



Cost and Profitability Solutions for Manufacturing





For manufacturers, the ability to calculate detailed and specific costs is the foundation to establishing an integrated cost and profitability process.

Formulas. Recipes. Bills of Material. Routings. Variances. Yields. Allocations. Rates. Every data type collected during the manufacturing process directly impacts the cost to produce that item and ultimately the profitability of that product and the customer that purchases it. The ImpactECS platform is a flexible and dynamic cost and profitability solution that gives manufacturers the tools to evaluate each data element to provide meaningful analysis that drives business decisions. Below are highlights of the analytical capabilities available with ImpactECS.

Product Costing

- Calculate detailed standard and/or actual costs for each SKU produced based on company specific business or manufacturing processes
- Maintain multiple product cost models simultaneously using different methodologies
- Manage BOMs or recipes and maintain cost detail through parent-child product relationships
- Compute accrued cost at each WIP step throughout the manufacturing process
- Calculate dynamic blended costs using percentages, volumes or other drivers to assign values to inventory
- Improve speed of closing process to allow cost accounting teams to focus more on data analysis
- Integrate all cost data and calculation logic in a central location to ensure data consistency
- Create sub-models to calculate costs for activities outside product manufacturing

Process Costing & Rate Building

- Collect direct spending using historical data or calculate from a zero-basis for cost pools including labor, depreciation, energy and others
- Maintain multiple allocation drivers
- Calculate rates dynamically at the natural cost element

Planning & Scenario Analysis

- Calculate the effects of changing raw material prices, labor rates, machine efficiencies, distribution channels, selling prices, currency fluctuations or any other variable
- Calculate the impact of changing volumes or product mixes
- Estimate costs of new products under development or generate quotes for custom products
- Analyze ROIs, benchmarks, and capital investments

Profitability

- Calculate detailed profitability results by customer and product at any level of detail
- Drill-down to view drivers that directly impact net profitability of products and customers
- Generate individual P&L statements for individual products or customers from granular, transactional ERP data
- Develop one or more profitability models using any approach: allocations, activity based costing, time-driven ABC, full or partial absorption, or any hybrid approach
- Aggregate results to provide visibility to abnormalities or trends that may not be evident at higher levels of analysis
- Sort and categorize products and services to identify outliers and evaluate performance across product groups and customer categories
- Connect data from transactional and cost systems to calculate profits accurately

More Than Just Costing and Profitability

The ImpactECS platform goes beyond costs and profits and gives you the tools to build, run and maintain models for a wide range of business requirements.

Variance Analysis

Readily calculate meaningful dollar and unit variances to spot trends, establish rules and thresholds, and uncover correlations. ImpactECS provides the ability to drill-down to the root cause of the variance to answer the "why" question.

Budgets and Forecasts

Generate budgets using historical data or build from a zero-basis with ImpactECS. Convert sales plans into production forecasts to identify material and resource needs and map detailed categories to summary-level GL accounts. Create forecasts by adjusting any variable within the budget to estimate future results.

Inventory Valuation

Using either LIFO, FIFO, or weighted average methods, ImpactECS can value inventory at any stage in the production process and maintain an unlimited number of inventory categories. Connecting ImpactECS with the material master and general ledger improves data integrity.

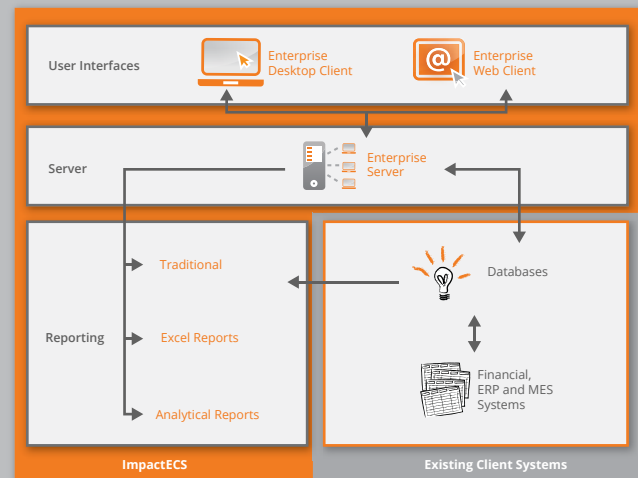
Additionally, companies use ImpactECS to develop models for quotes and estimates, supply chain analysis, net landed costs, shared services costs, and a host of other business applications. With ImpactECS, the ability to create unique business analysis models is boundless.

