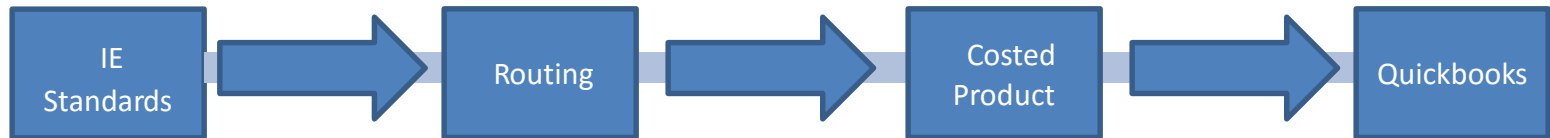# RWF Consulting LLC Manufacturing Integration Plan for Small Businesses

Prepared by Ralph Farrington

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Irvine, California

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Overview

- Development of Manufacturing Cost

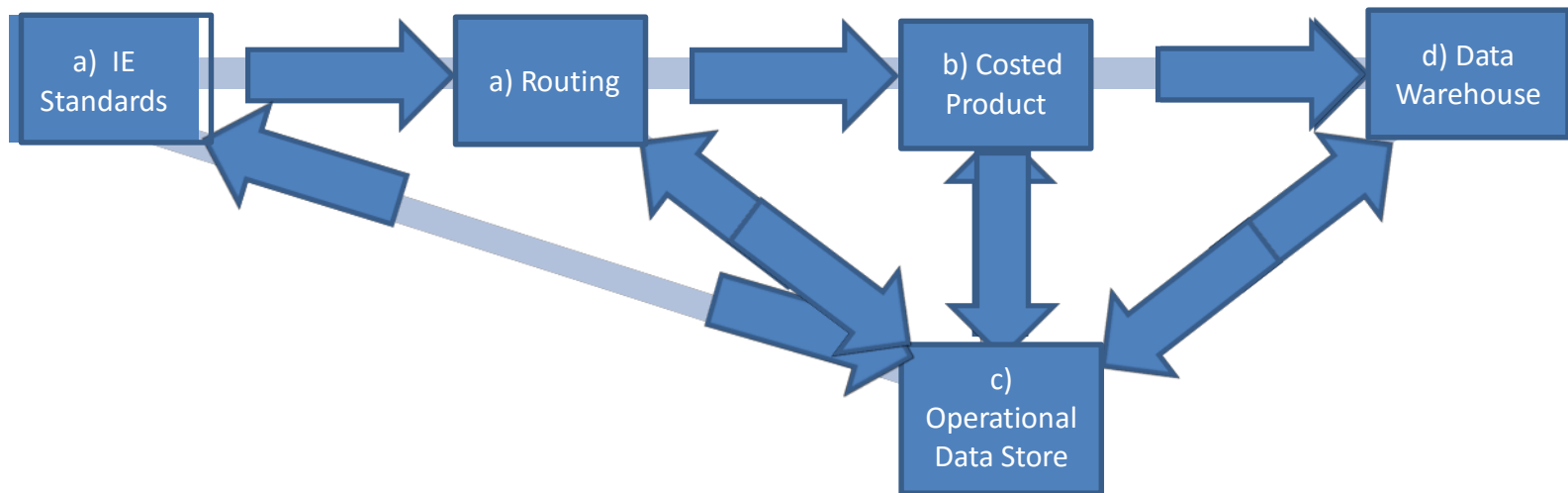| IE Standards	→	Routing	→	Costed Product	→	Quickbooks

- Note: Manufacturing Cost includes manufacturing OH but does not include non-manufacturing OH (Selling, G&A, Interest expenses (factory administrative expenses are included in manufacturing OH).

Problem is Administrative OH today is usually greater than direct cost and direct labor includes labor based manufacturing burden

Inventory Cost Calculation Example				Quanity =	5000
Direct costs:				$1,000.00	
Materials				$1,500.00	
Labor including manufacturing burden				$2,500.00	
Total directs costs				$0.50	
Direct Cost per item					
Indirect costs:					
Utilities per month				$1,000.00	
Indirect labor to be applied				$500.00	
Other				$1,400.00	
Total indirect costs				$2,900.00	
Indirect Cost per item				$0.58	
Inventory Cost per item				$1.08	

Solution is cloud based integration system to calculate and realistically apply all "overhead" (manufacturing & administrative) costs to develop inventory costs and proposal estimates

a) From EASE or other industrial engineering system
b) In Excel Power BI with input from MISys or other manufacturing system.
c) Operational Data Store Excel 2010/2013/2016 (Excel Power BI, PowerBI.com, and or Power BI Desktop).in local desktop or cloud

d) Data Warehouse = data available from SQL Server, Access, Analysis Services, other PowerPivot data , from Reports or Azure Data Market

Approach

- RWF Consulting LLC is a Microsoft partner:

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