

Faster Competitive Assessments with Parametric Estimation

This task involved parametric estimating of the cost for a target of opportunity sale of one of an aircraft company's fighters in the face of five competing fighter aircraft from other companies, some in different countries. The task involved analysis of technological maturity of the five potential competitors as well as the evaluation of the expected costs to be incurred as a function of the developmental status, production history and expected future production rates in the target timeframe of the opportunity. The analysis served as an independent evaluation of most likely cost of the identified competitors in order to aid strategic pricing decisions made by this contractor. After assembly of a pertinent fighter aircraft market knowledge base to perform the analysis, the consultant prepared a parametric model (with PRICE H) for the contractor's aircraft as well as those of the five competitors. The business and technical leaders for the opportunity pursuit were presented guidance for interpretation of the knowledge base so that they could make the selection of appropriate information from it. An estimate of the expected costs of the baseline aircraft and the five competitors was created, along with sensitivity analysis on the major inputs and parameters to develop uncertainty ranges for results. From this, a summary analysis for pricing strategy was developed for the opportunity. Unlike most previous strategies, this one included not only a profitability analysis for the contractor but also profitability projections for each of the five competitors. This enabled a more comprehensive and higher probability bid to be prepared.



CASE STUDY

© PRICE Systems, LLC.

All Rights Reserved.

All other trademarks are property
of their respective owners.

PRICESystems.com

1.800.43.PRICE

PRICE Systems International

+33 1 47657633

