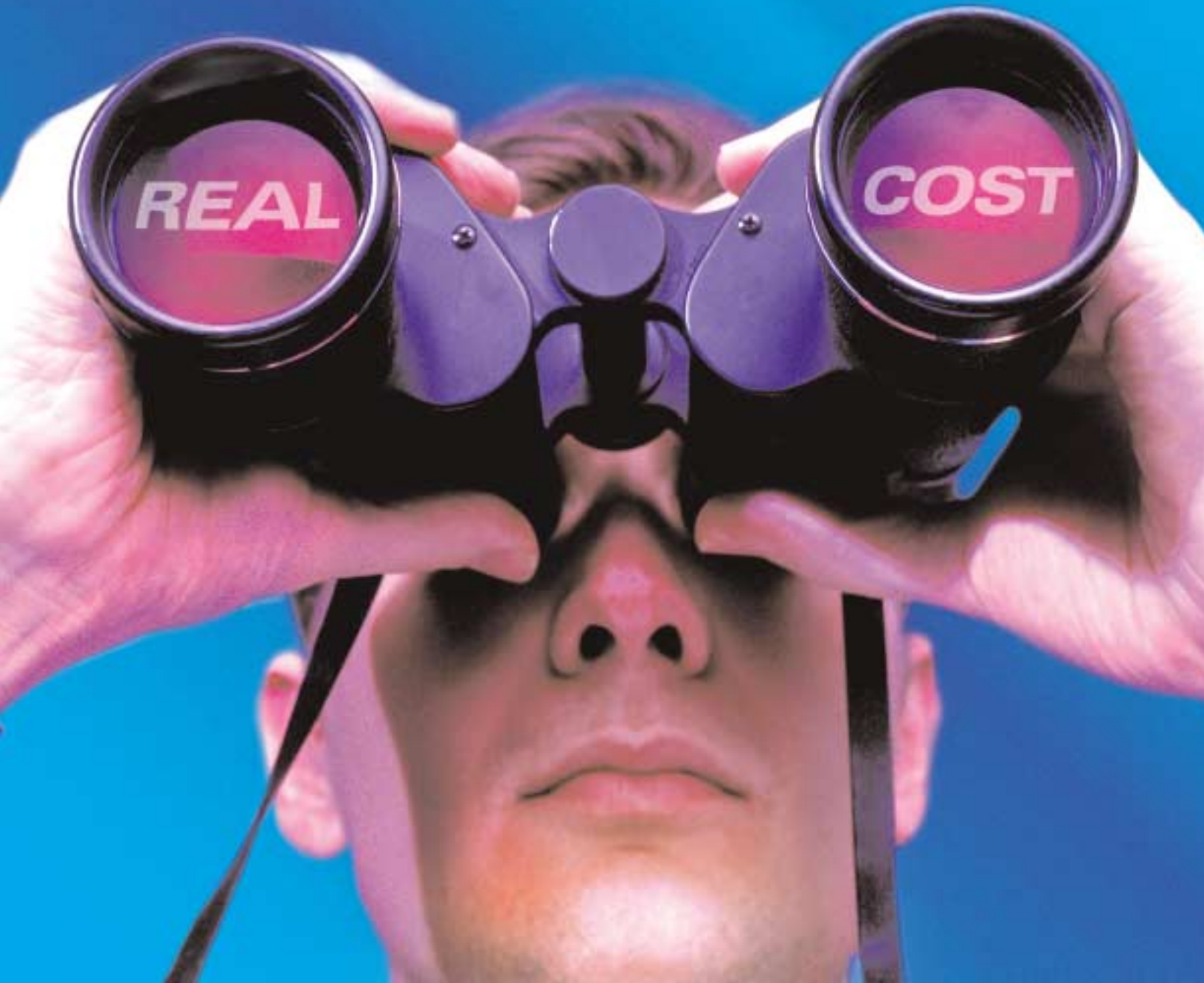


**For survival, OEM's are  
looking way beyond the market price  
of purchased parts.**



# COSTIMATOR® OEM.

## COMPETITIVE-EDGE COST ESTIMATING SOFTWARE THAT KEEPS PROFITS ALIVE.



**T**o generate savings and efficiency, OEM's today are looking at more than market-priced quotes from suppliers. They're learning the **REAL COST** of their manufactured parts. How? With Costimator OEM—software that quickly and accurately lets you see what the **REAL** time and cost is to make parts any place in the world, whether in-house, or by a supplier.

Costimator OEM enables you to justify to your suppliers the prices you expect to pay. This powerful system was designed specifically for OEM's and covers all manufacturing applications.

