

**ECONOMIC
MODELING
EXPERTISE**

Plastic Product Cost Modeling...

YOUR MAP TO WHERE THE MONEY'S HIDDEN

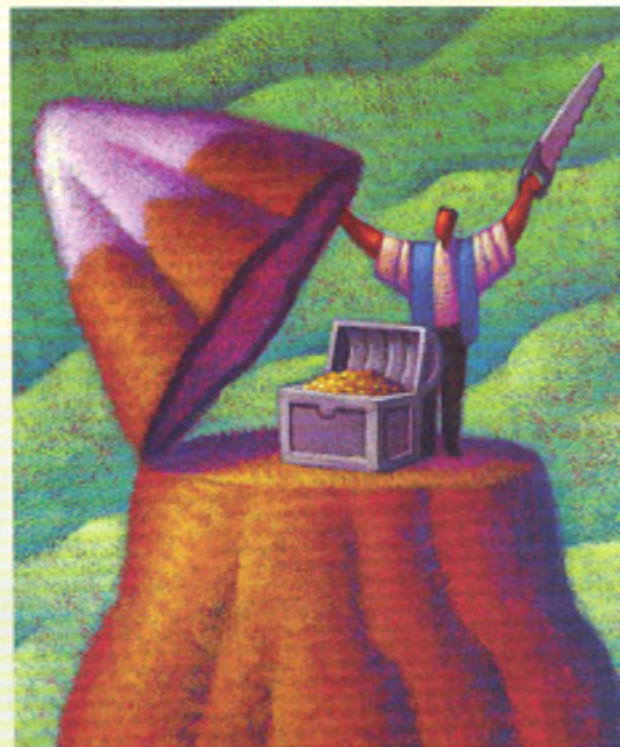
SES offers unique skills in technical and economic modeling that allow us to identify cost reduction and avoidance opportunities that others can't see. 30–35% reductions are average, delivering project ROI's from 30–400%.

HERE'S HOW IT WORKS

SES uses a combination of cost modeling tools to estimate economic impacts. Our injection molding cost model is the most developed and considers the primary technical and economic contributors to cost or price. The economic analysis uses a combination of known industry formulas and regression modeling of historical data, along with other techniques. Critical part dimensions and a description of the intended mold are plugged into the model, resulting in four outputs: Mold Cost & Size Estimates, Basic Molding Process Parameters, Unit Price Predictions and Project Budget Predictions. Blow molding and thermoforming unit prices are similarly estimated.

UNIT PRICE PREDICTIONS

This portion of the model produces perfect replication if all input data is known. The unit price model in its stand-alone version has been used for real pricing on real parts for almost 15 years. It has also been tested successfully against the internal models of roughly a dozen injection molders in the U.S., China, Mexico, Western Europe, and Japan. Blow molding estimates have been successfully used with many of the major U.S. blow molders.





MOLD COST & SIZE ESTIMATES

Because design related mold-to-mold and vendor-to-vendor price variations for the same piece of plastic are high, mold price estimation is more difficult and less precise than unit cost estimating. Despite this, our model has proven successful in pro-

viding better predictions of machine tonnage requirements, total cycle time, and injection rate requirements than those used by molders themselves.

ACCOUNTING FOR "THE MARKET"

SES accounts for market conditions in the form of a Gross Margin estimate

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viding a rational basis for cost comparisons between production system choices without the necessity of going to vendors to get lots of quotes over a large range of potential options. In addition, it has been calibrated against mold building practices and cost structures in different parts of the world.

BASIC MOLDING PROCESS PARAMETERS

The molding process estimates from our models produce realistic results and have routinely proven to provide

or markup over the direct manufacturing costs. Our unit price models follow income statement accounting methodology in handling profit and market conditions in this manner. Over the years, numerous products and supply chain types have been modeled allowing an understanding of the "typical" market behaviors for different situations. This understanding also allows us to make recommendations on different market segments to further reduce costs.

For Help Identifying Cost Savings Opportunities in Molded Plastics, Call SES Today.

VISIT SES ON THE WEB AT WWW.STRESS.COM

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