

## Understanding Total Manufacturing Costs

Owning a manufacturing business is rewarding, but oftentimes difficult to manage and stay profitable. Understanding your company's fully burdened manufacturing costs is critical for several reasons: they are the basis for establishing your pricing strategies, these costs determine your ability to compete, and they can be used as the basis for qualifying you as a vendor to your customer base.

Pricing Strategies determine which markets you can or should target. Knowing your manufacturing costs can greatly impact your quotation process by enabling your company to make strategic changes and be competitive in current and future markets.

The important thing is determining the costs specific to your business so that you can make the right decisions about pricing, market, and competitiveness, which in turn will help your business become more profitable. Many manufacturers do not know what their costs should be and what impact efficiency rates have on that calculation.

Learn how to define and discuss these challenges which gives manufacturers the correct tools to make decisions and start managing these costs.