  - Commodity managers use the data to identify opportunities for savings
  - Engineers reference the data to design new products based on preferred/best cost components
  - Executives review reports that show: trends, red flags, outstanding performance, etc.
- NOTE: Each year's prices can be "locked" and used as a basis for the following year's negotiations; process repeats

# SiliconExpert Cost Manager Tool

Strategic Commodity Management

## > Customized PivotTable Reports



## > Case Study: Savings Report

CM	BU 1	BU 2	BU 3	BU 4	BU 5	BU 6
CM #1	\$28,0716	\$0	\$274,741	\$305,722	\$0	\$17,397
CM #2	\$0	\$0	\$0	\$0	\$523,980	\$0
CM #3	\$4,351	\$57,882	\$0	\$0	\$0	\$11,529
CM #4	\$331,111	\$0	\$40,952	\$0	\$0	\$0
Total	\$616,179	\$57,882	\$315,693	\$305,722	\$523,980	\$28,927

**Total 2018 Savings: \$1,848,385**

## > Why add Cost Manager to your existing SiliconExpert solution?

- It provides a centralized view into global commodity management and pricing
- Increase savings by consolidating pricing and negotiations
- No more unwieldy spreadsheet management, emailing of files, or manually creating reports for management
- Reduce duplicate part numbers by giving Engineering a portal to access commodity data
- Receive more detailed cost breakdowns from contract manufacturers
- Get a better negotiating position with CMs and distributors



For Information on all SiliconExpert Tools, go to: [SiliconExpert.com](https://www.SiliconExpert.com)