With proven reductions of up to 50% in part costs, it's no wonder more OEM's and Fortune 500's are using Costimator OEM as a profitability/survival tool.

### PURCHASED-PART COST SAVINGS

#### Costimator Lets You:

- ▲ Determine the **real time and cost** for manufacturing a purchased part.
- ▲ Set realistic target costs for formulating and submitting RFQ's to suppliers.
- ▲ Substantiate to suppliers what a part should cost and why.

#### How It Works:

To perform a "real cost" estimate it's necessary to break down both the time to manufacture a part and the cost of labor or, shop rate of the supplier. Manufacturing times are generated through process and/or parametric estimating methods within Costimator OEM, while labor rates are calculated through the program's Shop Rate Calculator™ feature.

#### Real Cost in Two Ways

**(1) SUPPLIER SPECIFIC:** Lets you factor the true time and cost of making a part by a specific supplier. When figuring a real cost estimate, this takes into consideration the actual equipment a supplier has and processes they are capable of performing. The supplier's shop rates are accurately estimated using Shop Rate Calculator.

**(2) IDEAL SUPPLIER:** Lets you determine what a part can be made for under ideal conditions, using the best equipment and processes available in the industry.

Both methods are **proven** to be extremely effective tools for determining purchased-part costs. This data serves as a critical negotiating tool with suppliers.

**"A Real Cost of \$12.00 was identified for a part that was costing \$20.00, yielding an annual savings of \$66,000.00 on one part alone."**

*A midwestern heavy equipment manufacturer referenced in Cutting Tool Engineering*

Costimator®		Estimate - Cost
Part:	PIE-100543 IDEAL SUPPLIER	
Customer:	Apex Engineering	Date Created: 01/09/2003
Jit # Number:	J-4854	Date Modified: 01/09/2003
Revision:	42	
Estimator:	Tom	
Plant:	US (Plant: US)	
Quantity:	100	Page: 1
Machining Cost		1809.523
Standard Cost		483.303
Tool Change cost		6.967
Mix ratio cost		278.332
Manufacturing cost		1767.825
Setup cost		224.250
Overhead/Burden cost		4168.529
Material cost:		
Plate HX: 750 x 120 (Steel ...)		1200.000
Total material cost		1200.000
Total cost		7387.604
Cost per piece		73.876

**Ideal Supplier method, comparing cost of**  
Takes into consideration differences in labor, material

## Shop Rate Calculator™

Costimator OEM's Shop Rate Calculator combines actual labor rates as reported on W-2 forms by the Bureau of Labor and Statistics, along with other default factors to produce accurate supplier shop rates. Standard labor rates are available for all U.S. states as well as most countries worldwide. Combining shop rates with accurate, detailed manufacturing times will give you the knowledge you need to lower your purchased-part costs.

Direct Labor Rate	15.000 (\$/hour)
Original price of machine	500000.000 (\$)
Number of direct labor employees	100.000
Annual Gross Sales	100000.000 (\$)
Annual Overhead Costs	
Indirect Shop Labor Wages	300000.000 (\$)
Insurance - General	4000.000 (\$)
Supplies and Tooling	8000.000 (\$)
Fleet	4000.000 (\$)
Utilities	2500.000 (\$)
Property Taxes	400.000 (\$)
Miscellaneous	500.000 (\$)
Repair and Maintenance	4000.000 (\$)
Sales, General & Administrative	305515.000 (\$)
Profit (before taxes)	102191.650 (\$)
Shop Rates	
Labor Rate	22.500 (\$/hour)
Burden Rate	41.085 (\$/hour)
Total	63.585 (\$/hour)

Powerful new Shop Rate Calculator

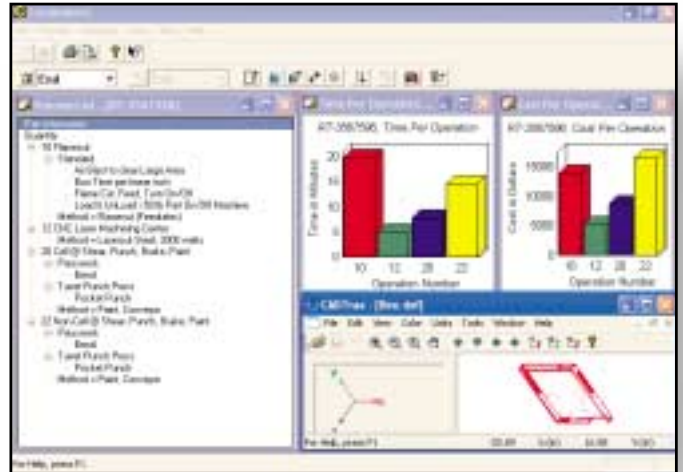
**Get reductions of up to 50% in part costs!**

