

Week-05-L-03

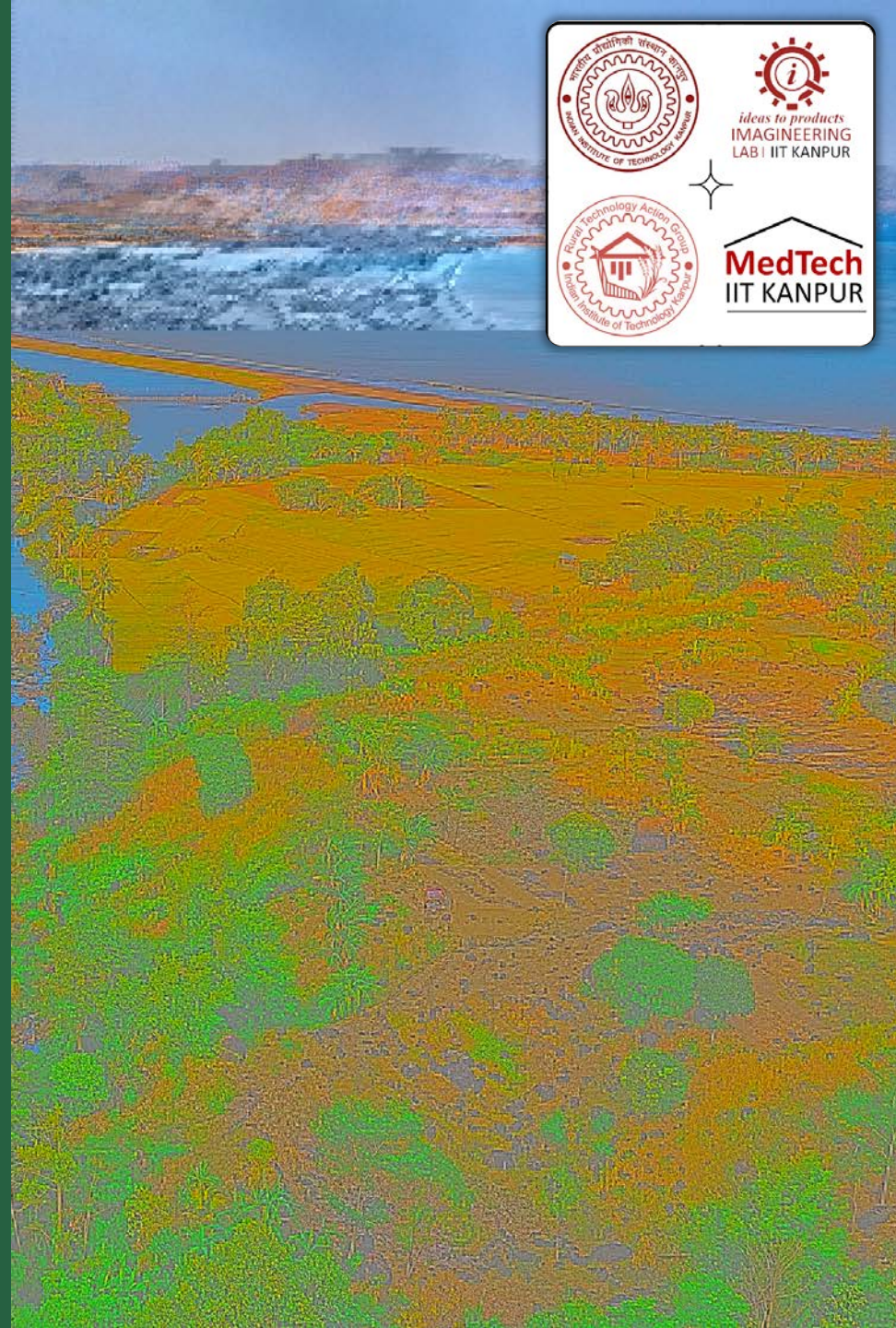
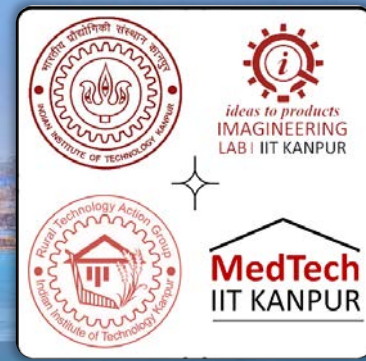
Value Engineering Agricultural Plan

