



GRADUATON PROJECT

Standardizing the Costing Process between Impulse & Vendor by creating a standard and dynamic cost-sheet format on a user-friendly Web Based Platform

SUBMITTED BY:- PRIYANKA KUMARI
SHIVAM



- About Company :
- Impulse is a supply chain management organization that provides truly comprehensive sourcing services for its clients.
- Impulse offers buying services to a host of multinational clients, mainly retailers and wholesalers.
- Impulse began as a buying agent in 1982.

Objectives

□ **Primary Objective**

Time reduction in making cost sheets again and again for a new style.

Technological up gradation.

To provide a single user-friendly format and a common platform for creating, saving and sharing those cost-sheets.

□ **Sub Objective**

- To allow the user to experience the ease of using one common platform to create, save and share cost-sheet.

- To provide the merchants with one single extensive format of cost-sheet in order to eliminate their process of creating new formats of cost-sheet for every new buyer.

- To initiate the process of collecting, organizing and saving the data entered into cost-sheets to a database, which can be used as a source of information while creating new cost-sheets.

Need of the project



- Instead of putting the style details into a pre-decided format (which includes all the elements of cost), merchandisers did not take certain elements during costing because of their negligible effect during the production stage.
- This creates a random variation in costing from concept development stage to production stage.

PROBLEM STATEMENT:

Declining business of Impulse

- 1st Why: Loss of clients/Reduction in Style Adoption Rate
- 2nd Why: Impulse is unable to meet the cost desired by the buyer.
- 3rd Why: The price quoted by Impulse is very high or less compared to the actual cost.
- 4th Why: The cost-sheet is filled with assumptions and not all elements are covered while creating a cost-sheet.
- 5th Why: There is no standard format comprising of all the elements and the provision to extract data for creating cost-sheet is very tedious & time-taking.

Problems

- ❑ There is no standard operating procedure which is followed.
- ❑ No list of the complete elements of costs.
- ❑ No fix cost/unit for value added service (embroidery, printing etc.)
- ❑ No check-points for cost components factors (Rejection/Stretch, Shrinkage etc.)
- ❑ No Calculation of trims (sewing threads etc.)
- ❑ No common format to create cost-sheets
- ❑ No single platform to generate and share the cost-sheets
- ❑ The cost-sheets are made on Microsoft Excel, saved into merchant's personal computer and are then shared through Outlook E-mails.
- ❑ No back-up of the cost-sheets saved and there is a **discomfort and waste of time involved in this process.**
- ❑ No existing database for the costs of raw-materials and processes