Costimator®		Estimate - Cost	
Part:	RS-102543 IDEAL SUPPLIER		
Customer:	Apix Engineering*	Date Created:	01/09/2003
Job Number:	J-4954	Date Modified:	01/09/2003
Revision:	x2		
Estimator:	Tom		
Plant:	Mexico <b>Plant: Mexico</b>		
Quantity:	300	Page:	1
Machining Cost		138.888	
Standard Cost		52.896	
Tool Change cost		0.859	
Allowance cost		25.793	
Manufacturing cost			218.436
Setup cost			94.700
Overhead/Burden cost			2102.262
Material cost:			
Rate HR: 750 x 130 (Steel ...)		908.200	
Total material cost			908.200
Total cost		300.000	3404.516
Cost per piece		3404.516	11.348

*f making a part in the U.S. vs. Mexico.*  
and purchased-part costs as well as currency exchange.

## REDUCES IN-HOUSE MANUFACTURING COSTS

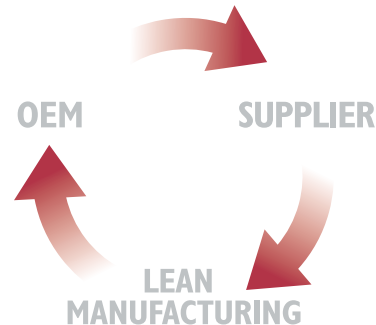
Estimators can quickly analyze how various manufacturing processes, tooling types and material changes will effect production time and cost. The program produces complete, detailed process plans, specifying the necessary set-up, tooling, machine times and more. The result is a lean manufacturing plan that increases productivity and profitability.



Time and cost of operations for "what if" comparison

## FACILITATES MAKE VS. BUY DECISIONS

Evaluate whether a part can be made more cost-effectively in-house or by a supplier. Costimator OEM allows you to analyze your in-house capabilities versus those of your suppliers, enabling you to make a cost-effective decision on whether to make or buy a part.



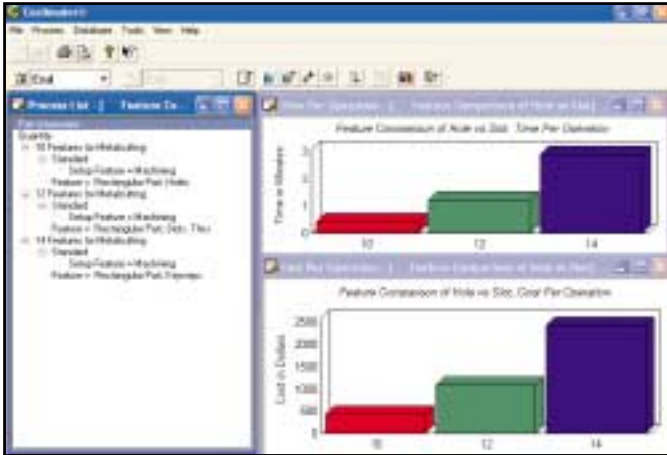
## LEANER MANUFACTURING & IMPROVED SUPPLIER RELATIONS

The joint use of Costimator by OEM's (Costimator OEM) and Suppliers (Costimator Job Shop) allows for improved communication and constructive discussions for the "best method" of manufacturing a part. This can create improved methods of designing and manufacturing a part, resulting in savings and efficiency.



## REDUCES NEW DESIGN COSTS

Making side-by-side manufacturing time/cost comparisons based on part features or material changes allows Design Engineers to create the most functional, yet cost-effective design of a new part. When using Costimator OEM in the early design stages of a part, you save time and money.

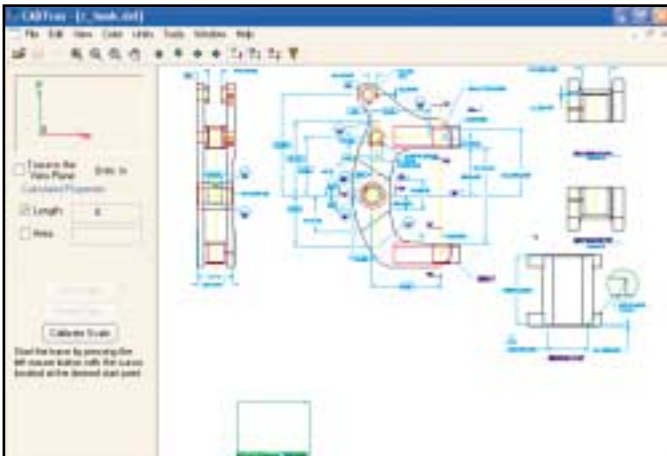


Comparing time and costs of part features

## SPECIAL FEATURES

**The IQ Builder™ Database** is the engine that drives the parametric estimating functionality within Costimator OEM. It allows you to store and retrieve data into an estimate using a linear calculation (list method) or a regression analysis (chart method). Within a millisecond, the database finds the curve that best fits and calculates the time and cost.