Development and Implementation Phase

Basics of Life Cycle Costing

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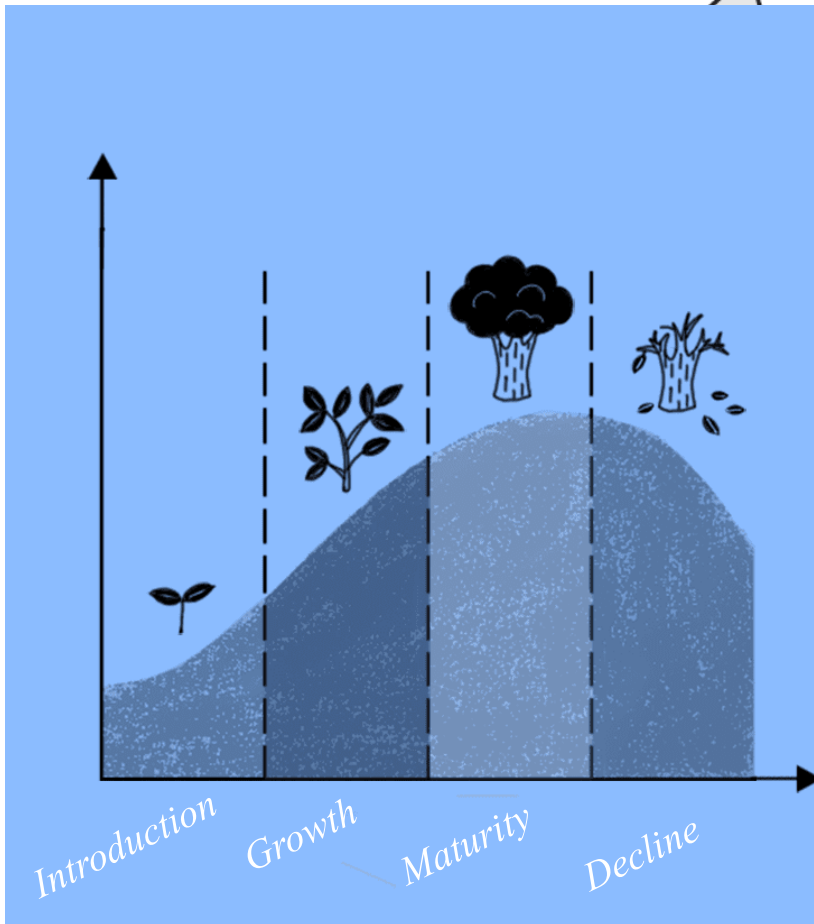


