



The 4cost-aces - solution in use at EADS Defence & Security in Ulm

EADS is a global leader in aerospace, defense and related services with annual sales of € 42.8 billion in 2009 and about 119,000 employees. The Group includes Airbus, the leading manufacturer of commercial aircraft, including Airbus Military, responsible for military tanker and transport aircraft. EADS also includes the world's largest helicopter supplier Eurocopter and EADS Astrium, the European number one leader in space programs from Ariane to Galileo. The division Defence & Security (DS) offers its customers comprehensive system solutions and makes EADS the major partner in the Eurofighter consortium and a stakeholder in the missile systems provider MBDA. In 2009, DS with around 21,000 employees generated total sales of € 5.4 billion.

4cost – USE AND BENEFIT

The solution aces as a parametric cost estimation model from the 4cost-suite has been in use since 10 years at the EADS Defence & Security facility in Ulm. Here, costs are analyzed at regular workshops and offers (both internally and externally) are introduced.

The workshops are held with all relevant departments, such as system development, technical development, design, integration, project management, etc. together and jointly to define the tasks to be analyzed, to put into a product structure (WBS) and to evaluate the system step by step.

"With this approach, we are able to go very quickly to valid cost statements. In comparison to a typically, several weeks participating in right bottom-up calculation, we only need 1-3 days for the initial evaluation," said Gregor Schwab, head of the department's Orders & Offers, Production." "In addition to the drastic time advantage of this methodology, the workshop has another, not to underestimated effect: All parties agree during the meetings on a common basis for calculation and assess all items in detail.

The acceptance of the determined cost values is very high, since all Departments are involved and ask to participate in the resultant cost and product tree says Mr. Schwab.

Currently, the EADS Defence & Security own aces licenses to use parametric cost estimate in house.

Often one also uses the expertise of the 4cost Experts. This external advice is used in particularly on large or time-critical projects to be cost.

In recent years, we estimated over hundreds of project in house workshops. The collected experience during this period has shown that already in the system design phase, costing under the established method results in very valid statements. The results from these early phases estimates could be compared with the actual data from the subsequent development and production Products. The comparison shows very little difference from the actual cost.

As a next step, we validated the use of other modules in the pricing process with the 4cost suit at EADS Defence & Security in Ulm, Germany.

About 4cost

The 4cost GmbH is an innovative company specialized in simultaneous cost calculations, from the parametric estimate (early phases) to scenario analysis using various methods within the 4cost suit. The 4cost GmbH in Berlin was founded as a logical continuation of the long-standing business relation between the partners in the area of cost estimations. The founders of 4cost Company have been working together since the early 90-ties in the field of parametric costing as well as "bottom up" estimates. The costing of hardware, software, and product lifecycle estimates, with the use of the parametric estimation method (aces) allows simulating various scenarios in a very short time with great precision. The transition into the world of "bottom up costing" is done by simply pressing a button. This all makes 4cost **unique** in the world of costing software.

The German model **aces** is for over 20 years successfully placed in the market and has been implemented into various industries throughout Europe.

More information on the website www.4cost.de