

# Renewable Energy Wind Turbines – Onshore & Offshore Establishment Of CoE - Product Cost Management



## Overview

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The client, is a leading Renewable energy company across the globe. There was a need to execute cost models, which included material, labour and transportation to achieve the landed cost along with SG&A and profit-margin based on industry accepted norms.

## Key Challenges

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- ▶ Supplier identification and analysis of entire product and across the regions
- ▶ Understanding the manufacturing process for heavy weight components i.e., more than 50 tons
- ▶ Low-Cost Solution target

## Our Approach And Solution

- ▶ Established cost engineering CoE for entire wind turbine
- ▶ Numerous Industry visits to understand the right manufacturing process
- ▶ Should cost – As - Is Condition
- ▶ Developed Configurator tool
- ▶ DMP ideas
- ▶ Alternate suppliers
- ▶ Vendor negotiations

USD 2.2 Billion worth of should cost models across all product ranges of Wind turbine

Covered 95% of Wind Turbine components across the entire product range

30% reduction in should cost efforts through Automated Configurator for a combination of models and geographies



## Business Impact



Notional Savings of \$1Bn and Actual savings of \$485Mn



Implemented 50+ DMP (Direct Material Productivity) Ideas



~15% YoY Productivity Improvement



15% cost reduction through vendor negotiation

## About Tech Mahindra Engineering

Tech Mahindra's integrated engineering solutions (IES) delivers solutions enabling "digital engineering enterprise" across aerospace and defense, automotive, industrial, telecom, healthcare, energy & utilities and ISVs. With over 50 exclusive global engineering centers supporting new program launches and over 350 active global customers, Tech Mahindra IES is an established leader for engineering services in the industry.

Tech Mahindra delivers exponential value to engineering enterprises by collaborating with them across three key tenets: **robust products, ubiquitous platforms, and smart cyber factories**. The vision for Tech Mahindra engineering is founded on the new digital economy considering emerging market trends like digital engineering and intelligent workplaces. End-to-end connected and immersive approach covering smart manufacturing for an overall resilient business framework.

We call this approach of **accelerating** outcomes, **inventing** better products and **transforming** businesses into digital as – Engineer your **NXT.NOW™!**

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