



QUANTALYST

CONSULTING, LLC

*Creating Value through
Quantitative Modeling*

3430 E. Jefferson #406
Detroit, MI 48207
313.821.7870

1223 Wilshire Blvd. #282
Santa Monica, CA 90403
213.500.3747

www.quantalyst.com

The Assessment

A major multi-national producing more than 6,700 items required detailed and credible cost information on each item and sought to define target cost opportunities on a selected range of offering.

The Scope

Develop auditable costs for each item through item complexity analysis and using activity-based concepts.

Actions/Implementations

- Mined data systems to acquire auditable production detail on an item-by-item basis. Systems mined ranged from ERP, to departmental satellite systems, to spreadsheets, to operator knowledge.
- Implemented an item review method and schedule to allow a comprehensive cycle time analysis for all items across all plants.
- Developed auditable complexity profiles for each produced item.
- Integrated work into the existing ERP system.

The Results

- Improvement opportunities identified to achieve target cost goals on selected ranges of product offering.
- Identified MIS improvement opportunities that have enabled development of data capture systems and data warehousing concepts.
- The above moved the focus of IS development from "wish lists" to pragmatic, managerial useful data access structures.
- Product rationalization opportunities moved from strict volume-based measures to a matrix analysis which incorporates complexity factors.
- In an unexpected spin-off opportunity, the work was prominent in a plant capacity rationalization effort.