Remanufacturing costing approach

1   UNDERSTAND THE 3 KEY ELEMENTS

2   WHAT YOU ALREADY KNOW DEFINES NEXT STEPS

3   COLLECT ONLY THE EASIEST TO FIND DATA (COSTS, PRICES)

4   USE THE LOGIC

5   DEDUCT YOUR EVALUATION QUESTION

6   SUPPORTING SPREADSHEETS

innovation
forward

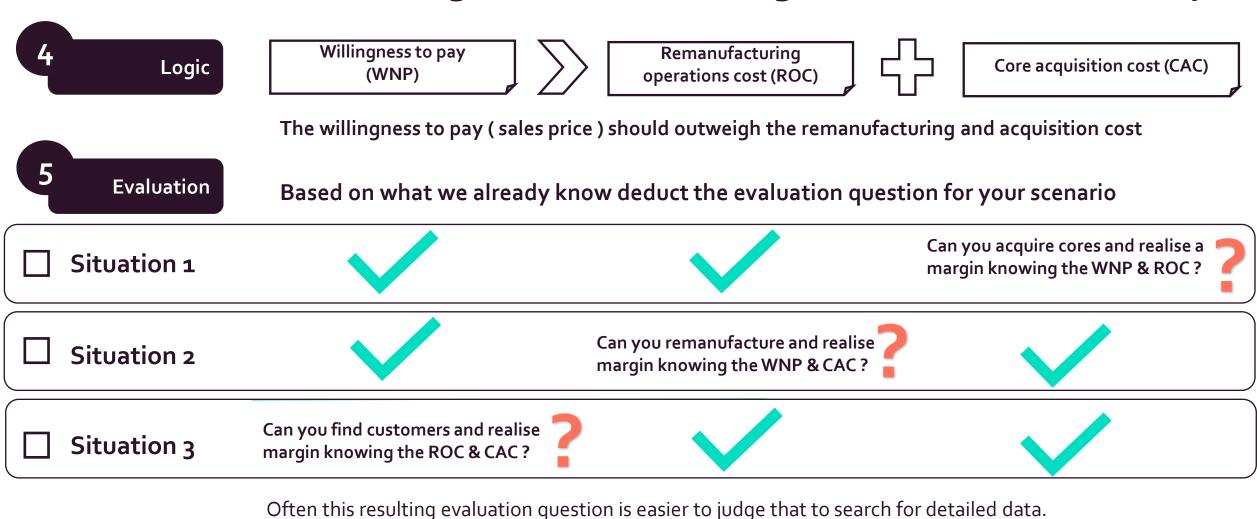# Select the data you can find easy first. What do you know already?

1 Understand

Why customer is interested in remanufactured product	Operational remanufacturing process	Core acquisition method
Willingness to pay (WNP)	Remanufacturing operations cost (ROC)	Core acquisition cost (CAC)
Do you have a good idea of the WNP?	Do you have a good idea of the ROC?	Do you have a good idea of the CAC?

2 Your scenario

	How difficult is it to get data (price) you are comfortable with ?	How difficult is it to get data (costs) you are comfortable with ?	How difficult is it to get data (costs) you are comfortable with ?
☐ Situation 1	Easy	Easy	Hard
☐ Situation 2	Hard	Easy	Easy
☐ Situation 3	Easy	Hard	Easy

3 Your action

Mark which is the **hardest** to get info/data on. **Do not take action to find data (costs, prices) !**
Get some figures **ONLY** for the **two easiest** insights. **Find data (cost, prices) that make you 80% sure.**

š innovation forward

Deduct the remaining unknown cost range and evaluate feasibility

4 Logic

| Willingness to pay (WNP) | > | Remanufacturing operations cost (ROC) | + | Core acquisition cost (CAC) |

The willingness to pay (sales price) should outweigh the remanufacturing and acquisition cost

5 Evaluation

Based on what we already know deduct the evaluation question for your scenario

☐ **Situation 1** ✔ ✔ Can you acquire cores and realise a margin knowing the WNP & ROC ? **?**

☐ **Situation 2** ✔ Can you remanufacture and realise margin knowing the WNP & CAC ? **?** ✔

☐ **Situation 3** Can you find customers and realise margin knowing the ROC & CAC ? **?** ✔ ✔

Often this resulting evaluation question is easier to judge that to search for detailed data.

š innovation forward

Supporting spread sheet

You can use any spread sheet you like

We prepared one:

- to illustrate the limited level of complexity
- that you can use directly (if you want)
- you can adopt to your needs
- to get inspired to build your own spreadsheet
- to provides additional question to help you defining your next action

Have look at it and see what you can get out of it.

Download spread sheet here

Instructie	vul de oranje velden in	123	met uw eerst buikgevoel schatting
	de grijze velden met oranje tekst	123	worden berekend
	de grijze velden met de zwart tekst	123	geven de totalen weer
Opdracht (na invullig)	Kies een gepaste vervolgstape via:	https://www.sirris.be/en/node/13614	

Inflow product & cores — Product value - collection

Inkoop van producten -cores	aantal inkoop (#)	Conversie ratio (%)	aantal/mnd	kost €/st	totaal €/mnd	aantal stuks #/jr	#mnd/jr	€/jr
prijs per product	100	80%	80	10	800	960	12	9600
prijs per onderdeel	1000	80%	800	2	1600	9600	12	19200
Totaal inkoopkost					2400			28800

Remanufactruing process — Operations and interactions

Operationele kost	aantal (#)	eenheid (€/eenheid)	totaal (€)	#/jr	#mnd/jr	€/jr
variabel	werkuren	80	40 (€/u)	3200	960	12	38400
variabel	inspectie		(€/st)	0	0	12	0
variabel	reiniging			0	0	12	0
variabel	productie (dis & reassembly)			0	0	12	0
variabel	verbruiksproducten			0	0	12	0
variabel	energie			0	0	12	0
variabel	verzending/verplaatsing			0	0	12	0
vast	energie		(€/werkpost)	0	0	12	0
vast	afschrijving	1	250	250	12	12	3000
vast	huur	1	500	500	12	12	6000
vast	extra			0	0	12	0
Totaal inkoopkost			3950			47400

Outflow: products & parts — Customer- Market Value- Distribution

Inkomsten uit verkoop	aantal/mnd	€/st	totaal €/mnd	#/jr	#mnd/jr	€/jr
verkoop producten	80	50	4000	960	12	48000
verkoop componenten	800	10	8000	9600	12	96000
Totaal verkoopswaarde			12000			144000

Balans	Per maand	Per jaar
Uitgaven	6350	76200
Inkomsten	12000	144000
Saldo	5650	67800

innovation forward