

# The COST of CHAOS

There are four process areas that most companies struggle with. They are Change Management, Data Management, Project Management, and Requirements Capture & Management.

How much is the absence of a Product Lifecycle Management Solution really costing you? Complete the worksheet to give yourself an idea.

## Change Management

	Hrs/ECN
Management	
Engineer	
Administrative	
Manufacturing	
<b>Total:</b>	

Total Hours  **X** Salary/Hour \$  = Total Cost/ECN \$

Total Cost \$  **X** # of ECN/Year  = **ECN COST/YEAR** \$

## Data Management

### Personnel Cost

	Hrs/Person/Week
Redundant Data Entry	
Searching Previous Designs	
Engineering Rework	
BOM Creation & Maintenance	
<b>Total:</b>	

Hrs/Week  **X** # of Engineers  = Total Hrs/Week

Total Hours  **X** Salary/Hour \$  **X** 52 = **WASTED COST/YEAR** \$

### Productivity Loss

Average Project Revenue \$  **X** # of Projects you didn't get to last year due to backlog:  = **LOST REVENUE OPPORTUNITY** \$

# worksheet continued...

## Project Management

	%	What does failure cost you? (Margin)
% Of Projects that fail to meet scheduled ship date annually		\$
% Of failure to meet cost target annually		\$
% Late Startup/Commissioning annually		\$
	<b>Total:</b>	\$

**TOTAL MARGIN LOST ANNUALLY**

## Requirements Capture & Management

<i>Real Costs</i>	What does it cost you?
Warranty Claims annually	\$
Manufacturing Rework & Scrap annually	\$
Engineering Rework annually	\$
<b>Total:</b>	\$

**TOTAL COST ANNUALLY**

### *Productivity Loss*

	Hours/Project
Engineering Time for Late Changes	
Sales & Project Managers	
Manufacturing Personnel	
<b>Total:</b>	

$$\text{Total Hours} \times \text{Projects/Year} \times \text{Salary/Hour}$$

$$= \$$$

**ANNUAL COST OF HOURS LOST**

**Add up all the red boxes:**

\$

If this number alarms you, we can help you do something about it. Give us a chance to revolutionize the way you think about the life of your products.