

<p><b><u>Background</u></b></p> <ul style="list-style-type: none"> <li>Starting accurate and detailed cost target at an early phase of project is not easy.</li> </ul>	<p><b><u>Objective</u></b></p> <p>To achieve target cost at first production start, cost planning must start from concept phase. And target will be considered of lifecycle cost.</p>													
<p><b><u>Phase</u></b></p> <pre> graph TD     Concept --&gt; Feasibility     Feasibility --&gt; Verify     Verify --&gt; SOP     SOP --&gt; Terminate     </pre>	<p><b><u>Who</u></b></p> <table border="1" data-bbox="743 618 1390 741"> <thead> <tr> <th>Phase</th> <th>Project Leader</th> <th>Engineering</th> <th>Production Engineering</th> <th>Production</th> <th>Coordinator</th> </tr> </thead> <tbody> <tr> <td>All</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Engineering</td> </tr> </tbody> </table>		Phase	Project Leader	Engineering	Production Engineering	Production	Coordinator	All	Y	Y	Y	Y	Engineering
Phase	Project Leader	Engineering	Production Engineering	Production	Coordinator									
All	Y	Y	Y	Y	Engineering									
<p><b><u>Procedure</u></b></p> <ol style="list-style-type: none"> <li>At concept phase, prepare bill of material with recurring and non recurring cost</li> <li>Also try to get all information of lifecycle cost for estimation</li> <li>When the design completed, Engineer must calculate by themselves about cost using cost estimation table</li> <li>Unclear cost will be calculated with cost estimation specialist</li> <li>Inside of design check sheet needs cost column to fill in</li> <li>Inside of project room, cost progress have to check with all members</li> <li>Every design review, cost must review</li> </ol>														
<p><b><u>Output</u></b></p> <ul style="list-style-type: none"> <li>Cost planning chart</li> <li>Countermeasure to achieve target</li> </ul>	<p><b><u>Results</u></b></p> <ul style="list-style-type: none"> <li>Achieve target cost</li> </ul>													
<p><b><u>Comment</u></b></p> <ul style="list-style-type: none"> <li>Design product without cost information means that product does not exist</li> <li>Usually cost reduction target should be 30 to 50% level of total lifecycle cost with all related organization. Small target don't enforce more collaborative activity.</li> <li>Financial cost is just results, but cost planning is proactive activity</li> </ul>														