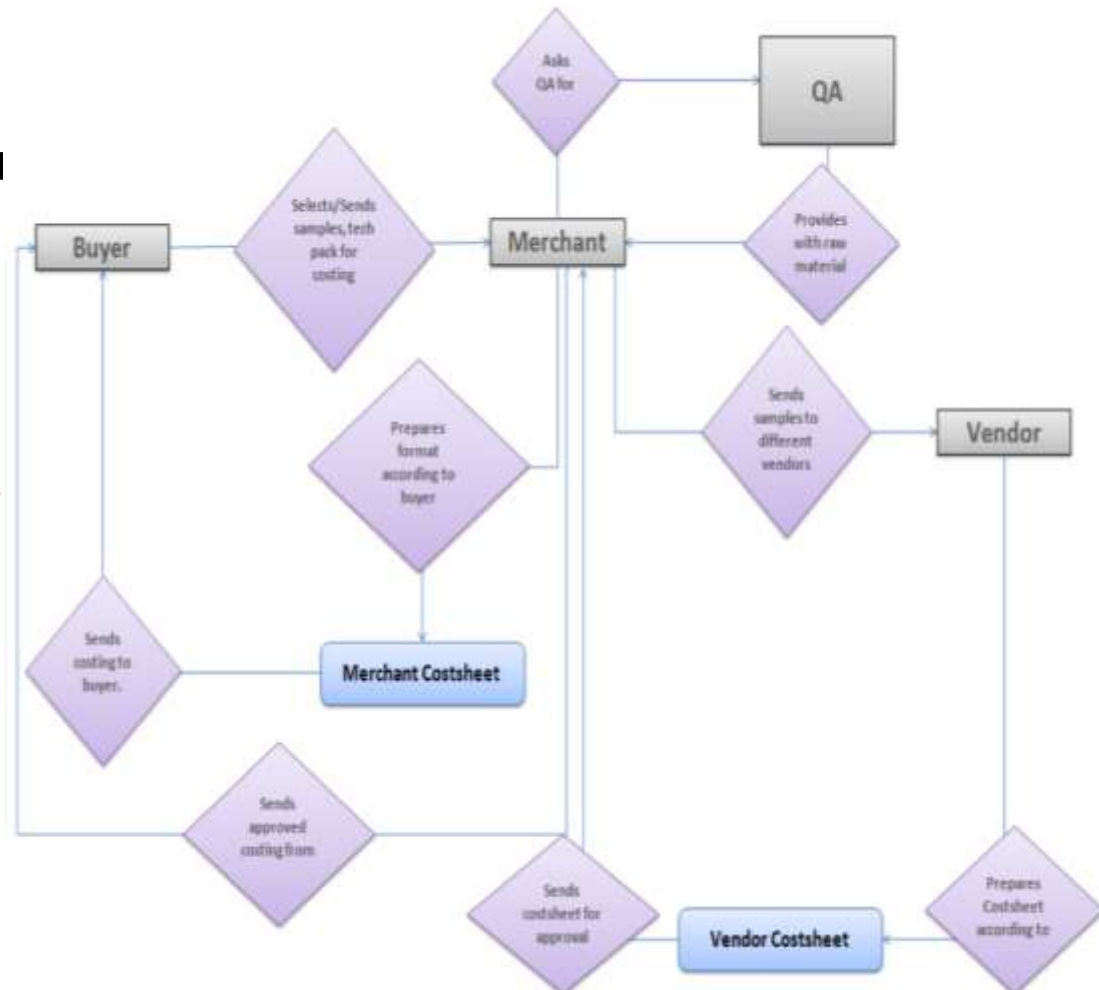
REASONS FOR INVESTMENT IN TECHNOLOGICAL UPGRADATION

- To meet the fast paced fashion cycle demand Apparel Companies must be updated with the latest & sophisticated infrastructure in terms of technical & software abilities.
- For companies dealing in high volumes, even minor saving in terms of material, labour & time will yield greater profit.
- Conclusively with efficient technology we can quote comparatively lower cost to the buyers & attract more orders in the future.(ref: Manish Singh Dhakad,2016)

Identifying Problems and causes present in the current costing process.

Observation & Understanding of the Current Scenario

- Existing Platform Used: Different versions of Microsoft Excel are used by different Vendors/Merchants. Existing Format Used: No standard format is used among merchants or between a merchant and vendor.



Problems faced by the Merchants while creating Cost-Sheets

1. Since there is no extensive format the merchants need to study the style in depth in order to find the cost involved with the style.
2. Creating fields for every new order as per style creates a lot of time.
3. The vendor doesn't showcase each and every element involved in the cost-sheet and presents a collective cost which provides a chance to the vendor to adjust their margins into those categories.
4. Since the format isn't fixed and is quite vulnerable to errors, the vendors usually enter some numerical value into hidden cells and add it into the final cost.
5. The Input values have to be entered manually each time a new-cost-sheet is prepared.
6. The Quality Person is not readily available to ask about the cost. The person sometimes isn't free for days and then cost is assumed by the merchant which might be higher or lesser than the ideal cost.
7. The unavailability of the Quality Person also creates a delay in sending cost quotation to the buyer.

