



REDUCTION OF PART COSTS THROUGH SHOULD COST ESTIMATE



Project: Through the PRO-FAST program, three teams research and develop supply chain processes and tools for implementation to reduce lead-times, eliminate unfilled orders, improve quality, and reduce costs for forged parts. The teams include the Aviation Forging and Casting Assistance Team (AFCAT) located onsite at DLA Aviation in Richmond, VA, the Maritime and Land Forging and Casting Team (MetaL FACT) located onsite at DLA Land and Maritime in Columbus, OH, and the FORGE-IT team based in Summerville, South Carolina.

SUCCESS STORY

Problem: DLA received a quote from a supplier and needed a second estimate in order to ensure a cost effective price was being quoted.

Solution: FORGE-IT subject matter expert provided MetaL FACT with an estimate on a wear plate for DLA to compare with the buyer quote. This was done by reviewing the drawings and technical data available. The dimensions, material, and other relevant information was inputted into a series of equations the team refers to as a should cost tool. The equations and formulas used were developed using the findings from the Navy Price Fighter model.



Image courtesy of www.preservedtanks.com

Benefits: DLA realized an 18% reduction in cost on first order, 26% on the second order the following month, and 27% on the third order resulting in over \$119k of savings.

Takeaway: The should cost tool developed by the FORGE-IT team is able to accurately estimate the cost of forgings, and can lead to substantial savings for DLA and the warfighter.



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