

# AGILE PRODUCT COST MANAGEMENT

## KEY FEATURES & BENEFITS

### KEY FEATURES

- Integrates cost and sourcing data in a secure product record
- Updates the product record in real time
- Displays the product record in a flexible, multidimensional view
- Supports collaborative input from design, sourcing, suppliers, and manufacturers
- Offers team-based BOM sourcing for outsourced and new products
- Tracks material and nonmaterial costs
- Models and analyzes commercial, engineered parts, and product cost scenarios
- Measures actual versus target costs using powerful analytics
- Pushes cost records through to the relevant supply chain automatically

### KEY BENEFITS

- Streamline and simplify new product sourcing processes
- Extend sourcing strategies across both internal and external product costing processes
- Reduce material and nonmaterial costs
- Adjust operations based on an integrated picture of lifecycle cost projections
- Collaborate better with suppliers
- Make better sourcing decisions with robust analytics
- Minimize supply chain risk exposure
- Bolster supply chain effectiveness

*Oracle's Agile Product Cost Management helps optimize your company's strategic sourcing processes throughout the lifecycle of the product you sell. It is the only interenterprise collaborative solution that combines suppliers' specific cost and risk data with the enterprise product record—the complete, up-to-the-minute definition of the product—chronicling input from the design, sourcing, customer, supplier, and manufacturing tiers. By providing bill of materials (BOM) sourcing analysis based on data captured from internal organizations or external multitiered manufacturers and suppliers, Agile Product Cost Management offers an integrated picture of the product lifecycle that allows you to proactively analyze and adjust processes to minimize cost and risks.*

### The Challenges of Managing Product Cost

Managing costs throughout the product lifecycle is a challenge to companies. With a dispersed engineering and manufacturing environment, where programs are created and managed in silos, product and sourcing information becomes decentralized and inconsistent. In many cases, this information is not accessible, visible, or standardized—leading to millions of dollars in lost profits each year.

To complicate the matter, most companies outsource activities throughout the design, source, build, sell, and dispose phases of the product lifecycle. To maintain costs, companies must work closely with their customers, external suppliers, and manufacturing partners across the extended enterprise. Yet strategic sourcing is data intensive, time sensitive, and requires a collaborative framework where internal and external sourcing and design teams—as well as suppliers and multitier manufacturing partners—can input and access the relevant information. In conjunction with Oracle's Agile Product Collaboration, Agile Product Cost Management enables companies to effectively manage product cost by displaying the product record within a dynamically updated framework, to achieve true strategic sourcing.

### Agile Product Cost Management Overview

Agile Product Cost Management allows companies to enter and retrieve data and analyses securely and collaboratively enterprisewide and across the multitiered supply chain. Such a powerful framework simplifies new product sourcing, allowing your company to get it right the first time and manage product costs. This is the only solution that enables companies to make strategic sourcing decisions about both outsourced and new products, and allows for team-based, BOM sourcing and product cost collaboration, beginning at the critical product concept phase.

**RELATED PRODUCTS****AGILE PRODUCT  
LIFECYCLE  
MANAGEMENT**

Agile product lifecycle management helps companies accelerate revenue, reduce costs, improve quality, ensure compliance, and drive innovation throughout the product lifecycle. With a broad suite of best practice, enterprise-class product lifecycle management solutions, Oracle helps you get the most from your products.

**RELATED PRODUCTS**

- Agile Product Collaboration
  - Agile Product Governance and Compliance
  - Agile Product Quality Management
- Agile Product Portfolio Management
- Agile Food and Drug Administration Validation Pack
- AutoVue Electro-Mechanical Professional for Agile

Agile Product Cost Management is the only solution that integrates sourcing data into the common enterprise product record—the complete, current definition of the product that includes BOMs, specifications, drawings, models, and approved manufacturers. This enables companies to monitor the sustainability of sourcing strategies, leverage the full expertise of suppliers, and reduce ongoing product costs. The end result is profitable products, delivered right to market, because key stakeholders involved in sourcing can dynamically share information in real time and adjust operations based on an integrated view of the product lifecycle.

Agile Product Cost Management offers the following core functionalities.

**Product Sourcing**

Companies need to identify sourcing options and decide how best to source a product to maximize quality, profit, and efficiency. To do this right, decision-makers require input from individuals and teams across the enterprise, including design teams, suppliers, manufacturers, product teams, and others. The product sourcing functionality streamlines and simplifies this process with a platform that enhances the product record's framework for collaborative input. Valuable input is stored centrally, updated regularly, and made accessible in an intuitive format to all key stakeholders. As a result, companies can collaborate effectively with suppliers, gather and assess new material and nonmaterial costs, and analyze risk and data to make optimal sourcing decisions.

**Price Management**

The price management functionality makes contract information available across the enterprise, including the terms of your agreements with direct material suppliers and their contracted price. By making this information visible to both internal and external stakeholders, global organizations can better manage the process of changing, approving, and getting feedback on current and projected price details—ultimately ensuring that decision-makers are using and executing to the latest, most accurate pricing in downstream product costing processes. The availability of this information in the unified enterprise product record provides visibility of the latest pricing across the multiple tiers of your supplier base. This increased transparency and accuracy of the universal product cost record significantly reduces the risk of cost leakage and thereby increases the profitability of the total product lifecycle.

**Contact Us**

For more information about how your organization can leverage the power of Oracle's Agile Product Cost Management, please visit [oracle.com](http://oracle.com) or call 1.800.ORACLE1 to speak to an Oracle representative.

Copyright © 2005, 2007, Oracle Corporation and/or its affiliates. All rights reserved.

This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor is it subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle is a registered trademark of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.