**CadTrax™** is a drawing interpreter that supports over 30 different raster and vector file formats. The program allows you to quickly and accurately calculate dimensions (distance, area and volume) off of the part, speeding up the estimating process.

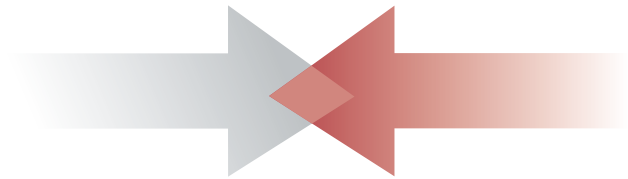


CADTrax drawing interpreter speeds up estimating time

**The Plant/Supplier Database** ties labor rates, material costs and purchased-part costs to specific plants/suppliers, allowing you to instantly compare the cost of making a part at different in-house or supplier locations.

## INTEGRATION

Costimator OEM can front-end your MRP or ERP system, resulting in significant time cost savings. Data can also be pulled into Costimator OEM from your MRP/ERP system, producing real-time cost information on material and purchased-part costs that will make your cost estimates even more accurate.



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*"The Costimator front end application greatly improves overall shop efficiency, slashes wasted machine and labor time and increases productivity"*

*A Mississippi manufacturer in Manufacturing Systems*

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## EASY TO USE

Costimator OEM was designed with the look and feel of Microsoft Windows, making it simple and easy to learn and use.

## FAST R.O.I.

With an average return-on-investment of 3-6 months, Costimator OEM is extremely affordable.

## KNOWLEDGE STORAGE

Costimator OEM provides a valuable central database of knowledge of manufacturing times and costs. It provides information that everyone can reference and work from, making estimates faster, consistent and more accurate. You can also import existing company data into the system, including material and purchased item costs, along with any time standards that you previously developed.

## WILL COSTIMATOR OEM WORK IN MY APPLICATION?

Costimator OEM provides solutions for all manufacturing applications, including ***all forms of machining, fabricating and assembly***. The system is being utilized by companies of all sizes in a wide variety of industries. The power of Costimator is at work in over 800 organizations worldwide. End users of the system include Engineers, Estimators, Buyers, Salespeople, Management and Shop Floor personnel.

- ▲ Automotive
- ▲ Aerospace
- ▲ Heavy Equipment
- ▲ Electronics
- ▲ Defense
- ▲ Medical
- ▲ Communications

## INSTANT START-UP

The system is furnished with over a dozen knowledge databases and thousands of industry standards, already pre-loaded to make start-up fast and painless.

**See a Costimator® demo at [www.mtisystems.com](http://www.mtisystems.com). or call 800-644-4318 to set up an interactive online demo.**

## IMPLEMENTATION, TRAINING AND ONGOING SUPPORT

Proper implementation of Costimator OEM is critical and begins the day an order is placed. The process is easy and virtually pain-free, requiring no extra support staff. The action plan is designed to ensure both an easy implementation and transition of the program, along with ensuring long-term success.



### *Pre-Training - Data transfer*

- ▲ Complete facilities list (all work centers with specs) is sent for loading into system.
- ▲ Project Leader(s), along with our Engineering staff, coordinate moving your available company data into Costimator OEM

### *Quick-Start Training*

- ▲ An MTI Engineer meets with the Project Leader(s), evaluates your manufacturing operation and discusses needs and goals for the system.
- ▲ Project Leader(s) are trained in the functionality and end-use of the software.
- ▲ End Users are trained on the system, utilizing existing parts drawings as teaching tools.

### *On-Going Support*

- ▲ Our comprehensive Support Subscription Contract provides you with unlimited telephone and e-mail support, product upgrades and FREE ongoing training. Our dedication to your success continues way beyond the sale.

