

Online cost-engineering service to help SMEs build business

Cost estimates are fundamental to business decisions. Indeed, some believe that, "cost has become a business driver." Which is why a prototype set of online cost-engineering services that could help engineers understand and benefit from best estimating practice in key industry sectors has been developed.



"In the automotive industry for example, it is the major car manufacturers that set the price for components, not the OEM [Original Equipment Manufacturer] suppliers," says Lars Hansen of the IZET Innovation Centre in Itzehoe, Germany and project coordinator of the IST project [V-CES](#) behind the prototype. "So it is vital that those suppliers often SMEs [Small and Medium-sized Enterprises], are able to fix their own cost drivers as early in the contract development process as possible. The earlier you know your real product costs, the better is your ability to make any changes necessary."

Accordingly, the V-CES participants developed a virtual cost-engineering approach comprising three distinct components:

An online cost-engineering support system (e-Mentor) which can assist in generating cost estimates using a number of methodologies (e.g. bottom-up, parametric or analogy-based).

e-Training modules, accessible via the Web, that help young engineers understand the different cost-engineering techniques and learn from best practice cases in a number of industries.

An online e-Community that enables cost-engineers to interact with colleagues and/or experts and establish informal and formal relationships with them.

V-CES focuses particularly on three key sectors: the automotive industry, semiconductor manufacturing and the aerospace sector. The Web service is now live, and even though the project closes at the end of June 2006, the site will continue to be maintained by a technology spin-off company created by project partner Cranfield University.

In fact the partners in V-CES have ambitious plans for its further development. "We want to get venture capital invested into a commercial launch, and we are now compiling the business plan for that purpose," says Hansen. "V-CES is available now in English, we are working on a German version, and expect further language versions to follow."

"We would also like to be able to offer some form of certificate to users who complete our training," he says. "Because, for any company bidding for a contract, it is important to show that you have implemented and followed appropriate quality assurance procedures. This is where certification can make a real difference."

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