

Press Release

Control Product Cost – FACTON Brings New Design Costing Solution to Market

Troy, Michigan – April 26, 2017 – The new FACTON EPC Design Costing solution makes it possible to identify cost drivers early in the product development stage. As a steady evolution in the development of the FACTON EPC Suite, the solution has been enhanced to make it fast and simple to compare possible design alternatives. In a recent report, Gartner Inc., a US-based research and advisory firm emphasized that development-stage-based costing plays a key role in controlling costs.

With FACTON EPC Design Costing, the Potsdam-based software manufacturer FACTON is launching a solution that helps enterprises influence their product costs during in the product development stage. “We have made it our mission to help enterprises optimize their product costs across the entire life cycle. Considering that 80 percent of costs are defined before the start of production, it simply made sense for us to offer a solution that focuses precisely on this stage,” explains Alexander M. Swoboda, CEO of FACTON.

► Development-Stage-Based Costing Is the Key to Successfully Controlling Costs

Marc Halpern and Janet Suleski, two analysts at the US-based market research firm Gartner Inc., recently emphasized the consequences of not taking costs into account as early as the development phase: “Manufacturers lose opportunities to save manufacturing costs if they discover those opportunities after completing product designs. Lack of transparency in costing practices can cause manufacturing costs to balloon. Manufacturers struggle with ambiguous costing information and errors during product design when costing with disconnected spreadsheets. Predictive costing software is the key tool supporting a business strategy to avoid product life cycle costs while products are still being designed.”¹

► FACTON EPC Design Costing Provides Direct Cost Feedback

FACTON EPC Design Costing shows businesses directly what impact design and production related decisions such as materials or production sites have on costs. Once a target cost specification is set in the system, manufacturers can quickly uncover savings potential and easily evaluate alternatives.

► Simple Costing Methods Minimize Effort

Costing effort is kept to a minimum since all the relevant data is entered into a standardized system. Consolidating multiple calculations, e.g. in Excel, is a thing of the past. This not only saves time; it also lowers vulnerability to errors. FACTON EPC Design Costing enables developers and designers to create cost estimates and/or rough calculations. This is sufficient in order to create cost transparency and identify major deviations in target setting. The calculation structure is built on the basis of the engineering BOM.

► Rapid Deployment, Maximum User-friendliness, Operation On-Premises and in the Cloud

FACTON EPC's user interface (UI) is familiar, with buttons like the ones used in Microsoft Office products. This enables even inexperienced users from any department in the enterprise to learn to operate EPC Design Costing after a short orientation phase. The solution can be operated both on-premises and in the cloud.

The FACTON EPC Suite

The FACTON EPC Design Costing solution is part of the FACTON EPC Suite. The Suite consists of specific solutions that address the product costing requirements of different company departments and divisions – from top management, controlling and production to development, purchasing and sales.

¹ Gartner, Adopt Predictive Costing to Deliver Winning Products at Greater Profit, Marc Halpern, Janet Suleski, March 24, 2017

About FACTON

The FACTON EPC Suite is the leading Enterprise Product Costing (EPC) solution for the automotive, aerospace, mechanical engineering and electronics industries. Its specific solutions offer robust answers to the requirements of executive management and individual departments within the enterprise. FACTON EPC enables standardized, enterprise-wide costing independent of location and department for maximum product cost transparency throughout every phase of the product life cycle. Businesses accelerate their costing, achieve pin-point cost accuracy and secure their profitability.

FACTON was founded in 1998 and has locations in Potsdam, Dresden, Stuttgart and Detroit. Hasso Plattner, founder and chairman of the supervisory board of SAP AG, has supported this innovative company since 2006. The international portfolio of customers includes Ford, Henniges Automotive, Airbus, Mahle Behr, Deutz, MANN+HUMMEL, Porsche and other renowned manufacturers.

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