

INFOSYS PRODUCT COST OPTIMIZATION



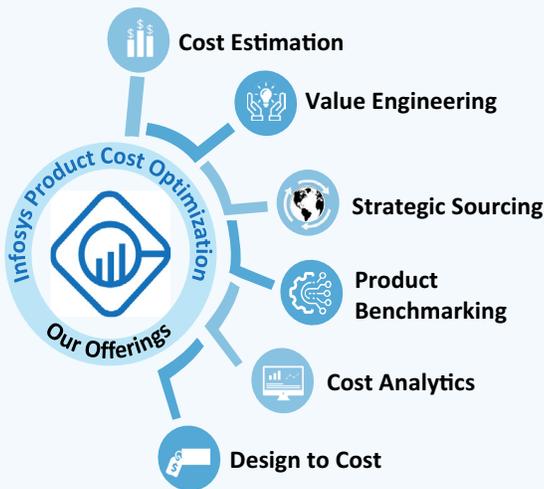
Overview

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	High COGS on legacy program/ product	Fair price for your part / product sourcing
Prolonged vendor negotiations	Chronically poor supplier performance posing potential risk	Cost overruns on NPDS

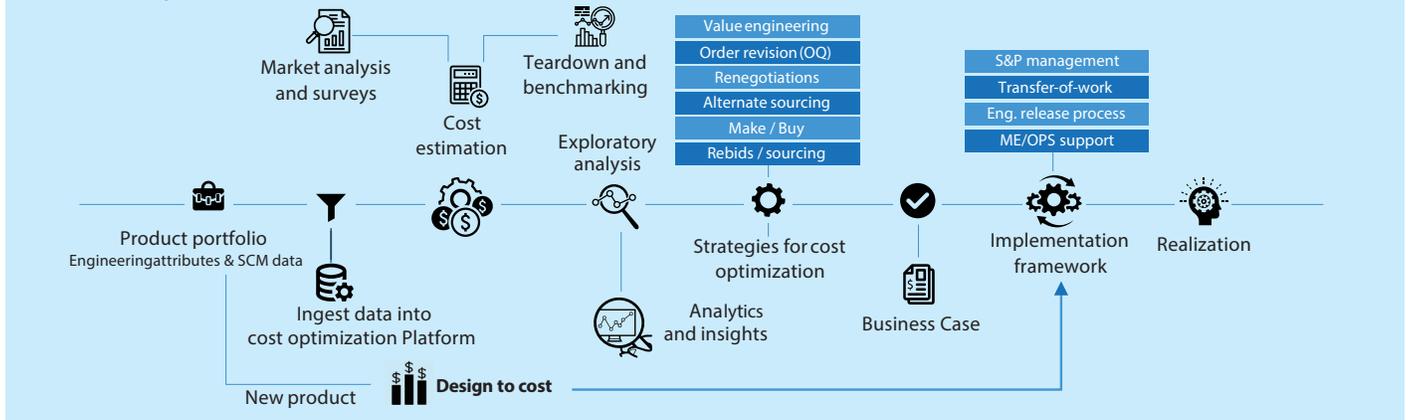
Our Solutions



Our Credentials

- 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 break down
- 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



Enablers

Multi-disciplinary solution <ul style="list-style-type: none"> • Across all engineering disciplines: mechanical, electrical, electronic, software 	Value Engineering Framework <ul style="list-style-type: none"> • Center of excellence : People, Process, Infrastructure • Partner ecosystem to support prototyping and testing
Costing Platform <ul style="list-style-type: none"> • Cost estimation framework • SME interface • 350+ established process guidelines 	In-house Labs <ul style="list-style-type: none"> • Teardown (mechanical, electronics) • Rapid prototyping (3D printing)

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.

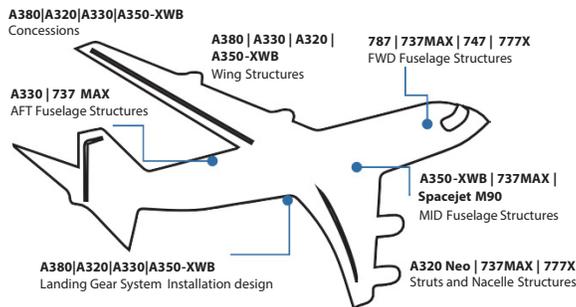


We developed diagnostic imaging equipment (mechanical parts, embedded hardware and software) for a large medical device OEM at target cost. We setup the supply chain for the product, developed prototypes and supported product certification through our partner ecosystem. Product **BOM cost reduced by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

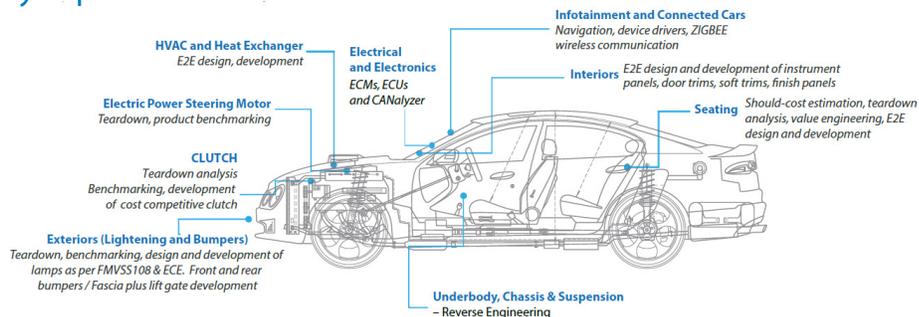
- Costing of mechanical and electrical components
- Identified areas of cost optimization through value engineering
- Identified alternate sourcing options

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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
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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



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