Product Life Cycle

Product Life Cycle

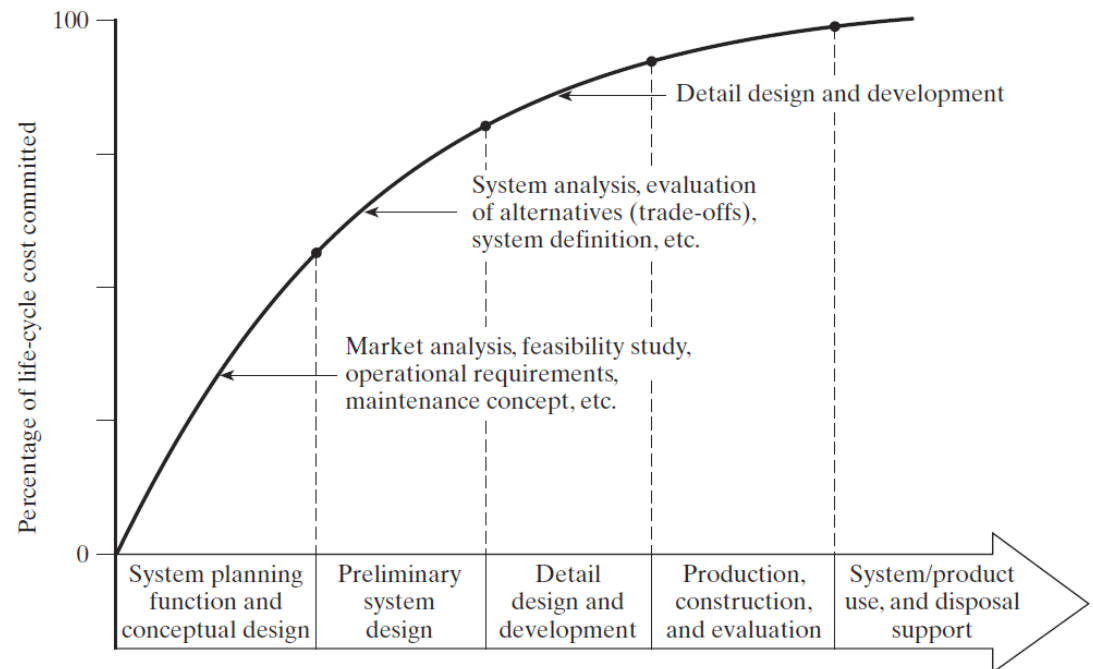
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The stages of growth and decline a product experiences between being introduced to consumers and being discontinued.

