

## PRESS RELEASE

**Predictive costing and target pricing of large portfolios**

### **Saphirion's top-down method NLPP to be combined with Siemens' Teamcenter Product Cost Management solution**

**Zug / Switzerland, 10. September 2020 - With the Product Cost Management solution in the Teamcenter portfolio from Siemens Digital Industries Software, companies can create a quantifiable basis for decision-making for cost-optimized products. Traditional cost and value analysis have so far been based on bottom-up methods. To accelerate handling large part portfolios, Siemens is adding the top-down Non-Linear Performance Pricing (NLPP) method to its software solution.**

In contrast to bottom-up calculations, which focus on the highly precise analysis of individual parts, the NLPP method developed by the Swiss company Saphirion AG examines part families as a whole: NLPP predicts costs and prices of any parts, machines or tools. The method uses part properties, quantities, and actual prices of existing parts to determine valid and precise target price formulas automatically. Such target price formulas precisely describe how different part properties impact part costs/prices. Further, NLPP calculates meaningful benchmarks that give a target corridor with upper and lower bounds for part costs/prices. Together, all this can show potential savings, identify similar parts, or assess variants' price differences.

Thomas Muskalla, Product Manager Teamcenter Product Cost Management: "The expansion of our Product Cost Management solution with a top-down methodology, by a highly specialized solution that has shown its efficiency on the market for years, opens up new opportunities for Teamcenter customers. With the integration of the NLPP method and algorithms, users of the Product Cost Management solution in the Teamcenter portfolio can further strengthen their competitive edge and now play in a league of their own. "

Robert M. Münch, CEO of Saphirion AG, comments on the new cooperation with Siemens: "Together with Siemens Digital Industries Software, we can make our NLPP method and algorithms accessible to a much broader market. We continue to focus on enhancing our algorithms and the NLPP tool to give users precise insight into their data. The smooth and friendly cooperation over the past few months shows that we can keep our innovation pace as is, if not even increase it. We are now taking a big step closer to our vision of establishing NLPP as an industry mainstream method."

In addition to the NLPP HotSpot Analysis that highlights significant savings opportunities, which is available immediately, both companies are already working intensively on integrating the NLPP target price formulas into Siemens' Product Cost Management solution so that this functionality is available to all Teamcenter portfolio customers using the Product Cost Management solution by the end of the year.

About Saphirion AG

Saphirion AG, based in Zug (Switzerland), is the developer of the Non-Linear Performance Pricing method and the price analysis software NLPP. Robert M. Münch is the CEO and inventor of the software. Besides studying computer science at the TH Karlsruhe and the University of Hagen (Germany), he has more than 20 years of experience as a management consultant and IT management in large corporations. During one of his previous activities as CTO, he invented around 40 "processor architecture for reconfigurable computing" patents. More information at [www.saphirion.com](http://www.saphirion.com)

## Press

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