



CROSSLINK TECHNOLOGY INC.
FORMULATED EPOXIES, URETHANES - CUSTOM CAST PARTS



What is the true cost of a product?

Simply put, the true cost of a product is reflected by its contribution to the overall cost of a particular manufacturing process. The manufacturing process includes all the steps necessary to produce a saleable item, preferably at a profit.

From the purchasing standpoint, the goal is to obtain suitable products at the lowest possible prices.

From the manufacturing standpoint, the goal is to obtain the best possible products in terms of quality, reliability, ease of handling and the availability of technical support in case of problems.

If the product being purchased is a “commodity”, meaning that identical products are available from several suppliers, then price and delivery are usually the deciding factors. On the other hand, if the products being purchased have special characteristics, which are required for economical processing, then the lowest priced products may turn out to be the most expensive due to the lack of features that minimize the overall processing costs.

Epoxy and Polyurethane products are often developed and/or customized to meet application specific handling and quality specific performance criteria. These products are usually the result of extensive cooperation between the customer and the supplier during the development process, each contributing ideas to arrive at the best possible product for the application at hand.

It would be a great mistake to consider these products as “commodities” unless identical versions become available from other suppliers. Purchasing on price alone could result in negating the processing and/or performance advantages, the cost of which could far exceed the initial up front savings.

In many cases, products that look to be identical based on the published specifications in fact, may not be identical at all. This is because the published test results were not obtained under identical conditions. Therefore, switching materials without confirming the performance capabilities on the final component could result in a disaster.

The true cost of a given product is:

Performance capabilities + ease of processing + selling price = total cost

It is highly recommended that any planned change be preceded by reviewing the original development of the manufacturing process at hand and re-qualifying the new product with respect to its performance capabilities.
