# SMART, FAST AND EASY



Machine Learning Software for Cost Estimation

Ersan TURAN ersanturan@costifier.com



### **CRITICAL PROBLEM IN INDUSTRY**

- As stated in REACH-2021-THEMEDRIVEN-CEA\_2.2,
- Manufacturers need to optimize production costs, while keeping performance
- Manufacturers need to interact with product designers to build better products which will increase sales





### **CRITICAL PROBLEM IN INDUSTRY**

- At the design stage, products are designed with performance, durability, reliability requirements etc.
  Costs of the designs are not considered
- Subsequent cost reduction efforts are ineffective and costly





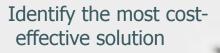
### **COSTIFIER SOLUTION**

Costifier creates conjectural model of the company with **machine learning algorithms** and uses this model for cost and time estimation of products to be manufactured.



Estimate the cost with high accuracy (>90%) in seconds during design phase







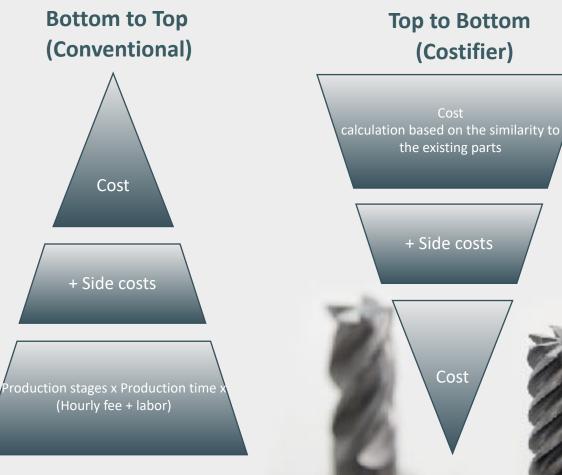
Decrease costs **up to 15%** by optimization





WHY DIFFERENT?

Average **5 times faster and more accurate** cost estimation





#### **HOW IT WORKS**

- Automatic detection and **digitization of categorical (non-numerical) parameters**
- The **nondimensionalization of the data** (on a scale of 0-1 to prevent them from being overly dominant).
- Inconsistent and incorrect data are detected and deleted by preprocessing algorithms.
- **Escalation** (i.e. raw materials, labour costs change) formula is applied for more reliable and upto-date data since costs may change with time.
- 15% of data are reserved for testing after model are ready.
- Then Costifier creates **12 different machine learning (ML) models** by using different open source algorithms.
- The models with the highest **accuracy** are saved to be used in cost calculation in proportion to their accuracy rates. Models with lower than **0.9 accuracy** with test data are eliminated.



#### **CASE STUDY**

#### • A manufacturing case study results with about 200 manufacturing data



Costifier prediction accuracy relative to actual cost



Better Cost Estimation for Bidding



\*When Costifier estimation and SME cost estimation compared during bidding



## WHY COSTIFIER?

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- They can sign up and create their own models by uploading their data.
- The cost estimation process, which takes 4-5 hours a day, can be reduced to minutes.
- Production costs can be reduced up to 15%.





#### **BUSINESS MODEL**



#### SAAS

Basic Model

Premium Model

**Optimization Model** 

#### API

License Fee

Maintenance Fee (25% of license fee annually)





### **COMPETITIVE ANALYSIS MATRIX**

	SMART. FAST AND EASY	ăPriori		SolidWorks Costing
Company Specific Highly Accurate Model	<b>~</b>			
Industry Average Models		$\checkmark$	$\checkmark$	$\checkmark$
Automatic calculation with 3D model	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
Up to 15% Cost Reduction	$\checkmark$		-	-
Constantly Updated Smart Software	$\checkmark$		B	
Cost	\$	\$\$	\$\$\$	\$\$\$



**MARKET SIZE** 

Europe, Middle East and Africa Manufacturing Industry\* **100- 150 Billion €** 

> EU Manufacturing Industry\* **2 − 3 Billion €** (app. 250,000 companies)

**150 Million €** Companies with available data in the manufacturing industry in Europe (about 50,000)

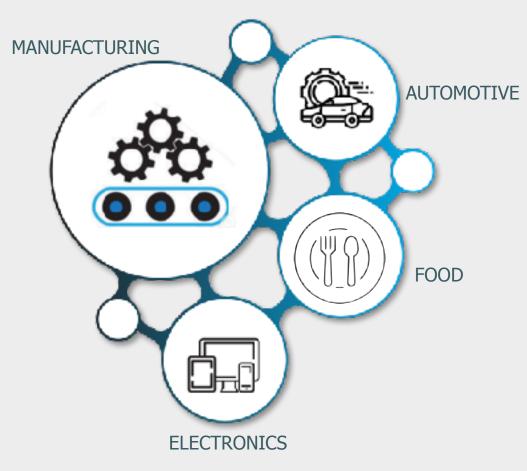
\*Ref: U.S. Census Bureau, Statistics of U.S. Businesses \*Ref: ILO; Euromonitor international; Economist; BCG report







### **SECTOR INDEPENDENT SOLUTION**



• Costifier is also applicable to other sectors such as automotive, electronics and food.









Ersan TURAN

**CEO / Business Dev.** 



- 2009 Aerospace Eng.
- 2009 Mechanical Eng. (Minor)

#### 10+ Experience





Dr. Ömer Anıl TÜRKKAN

CTO / Software Dev.



- 2009 Aerospace Eng..
- 2010 Computer Eng. (D. Major)

#### Phd and 10+ Experience



THE OHIO STATE



Prof. Dr. İnci BATMAZ

Advisor



- 1984 Statistics
- 1986 Computer Eng
- 1994 Statistics

#### Phd and 25+ Experience











Abbas Can Güven

Software Development

**Full Time** 





Marketing & Sales

Full Time



**Full Time** 



# Fast and accurate cost estimation for the product to be manufactured during design phase

- ML based digital modeling for accurate predictions
- Up to %15 cost reduction with optimization algorithms





## Thank you

## ERSAN TURAN +905356509209 ersanturan@costifier.com



www.costifier.com