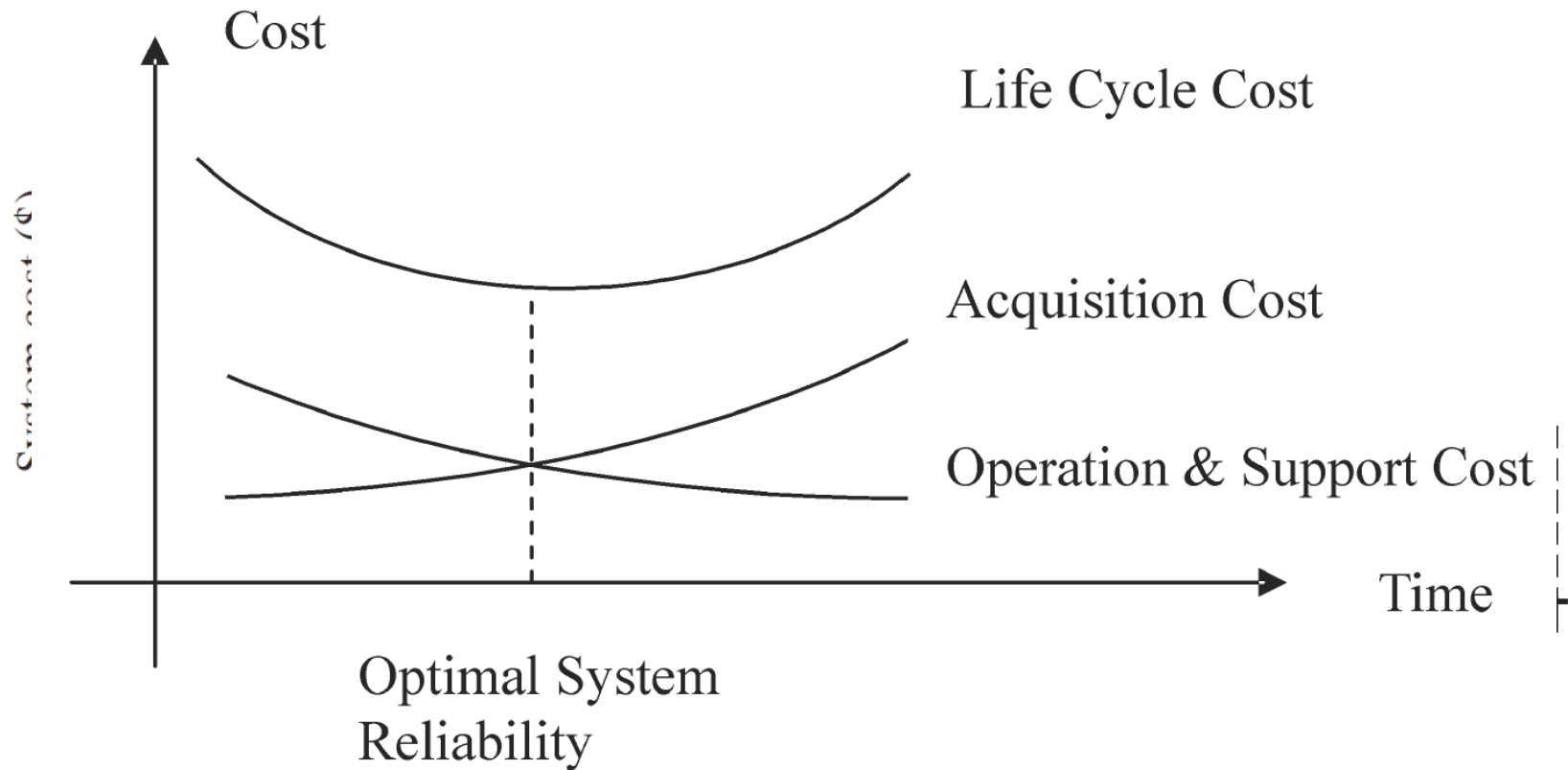


In general

- **R&D Cost:** Initial planning, product research, engineering design, software, & management functions.
- **Production & Construction Cost:** Manufacturing, facility construction, quality control, & initial logistic support.
- **Operation & Support Cost:** Customer operations, product distribution, & sustaining logistic support throughout the product's life cycle.



Plotting of Costs During Life & Amongst each other



Data



Models

Conceptual Models

- Macro-level models with flexibility and qualitative variables.

Analytical Models

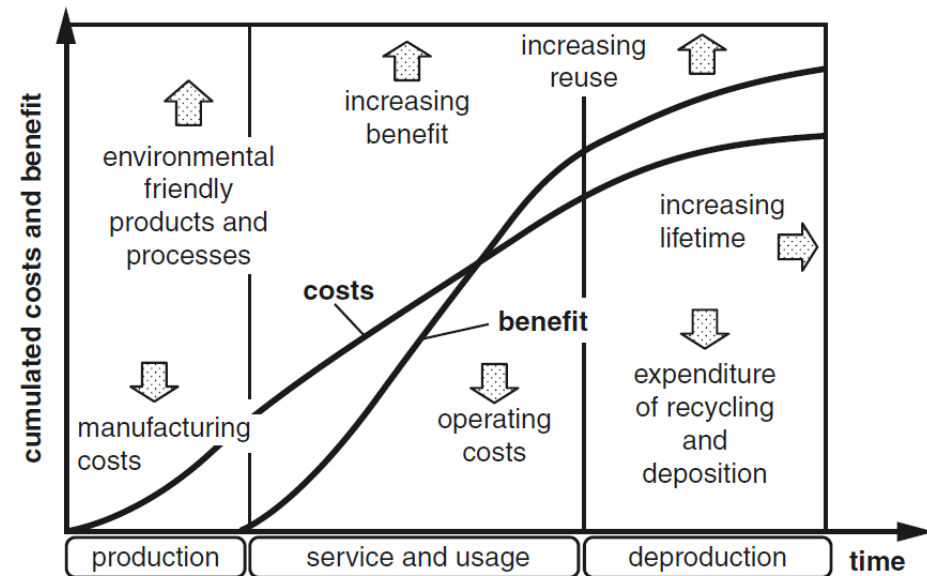
- Mathematical models that vary from simple to complex.
- Widely used for LCC calculations.

Heuristic Models

- Include simulation models but don't guarantee optimum solutions.
- Based on experience and rule-of-thumb strategies.

Comprehensive Tool for Continuous Development

- LCC offers long-term advantages, enabling manufacturers to generate revenue during product usage & end-of-life stages when informed design decisions are made.
- Continuous Development: LCC methodologies continue to evolve to support economic decision-making, sustainability, and efficiency.



Thank You

