

# Profitability & Cost Management for Standard Cost Rate Development

## Key Features

- + Flexible, powerful allocation rules engine
- + End user analytics and visualizations
- + Automate data collection and mapping
- + Integrates with Cloud and on-premise financial and operational systems
- + No capital infrastructure investment required
- + Supports hybrid cloud deployments with integration to on-premise systems via a REST API-based connector

## Key Benefits

- + Speed - Save time by obtaining cost rates across multiple work centers through a robust calculation engine
- + Accuracy and Documentation
  - Improve accuracy and control by bringing together all facets of rate development into a single comprehensive source
- + Repeatability - Enhance knowledge transfer of the rate building process by replacing complex Excel workbooks with a single transparent process
- + Analysis - Quickly evaluate rates to make updates/modifications to finalize standards and later to analyze variances

## Empower Business Users to Develop and Document Standard Cost Rates

Edgewater Ranzal's Standard Cost Rate Development solution enables users to quickly load and allocate expenses to applicable overhead cost pools and merge them with relevant labor or machine hour values to obtain overhead cost rates. This process allows manufacturers to ease, streamline, and document the process of determining cost-per-direct labor hour or cost-per-machine hour, the requisite standard costing rates. Useful built-in analytics and visualizations as well as ad hoc reporting via SmartView for Office provide additional value. This is a complete analytical solution leveraging the powerful engine of Oracle Profitability and Cost Management Cloud Service (PCMCS) to empower business users to gain insight into hidden profit and cost across key business dimensions such as segment, geography, channel, product, customer, and more.

## A Solution with Benefits for Manufacturing

Manufacturing organizations often need to improve the process of developing annual labor and overhead standards to use as input into standard cost rates for product cost and inventory valuation. For many, an offline Excel-based exercise is required. The Standard Cost Rate Development solution replaces manual offline processes with the following:

- + **Accelerator Business Model:** Develop an initial business model framework from which changes can be made to suit individual needs
- + **Point and Click Selection of Cost Pools:** Identify and select the applicable overhead cost pools and target work centers through a point-and-click interface
- + **Loading of Plan Data:** Automate the loading of applicable costs used as the basis for determining overhead, including both labor and indirect overhead
- + **Loading of Driver Data:** Apply the allocation basis directly to a work center that consumes overhead based on drivers such as headcount, square footage, percentages, counts, and hours
- + **Load the Hours and Calculate:** Calculate cost-per-direct labor hour or cost-per-machine hour to serve as the overhead basis for standard product unit cost
- + **Build and Document Rules for Standard Cost Rates:** PCMCS for Standard Cost Rate Development allows users to quickly select the applicable cost and work centers for sources and targets as well as the drivers to be included in the overhead rate. It also provides standard visualizations for validation and analysis and enables end users to create and maintain reports

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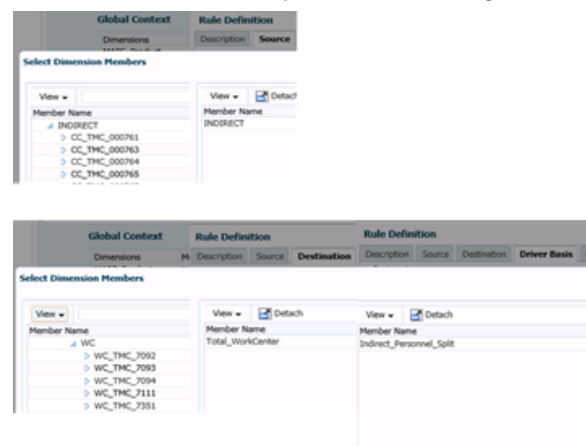
## Key Benefits of PCMCS

- + Strike a key balance between configurability and ease-of-use
- + Develop rich and accessible performance reports and analytics
- + Save time with flexible, powerful rules engine
- + Replace difficult-to-manage customer approaches found in Excel and other third party tools
- + Quickly integrate with existing ERP and EPM investments

PCMCS Cloud Interface



Standard Cost Rate Development Rules Building Interface



PCMCS Dashboard and Allocation Trace Visualizations



## About Edgewater Ranzal

Edgewater Ranzal is a full-service Oracle Platinum Consulting Partner with unrivaled expertise in delivering Oracle Hyperion Enterprise Performance Management, Business Intelligence and Big Data solutions. We consistently apply and update leading-practice methodologies to address changing business requirements and take advantage of evolving system capabilities. With resources and clients located throughout the United States, Canada, and Europe, we are one of the largest specialized Oracle Business Analytics partners. To learn more, visit [ranzal.com](http://ranzal.com), e-mail [info@ranzal.com](mailto:info@ranzal.com), or call +1.914.253.6600.