

PRESS RELEASE

Product Cost Management Reaches the “Slope of Enlightenment” in Gartner Hype Cycle

Troy, Michigan – August 16, 2017 – According to the U.S. marketing research institute Gartner Inc., Product Cost Management software has reached what is known as the “Slope of Enlightenment” in the Hype Cycle, a benchmark for evaluating emerging technologies. In this category, public perceptions have grown in terms of benefits and implementation. FACTON Enterprise Product Costing (EPC) software has been named as a Sample Vendor in this category.

“FACTON EPC was one of the first software solutions for product costing to enter the market,” explains Alexander M. Swoboda, CEO of FACTON. “This means that we have hit virtually every phase of the Gartner Hype Cycle. For several years now we have seen the topic of cost management gain more and more ground with customers worldwide – so we are well on our way to the Hype Cycle’s furthest level of maturity, the “Plateau of Productivity.” According to Swoboda, only companies with proactive, software-based product cost management will be able to remain internationally competitive in the future. When it comes to costs, even a fraction of a percent can determine whether a product will be profitable or not. “We believe seeing Gartner list our technology for this category obviously underscores our commitment,” continues Swoboda.

CIOs must investigate cost management software

Gartner analysts Marc Halpern, Simon F. Jacobson, Rick Franzosa, and Janet Suleski, recommend that CIOs implement cost management software: “CIOs must investigate cost management software if their companies are interested in cost governance for predicting the costs of parts, products and product manufacturing. [...] CIOs can realize ROI with cost management software as it provides actionable “make versus buy” and “should-cost” data for procurement/supply chain strategies. Sourcing professionals anticipate that should-cost data will help improve their negotiations with suppliers by estimating product and service costs.”¹

The Hype Cycle as a benchmark for evaluating emerging technologies

The Hype Cycle visualizes the individual phases of public perception that an emerging technology goes through from the time of its launch. Gartner coined the term Hype Cycle in 1995. Today it represents the benchmark used to evaluate emerging technologies and their relevance to the public. According to Gartner, the “Slope of Enlightenment” is focused experimentation and solid hard work by an increasingly diverse range of organizations lead

to a true understanding of the technology's applicability, risks and benefits. Commercial off-the-shelf methodologies and tools ease the development process.

¹ Gartner, Hype Cycle for Discrete Manufacturing and PLM, 2017, Marc Halpern, Simon F. Jacobson, Rick Franzosa, Janet Suleski; July 26, 2017

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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 pinpoint 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 Motor Company, Henniges Automotive, DURA Automotive Systems, Airbus, Mahle Behr, MANN+HUMMEL, Porsche and other renowned manufacturers.

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