Overview
The Infosys Product Cost Optimization (PCO) solution aims to reduce cost and maximize value at various stages of product development, production and sustenance. Our solutions for cost estimation, value engineering, benchmarking and sourcing help clients to optimize across the value chain, keep costs on target and make products competitive. Our PCO platform along with commercial tools support these solutions to enable organizations optimize in the new normal.

Why PCO?
- Pressure on profit margins
- Prolonged vendor negotiations
- High COGS on legacy program/product
- Chronically poor supplier performance posing potential risk
- Fair price for your part/product sourcing
- Cost overruns on NPDs

Our Solutions
- Proven framework and established processes
- Cross-industry expertise
- Cost savings across engineering, manufacturing and supply chain
- Rich experience in aerospace, automotive, medical equipment, consumer products, software, hardware and electrical components
- Automated and bulk costing capabilities
- Accurate estimates that empower Supply Chain to negotiate with detailed cost breakdown
- Internally developed cost optimization platform with centralized data repository
- Knowledge models as digitized guidelines
- Multiple, customizable costing templates
- End-to-end custom automation tool-kits

Cost Optimization Framework
- Market analysis and surveys
- Cost estimation
- Ingest data into cost optimization Platform
- Design to cost
- Teardown and benchmarking
- Exploratory analysis
- Strategies for cost optimization
- Analytics and insights
- Implementation framework
- Realization

Enablers
- Multi-disciplinary solution
  - Across all engineering disciplines: mechanical, electrical, electronic, software
- Costing Platform
  - Cost estimation framework
  - SME interface
  - 350+ established process guidelines
- In-house Labs
  - Teardown (mechanical, electronics)
  - Rapid prototyping (3D printing)
- Value Engineering Framework
  - Center of excellence: People, Process, Infrastructure
  - Partner ecosystem to support prototyping and testing
Success Stories

A tier-1 aero-structures manufacturer wanted to estimate the cost of over 100,000 components to aid supplier negotiations. We performed cost analysis, identified opportunities to reduce cost and supported the engineering implementation. Delivered cost savings of approximately 30%.

We helped a leading European automotive systems supplier introduce a major component of the transmission system in a new emerging market. Through market surveys, benchmarking and value engineering, we developed design concepts to make the product competitive. Saving of 25% delivered on the product cost without compromising performance.

We developed diagnostic imaging equipment (mechanical parts, embedded hardware and software) for a large medical device OEM at target cost. We setup the supply chain for the product, developed prototypes and supported product certification through our partner ecosystem. Product BOM cost reduced by over 30% over the target cost.

For a media products OEM, we developed new compact designs for desktop and rack mountable media I/O card, which combined multiple boards into one integrated design. Achieved through teardown, product analysis and value engineering to develop new concepts. The new design led to 80% reduced components and 70% form factor reduction.

Aerospace Industry Experience

Value engineering for Tier-1 aero structure manufacturer
$250M savings across the program (5 year)

- Generated over 200 implementable ideas
- Idea generation to implementation including supplier liaison and obtaining change board approvals

Cost optimization for an aircraft avionics assembly
Over 10% cost savings achieved

- Costing of mechanical and electrical components
- Identified areas of cost optimization through value engineering
- Identified alternate sourcing options

SCM support for a major aerospace structures supplier
Developed system for contract monitoring and supplier cost recovery

- Monitor contract expiry, contract renewal or transfer of work
- RF(x) and contract placement support
- Supplier quality and schedule monitoring

Automotive Industry Experience

Developed cost efficient clutch at 25% cost saving for an emerging market though value engineering and market analysis.

Optimized the seating design for an automotive tier-1 supplier, achieving 10% savings in product cost and weight reduction.

Delivered significant cost savings on Hybrid EV inverter for a manufacturer through teardown and cost estimation.

Developed local supply chain in India for an automotive engine manufacturer acting as the supplier arm of the OEM.

Benchmarked automotive lamps of major OEMs by utilizing the lighting CoE at Infosys and providing valuable intelligence to the customer.

Benchmarked auto USB box for an automotive major against competition to deliver insights on design optimization.
Medical Industry Experience

- Regulatory Compliance
- Alliances for prototyping and certification
- Dedicated lab setup for teardown, prototype
- Partnered with medical institutions

Domain

- Cardiac Rhythm
- Diabetes Care
- Neuro modulation
- Obstructive Sleep Apnea
- Radiology
- Audiology
- Imaging
- Urology
- Endoscopy
- Anatomical Pathology
- Dye Injector Systems
- Electro Physiology

Value engineering of patient health monitoring device
Potential annual savings opportunities of 1.5M USD proposed

- Teardown of the products with BoM and functional analyses
- Should costing followed by function-cost analysis
- Ideation, idea evaluation and analysis and shortlisting

Cost optimization for transcatheter diagnostic devices
About 30% product cost reduction achieved through over 60 approved ideas

- Teardown and functional analysis of components
- Ideation for new concepts, evaluation and shortlisting
- Proposed assembly automation

Concept design of ureteroscope
Developed new design concept with improved clinical performance and added features

- Analyzed and benchmarked competitor products
- Consulted doctors and brainstormed with SMEs
- Ideation and implementation

Consumer Electronics Industry Experience

- Appliances
- Networking
- Peripherals
- Security
- Personal Hygiene
- Computing

Developed standardized platform for all variants of refrigerator line for a leisure products OEM delivering 40% saving on tooling cost and part count reduction.

Reduced by 25% BoM cost on a personal hygiene product line for a large European consumer electronics products OEM.

Value engineering of PCB in telephone chassis through component engineering and layer reduction for a major telecom OEM achieving 20% product cost reduction.

Implemented design to cost approach for end-to-end development of a home security and automation panel for a leading fire and safety OEM.

For more information, contact askus@infosys.com