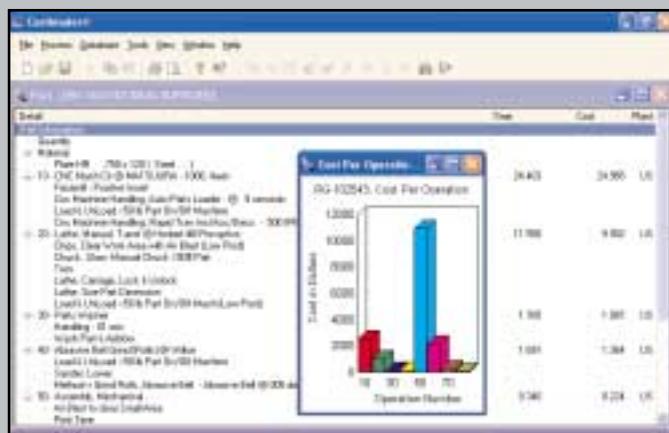


# THREE ESTIMATING OPTIONS OFFER THE ULTIMATE IN SYSTEM FLEXIBILITY

Costimator OEM enables the estimator to choose between Detailed (by operation), Feature-based (part features), or by Configurator (part families) estimating. With this flexibility, you will increase estimating speed and accuracy, while building a solid knowledge database on your parts.

## 1. Detailed Estimating

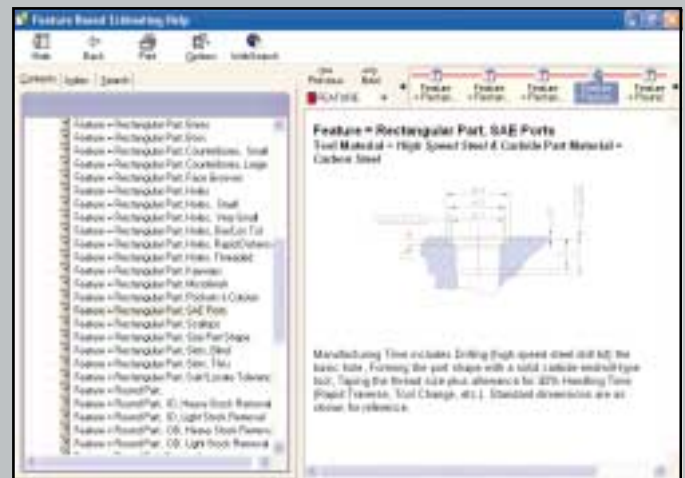
Extensive data libraries contain the exact machine and labor times needed to produce cost estimates that are consistent with actual manufacturing times. You will account for the time and cost of every step of each operation – from set-up to manufacture, to outside services and pack-and-ship. A complete, detailed process plan is developed, allowing you to provide accurate work instruction for your shop personnel, or to negotiate purchased-part pricing with suppliers.



Supplier-specific process sheet

## 2. Feature-based Estimating

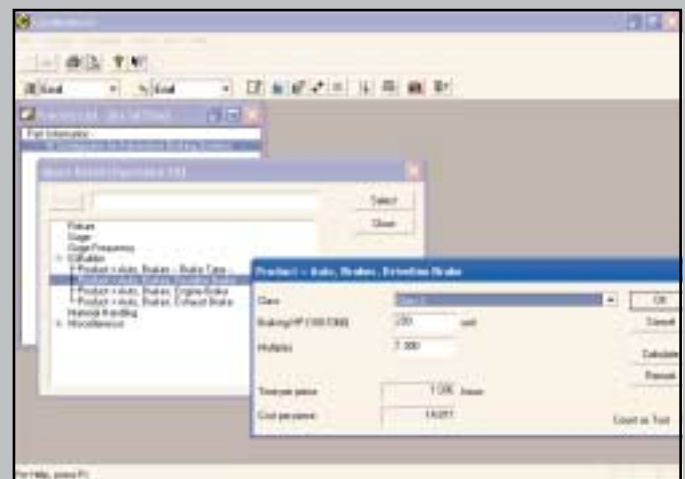
Pre-determined standard methods are assigned to specific manufacturing tasks to generate instant and consistent estimates. The IQ Builder module, which uses regression analysis to compute manufacturing times, enables you to design the input screens to the specific variables required to complete the estimate. The system comes pre-loaded with standard manufacturing times for thousands of part features.



System comes pre-loaded with standard times for part features

## 3. Configurator Estimating

The feature Configurator Estimating method works from your historical data. Costs are generated through regression analysis tables in IQ Builder. The program enables estimating of single or multiple levels of parts and assemblies. This method is very effective for OEM's having many families of parts.



Configurator for an Automotive Brake System

For a free demo on how Costimator OEM can save you money on your parts visit [www.mtisystems.com](http://www.mtisystems.com) or call 800-644-4318.



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