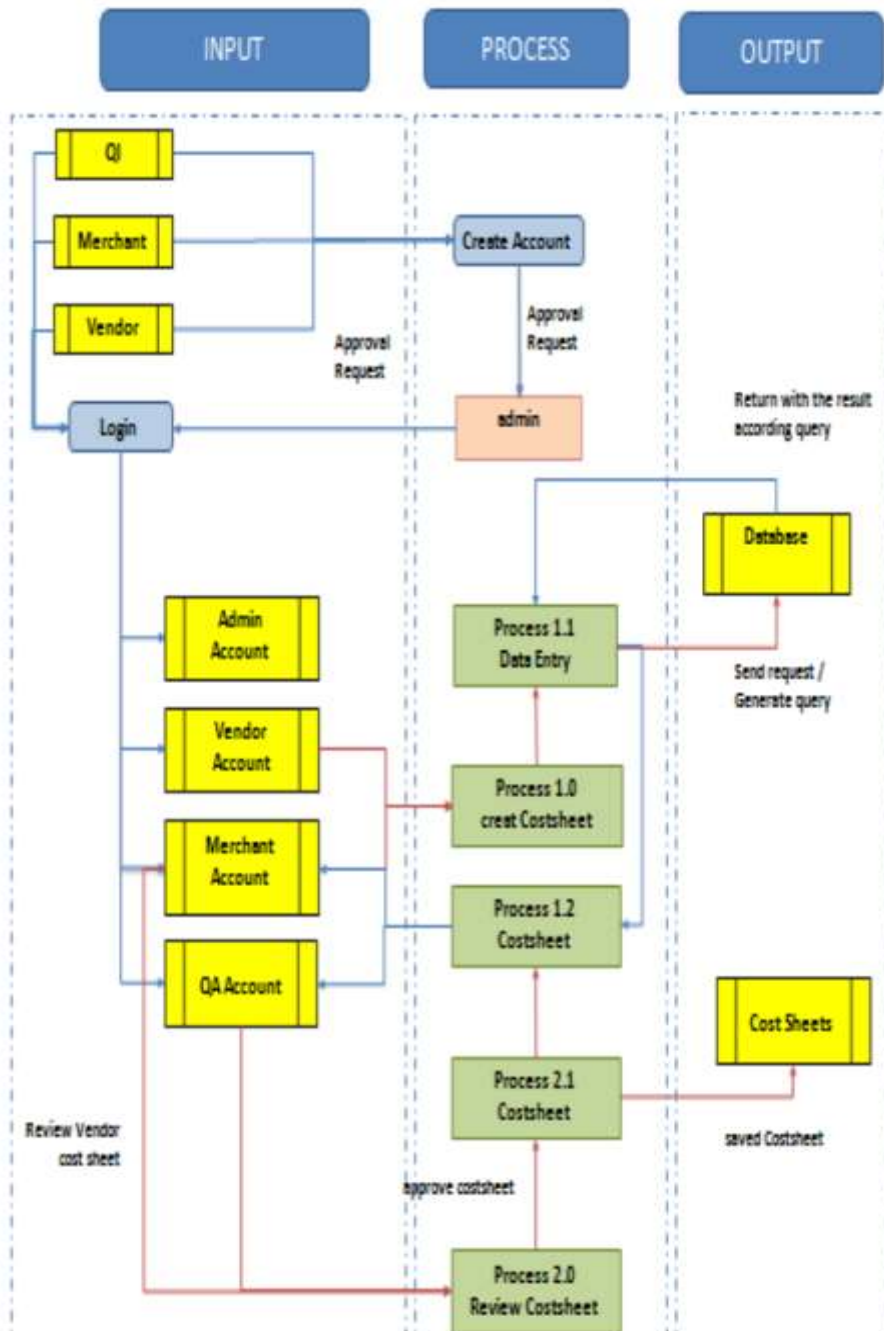
Limitations in the Process:-

- No standard format of the cost-sheet.
- No exclusive platform for the sole purpose of creating/managing cost-sheets.
- The existing database of the costs of the materials/process is in a physical form. Hence, it cannot be accessed by everyone in the organization.
- No provision to extract and organize the data from the previously prepared cost-sheets, which can ultimately serve as the costing database to be referred while entering costs for a new-cost-sheet.
- No standard platform to share and receive cost-sheets.
- No back-up of the shared cost-sheets.
- No provision for written approval/rejections.
- No backup of the prepared cost-sheets. Hence, a new cost sheet is made for every new style even if it has been made in the past for the shipped styles.
- Since the cost-sheet files are saved in the laptop of the merchandisers, they cannot be accessed anywhere.

Deciding Features to be added in the Web-Portal/Cost-sheet.

A. Collecting and analyzing cost sheets from different sources.

- **Primary Research:** The available cost-sheets were collected from the merchants for different styles and formats and were analysed to find loopholes in the format.
- **Secondary Research:** Different formats available on the web were collected and analysed.



C. Creating a data flow diagram to define the process flow of the web portal.

D. Creating a draft of the costing format

1. Listing the Information necessary to identify a Cost-Sheet

Identifying different elements and sub elements of costs

2. Identifying different characteristics to represent those elements of cost

3. Finding dependent and independent characteristics responsible for the final cost of those elements.

4. Defining format of entering data into each cell.

5. Create a list of all usual possible Input Values for the characteristics.

6. Create a combinations of values of dependent cells to come up with an inter-linked database.

DESIGN & DEVELOPMENT OF THE WEB PORTAL

- A web portal with four interfaces for four different users from Impulse and the Vendors.
- Each merchant and the vendor is provided with an ID and a password to log into the portal which presents them with information which is meant only for them.
- A digital repository will be created for each element of a cost-sheet, where the rate will be identified and generated automatically with a combination of all the previous values entered into cost-sheet
- All the other element's cost will also be auto-filled according to the same procedure. The final cost will ultimately be calculated after addition of all the cost of the elements.
- The portal would allow merchants and vendors to exchange cost-sheets which would display at their dashboard when they will log-in into their accounts and also a mail will be sent to them notifying them an arrival of a new cost-sheet.

RESULTS/EXPECTED OUTCOME

Factors influencing adoption of IT	Strongly positive	Moderately positive	Indifferent	Moderately negative	Strongly negative	Can't say
High Price						
Reduces dependence on people						
Failed installation in other organization						
Collaborative working between various employees, supplier and buyer is easier						
Ability of supplier to train the users in our organization						
Saves Cost						
Reduces time consumption						
Requirement of constant training						
Ready availability of literate professionals						
Constant up gradation of system required						
CHANCES OF ERROR MAY INCREASE						