

Modelling the costing of projects to achieve optimum outcome

Budgets:

- Creating a plan to spend your money
- Financial forecasts are future predictions of your business finances
- Regular forecasts help you manage your finances
- E.g. Start-up costs (insurance/stock), sales (quantity), expenses (operational cost), cost of goods sold (parts/packaging/transport), cash flow (Money being made)
- Start-up costs (legal/insurance/stock/advertising/permits/wages)
- Sales (predict sales)
- Expenses (wages/advertising/vehicles/accounting/legal fees)
- Cost of goods (COGS) (materials/packaging/transport/commission)
- Cash flow (tell you how much cash you're expecting/help make decisions)

Planning for production:

Allocation of:

- Employees
- Materials
- Scale of production

What needs to be considered:

- Material costs (quality of product)
- Labour/Wages (automation vs high skilled)
- Premises
- Equipment available for scale of production

Selection of tools, machines and manufacturing processes:

- Successful manufacture is influenced by many factors such as the material, costs, product function and scale of production

- Designers need to have a good knowledge of the materials and how they are processed, so the final manufacturing decision can be made correctly
- The main aim is to select a manufacturing method that is suitable for the material and product, as well as economic in terms of materials and scale of manufacture
- Selecting the correct tooling involves knowledge of manufacturing processes and the materials used for the product