

# Costing

## *Life cycle costing for a manufacturing edge*

To remain competitive, you must keep a tight rein on product and service costs. glovia G2 Costing allows you to do just that. In addition to a variety of other tools, the solution provides three costing methods - standard, actual and average - all of which help develop, monitor and manage your product and service costs.

## *Improved Cost Management*

As product and service designs change, operational processes improve, and new suppliers are found, you must be able to determine the cost impacts quickly and accurately. You need to know what actions should be taken to correct problems and when to adjust prices for profitability or market share. Costing is designed to help you accomplish this, regardless of the size of your operation.

## *Life Cycle Costing*

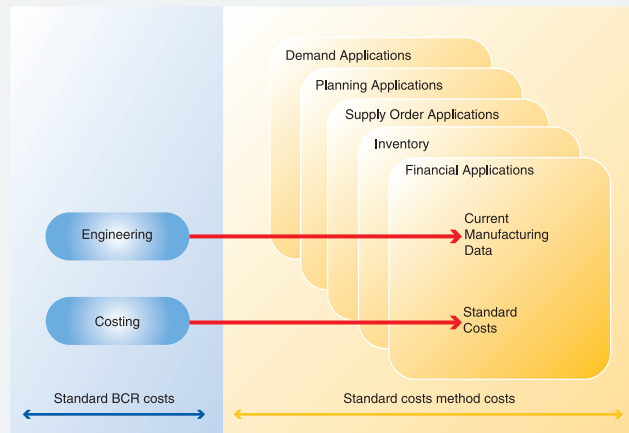
Costing meets the needs of businesses whose products and services are supplied through both internal resources and from outside suppliers. Seven cost types can be used to create, model, and track costs throughout a product or service's life cycle. These include the standard, average and actual cost for each cost type, as well as previous, current and future transactions. The system also allows you to create simulated cost models for evaluation and analysis without affecting current operations or book values.



## *Elemental Costing*

Each item can have multiple user-defined cost elements. By accurately recognizing the true components of cost, these elements provide the critical visibility needed for effective cost control. Elements include fields for material, machine and labor run-time; set-up, fixed and variable overhead; outside processing, shrink / scrap, and freight.

## Costing and Engineering Integration



### Flexible Cost Roll-Ups

Cost roll-ups can be done by cost type using current or simulated data. These roll-ups are used as a planning tool for viewing projected costs and analyzing the impacts of changes to bills of material, routings, and cost center rates. The system automatically saves the product structures and other source information used in the cost roll-up process. This provides data for a full cost roll-up analysis as well as back-up records for a complete audit trail, detailing any accounting impact. To avoid incorrect cost roll-ups, exception reports can identify missing or incomplete data.

### Operational Cost Visibility

glovia.com item cost records are structured to show a hierarchical view of the costs for each item's subassemblies, components and tasks. At each level of the item, the relationship of the materials used may be associated with the value-added costs of manufacturing or service delivery. This provides the means to value an item or service accurately as it progresses through the sequence of operations.

### Three Costing Methods

- Standard
- Actual
- Average

### Seven Item Cost Types

- Standard
- Future standard
- Future future standard
- Previous standard
- Current
- Engineering
- Simulated

### Item Cost Elements

- Material and Material Overhead
- Machine Run-Time, Setup, Fixed and Variable Overhead
- Labor Run-Time, Setup, Fixed and Variable Overhead
- Outside Processing
- Freight
- User-Defined Costs
- Shrink / Scrap
- Indirect Costs
- Memo Field to Exclude from Cost Roll-Up
- User-Defined Descriptions

### Operation Level Cost Visibility

- Value-Added Costs by Operation
- Component Material by Operation

### Cost Roll-Up

- By Cost Type
- Single-Level
- Multi-Level
- Net Change
- Full File
- Optional Standard Cost Update
- Item BOM, Routings and Cost Rates Retained for Analysis
- Error and Warning Filters

### Cost Roll-Over Processing

- Roll future to standard and standard to previous
- Roll future future to standard and standard to previous
- Roll back standard to future and previous to standard

### Historical Item Cost Information

- Manufacturing and purchasing activity
- Details from manufacturing and purchasing receipts
- Accumulated elemental costs
- Last item cost with elemental detail
- Last quantity completed or received
- Accumulated total quantities

### Inquiries and Reports

- Costed multi-level BOM
- Cost history
- Item cost
- Roll-over Item Cost Comparative
- Roll-over Inventory Revaluation
- Roll-up Exceptions

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