

List of Parameters for LCC – TreCe’s Cases

This list of parameters was designed in such a way as to encompass all relevant areas of the scenarios while maintaining boundaries that are realistic to investigate. The goal of this analysis is to determine which aspects of the life cycle have the highest financial impact, but hopefully also to identify which can be considered “low hanging fruits”, i.e. easy targets for improving financial performance in similar future offerings. This analysis aims to eventually increase future profitability for TreCe. The scope has been limited to parameters which TreCe has reasonable control over, and can influence without unreasonable strain on their resources. However, it needs to cover the lifecycle of the products.

For comparisons between scenarios/products to be viable the parameters should be compatible. Some of these parameters may need to be broken down further or omitted based on information available from TreCe (such as who is responsible for disposal). Customer’s costs relevant for potential offering developments are also included.

If multiple models of the locker or dustbin (Kite) exist that have significant differences in any of the parameters, it is needed to determine which model will be addressed for the locker or the dustbin.

TreCe's costs

Stage	Parameter	Description
R&D	Communication	Costs associated with communication during the R&D stage such as market (demand) analysis
	Staff	Wages, social fees, etc. (Affected by, among other things, duration of this stage).
	Graphical work	Cost for graphical work (aesthetic design), for example when putting in logotypes in templates or when creating a new design
	Administration	Costs related to overall project administration
Sales	Total sales	Including overheads (may need to break this down when I have more info on TreCes sales processes)
	Marketing	Costs encompassing marketing, including establishing customer relations
	Cost of interest	Cost of interest on loans (relevant if R&D and Production are long periods, and interest on loans can compound)
	Communication	Cost associated with communication during production for example meetings with the customer, site investigation etc.
	Travel	Travel cost, for example meetings, site investigations etc.
	Staff	Wages, social fees, etc.
	Product	Cost of materials required for production, including shipping. Cost of extra equipment necessary for production (temporary tools, packaging), including shipping.
	Printing	Cost of printing on materials, including staff
	Storage	Storage of products awaiting shipping
	Shipping	Cost of shipping (If TreCe pays) Wages, social fees, etc.
	Administration	wages, social fees, etc.
Usage	Warranty	Cost associated with the product warranty (if applicable).
	Product Service	Cost associated with customer post-purchase communication and support in regard to the lockers/dustbin (product support, if applicable).
	Installation/Removing	Cost of installing (and removing) the lockers/bins from the offices. Not sure if TreCe covers this or for example the customer/user does with the lockers

Customer's costs

Stage	Parameter	Description
Purchase	Research	Cost associated with finding the right service/product, for example meetings with the customer, site investigation etc.
	Communication	Cost associated with communication during purchase, for example with manufacturer
	Travel	Travel cost for meetings and site investigations
	Price	The actual cost of the dustbin or locker
	Delivery	Wages, social fees etc.
Usage	Insurance	Cost for insurance of the product (if any)
	Transport	Transportation of product during use phase
	Cost of interest	Cost of interest on loans
	Cost of storage	Cost of storing the dustbins/lockers when not in use (if applicable)
Disposal	Staff	Wages, social fees etc.
	Transport	Transportation of product to disposal destination (If covered by customer, otherwise should be moved to TreCe).
	Scrap fees	Fees for scrapping the product
	Salvage value	Salvage value for product upon disposal