



With FACTON's Enterprise Product Costing Solution, WITTENSTEIN Corporation can early on and quickly identify whether new products can be offered at competitive prices and be sold earning a solid profit. The company has considerably shortened the time-to-market of their innovations by using FACTON. Moreover, WITTENSTEIN can monitor their product costs throughout their entire development phase and is able to lower them further. As a result WITTENSTEIN is enhancing the competitiveness of their products significantly and is expanding their position as leading supplier of modern drive systems.

Wittenstein Corporation

Accelerates rate of innovation



► Advantages for Wittenstein Corporation

Competitive Advantage: Rapidly determine the profitability of products
Accuracy: Standardized calculation dramatically lowers the margin of error
Reliability: Ability to link target costs during product development
Innovation: Significantly shorten development time of new products

► Our Customer

WITTENSTEIN ranks among the leading suppliers of modern drive systems. The company develops, produces and sells 40,000 components and 16,000 complete systems to the medical, aerospace, automotive and machinery industries. A big factor for the success of the company is its enormous strength in development and innovation. WITTENSTEIN employs approximately 1,000 people in seven divisions worldwide.

► The Requirements

Due to their high level of standardization, WITTENSTEIN computes up to 80 percent of product manufacturing costs from existing ERP data. With their previous costing tool based on Excel, the bills of material had to be manually transferred from the ERP system and be formatted into Excel tables. This made the costing process enormously tedious, slow and error prone. There were also problems with Excel regarding WITTENSTEIN's complex surcharge system, which led to more delays and further reduced the impact of product innovation. In addition, it was barely possible

to effectively control or even reduce future manufacturing costs during the development phase. WITTENSTEIN determined it desperately needed a software solution that enabled complete costing during product development and included interfaces to their ERP system.

► The Project

In 2007, WITTENSTEIN introduced the software solution from FACTON. The FACTON database supported software provides the company with a fast and permanent cost calculation throughout the entire life cycle of their products. A requirements analysis carried out by FACTON's solution partner prosovi showed that nearly 90 percent of WITTENSTEIN's constraints were fulfilled by FACTON out-of-the-box. FACTON thus only needed to customize its software solution to accommodate WITTENSTEIN's surcharge system and to import of BOM from their ERP and PLM systems. These interfaces represent significant advantages for WITTENSTEIN. FACTON links the PLM data with the master

product data from the ERP system. Consequently, the estimator receives the information about the cost of each part immediately. Additionally, the direct connection between FACTON and WITTENSTEIN's PLM and ERP system provides real-time data updates. Even intercompany surcharges are no longer a problem thanks to FACTON. Altogether, WITTENSTEIN now has much more time to devote to costing brand new components. During product development FACTON provides valuable support with decisions on design, "make-or-buy", as well as the selection of product variants such as material or manufacturing location. Thus, product costs can be further reduced. In addition, the calculation error rate decreased because references and links cannot be altered as in Excel.

„As a worldwide manufacturer of innovative high-tech products it is essential for us that we manufacture rapidly and cost effectively.“ Manfred Wittenstein, Chairman of Wittenstein Corporation

„Today, with FACTON we can complete a calculation with a click of a button with little preparation. Previously we had to collect data and manually key it in“, according to FACTON key user Mr. Bay. „The administrative costs within product estimating have been reduced drastically.“

Product cost transparency throughout the entire product life cycle.

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