Connect Critical Data and Systems with ImpactECS

Designed to provide the best of both worlds, ImpactECS offers the benefits of a packaged software solution with the flexibility to meet the company's specific business need.



The ImpactECS platform contains a powerful calculation engine coupled with easy-to-use client interfaces and seamless integration with existing IT architectures. This combination of features allows manufacturers to create an unlimited number of models to evaluate any cost and profitability situation.



Our Experience in Manufacturing

Process and complex manufacturing companies often have unique cost and profitability modeling needs that are typically unmet by traditional ERP systems. ImpactECS is the leading cost and profitability platform for manufacturing, with implementations at some of the world's most recognized companies.

Chemicals & Pharmaceuticals

Food & Beverage

Forest Products

Metals

Plastic, Rubber & Glass

Semiconductors & Electronics

Textile & Apparel



Learn more about ImpactECS

3csoftware.com



The Top 7 Reasons Manufacturers Need ImpactECS Today

What are manufacturing business leaders asking for right now? The ability to better understand their business so they can make better decisions. ImpactECS and its dynamic modeling capabilities puts the power of analysis in the hands of the finance, accounting, and operations managers who need it.

1. Standard Costing and Rate Building

Calculating detailed standard costs provides a roadmap to understand the direct, material and overhead costs associated with manufacturing products, and provides the basis to calculate rates. ImpactECS offers the ability to create cost models that directly reflect the manufacturing process.

2. Actual Costing

Beyond standard costs, manufacturers have a need to know the actual cost of the items they produced. By cloning the standard cost model in ImpactECS, you can calculate the actual product costs using the same business logic.

3. Variance Analysis

Manufacturers are able to compute the volume and dollar variances that occur in a particular time period for a specific product, group or segment. Comparisons include standard to actual, planned to actual, or any set of cost results. Having both sets of costs reside in ImpactECS makes it possible to calculate variances on any cost, volume or input associated with a given product.

4. Profitability

Regardless of the methodology used to calculate profits - allocations, activity-based, or absorption models - the most important aspect is creating a standardized process that can provide visibility from every dimension. With the ImpactECS platform, you can generate product or customer P&L statements that leverage general ledger transactional data to provide visibility to performance trends.

5. Inventory Valuation

Determining the value of finished goods and work-in-process at the end of the period is a critical step in the closing process. ImpactECS can calculate near-real-time values for as many categories and subcategories as required and even account for inventory positioned with subcontractors or on consignment.

6. Budgeting & Forecasting

Estimating future costs and determining how the business will perform in future periods are critical tasks for manufacturers. By leveraging the detailed standard cost modeling capabilities in ImpactECS, you can automatically generate detailed budgets and forecasts.

7. What-if Analysis

It's what every business leader wants - the ability to see into the future. The ImpactECS sandbox makes it simple to replicate any model and adjust any input - raw material price, currency adjustment, and machine efficiency for example - to see the effect on both costs and profits at the product, customer, market segment, division or enterprise level.

About 3C Software



Founded in 1988, 3C Software has become the leading provider of cost and profitability systems to a wide range of industries. With over 600 installations in North and South America, Europe, Asia, and Australia, the ImpactECS platform gives business leaders the tools needed to build dynamic models to support the unique and complex analysis required to effectively manage their business.



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