



The CRH-Group has its product costs, starting from R&D up to actual production, always under control with FACTON's Enterprise Product Costing solution. The automotive supplier can now react to various price changes long before they get out of hand. Necessary price reductions can be realized even after the start of production. The CRH-Group can therefore meet increasing cost pressures within the industry while securing their products' profitability. The company has insured their growth with FACTON and is prepared for future competition.

## CRH-Group securing its growth

With FACTON, CRH controls the profitability of their products throughout the entire lifecycle



## ► Advantages for CRH Group

**Competitiveness:** Costs can be controlled across the entire product lifecycle

**Quickness:** Central platform offers fast access to all data

**Auditability:** Audit requirements are secured through traceable calculation steps

**Risk Minimization:** Effects of material price increases on the calculation are identifiable

### ► The Customer

The CRH-Group is a globally recognized industry leader for seating systems. The company's headquarters are located in Solingen, Germany. They employ over 3,000 people worldwide and annual sales exceed \$570 million. CRH has ambitious growth plans for the future: within the next eight years the automotive supplier wants to nearly double their sales-volumes.

### ► The Requirements

CRH must always keep track of their product costs in order to stay competitive. Up until now, the company monitored its product cost calculation using MS Excel which brought about critical disadvantages. Various lists had to be combined constantly to identify the most current costs. This was very time consuming and the result was highly error prone. Displaying the costing history and tracing the target costs were very cumbersome. Additionally, the initial BOM estimating calculation could not be compared directly with the SAP data from mass production. Therefore, CRH had a difficult time controlling the total product

costs. Furthermore, various users were able to change the costing parameters which led to unreliable results. CRH demanded a robust central costing platform with continuously retrievable costing parameters which are connected to real time production.

### ► The Project

Since November 2008, CRH has been working with FACTON's Enterprise Product Costing solution. With FACTON, their calculation is now consistent and audit compliant. All steps are recorded so that there cannot be any deviations when the calculations are edited. Since all the data is stored on one platform, the time and effort for searching, investigating and editing has been reduced considerably. FACTON's archive module offers additional security because it enables to "freeze" various versions for later viewing. In order to keep an eye on the cost development across the entire lifecycle, FACTON lists the costs in various modules – from estimation to a precise quote. The product development stages can now be compared with the fixed target

gates which result in target costs being within budget and costs being reduced. Another advantage of FACTON is that CRH can closely trace, through the transparent display of all costing components, how the material price increases affect the product costs. This reduces the corporate risk considerably. In 2009, FACTON will be connected to the SAP batch costing system. Eventually, the costs can be monitored beyond the start of production during the entire lifecycle and be reduced if required.

"The collaboration was excellent and the implementation was very smooth." remembers CFO Gian Mario Deligios.

"With FACTON we always know if we are still on track or not. This control is very important for the development process because the future product costs are determined in this phase." Gian Mario Deligios

Product cost transparency throughout the entire product life cycle.

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