

SEPTEMBER 2025

Costing Evolution: from Basics to Business Intelligence

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aPriori
Manufacturing
Insights **2025**

DETROIT / SEPTEMBER 23 - 24

Presenter



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Director of Cost and
Competitive Engineering

GE Appliances, a Haier
Company

Agenda

- 1 Introduction: About GE Appliances
- 2 The Starting Point
- 3 Business Outcomes
- 4 Key Learnings Along the Way
- 5 What Does the Future Hold?
- 6 Closing/ Questions

Introduction: About GE Appliances

Global Headquarters

Louisville, KY



750-Acre industrial park
established in 1951



Home to more than **8,000** employees
including **1,600** design and
manufacturing engineers



Our **largest manufacturing site** with
five facilities making washers, dryers,
dishwashers & refrigerators



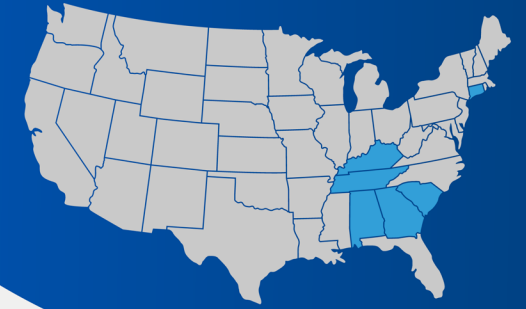
Appliance Park is a **city within a
city** and has its own zip code, 40225



BUILT FOR AMERICA



11 U.S. MANUFACTURING PLANTS & MICROFACTORIES



- ★ = New U.S. Production
- 📍 = Manufacturing Plant
- 🏠 = Microfactory

6
Manufacturing Facilities in Louisville, KY



Kentucky

Global Headquarters

- ★ GE Profile™ Combo Washer/Dryers
- ★ Frontload Washers
- Topload Washers
- Frontload Dryers
- Dishwashers
- French Door Refrigerators
- Quad Door Refrigerators
- Parts & Components
- FirstBuild



Tennessee

- ★ Zonline® Vertical Air Conditioners
- Zonline® Packaged Terminal Air Conditioners
- Monogram™ Column Refrigerators
- Monogram™ Side-by-Side Refrigerators
- Integrated Bottom Freezers



Alabama

- Top Freezer Refrigerators
- ★ New 22 cu. ft. models



Connecticut

- Monogram™ Hearth Ovens
- GE Profile™ Smart Mixers
- CoCreate Stamford/FirstBuild



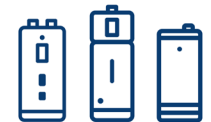
Georgia

- ★ Gas Ranges
- Electric Ranges
- Induction Ranges
- Cooktops
- Wallovens



South Carolina

- ★ Electric Water Heaters
- ★ GE Profile™ GEOSPRING™ Water Heaters
- Gas Water Heaters

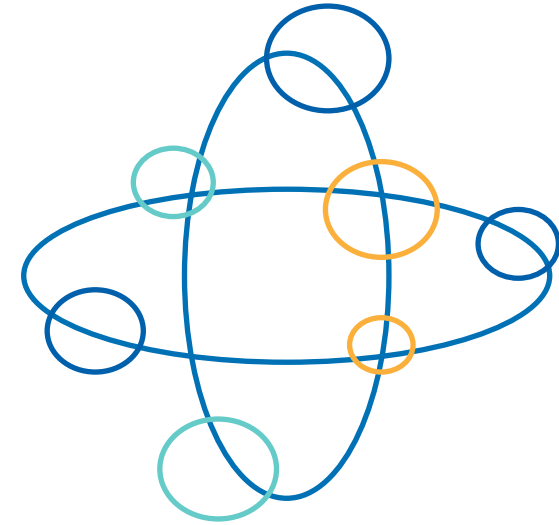


Entrepreneurial Focus to Serve Our Customers

Microenterprises operate at
the speed of market.

- + Clothes Care
- + Refrigeration
- + Smart Home Solutions
- + Room A/C, Ductless & Variable
- + Commercial A/C
- + Parts & Accessories
- + Global Specialty Products
- + Filtration
- + Cooking
- + Dishwashers
- + FirstBuild
- + Water Heaters
- + Small Appliances

Microenterprises



Powered by the Platforms



Cost & Competitive Engineering Team



Team Composition

4 Team Members Total



aPiori Process Groups

25 aPiori Process Groups
Used (including treatments)



Regions

10 Licensed Regions Used

The Starting Point

GE Appliances

The Starting Point

Located in the Sourcing Organization

Pre-2020: “Wild, wild west of costing”

- Every design engineering team was using their own costing method and/or spreadsheet
- Spreadsheet costing methods were labeled as “should costing”
- Sourcing had their own costing spreadsheets; not shared with engineering

The Starting Point: 2020

- Started using aPriori April 2020
- Centralized costing
- Grew the cost engineering team to 4 individuals
- Sprint activities
- Created materials libraries, including electronics
- Defined costing terminology
- Relationships created

■ Raw Material ■ Commodity Buyers ■ SFG ■ PPM



Used to cost purchased parts & assemblies

Relationships



Report-Out Pulse Team

Business Champion

Microenterprise Pulse Team:

Review agreed-upon, measurable outcomes
Share ideas, successes, & wins

ME1

ME2

ME3

ME4

ME5

ME6



Subject Matter Experts Pulse Team

Monthly Meetings with:

Manufacturing Engineers, the CAD Team, the Finishes Team (surface treatment), Supplier Quality, etc...

Executive Business Review (EBR)

Held with our VP Technology & our VP, Chief Procurement Officer

Allowed us to communicate our vision & dream with aPriori to influence our subsequent direction (roadmap discussion, market discussion)

Establish a Feedback Embedment Loop

Use a survey or other means to receive feedback on embedment & usage at the customer-level
Encourages usage rather than just a check-the-box approach

The Starting Point

Located in the Sourcing Organization

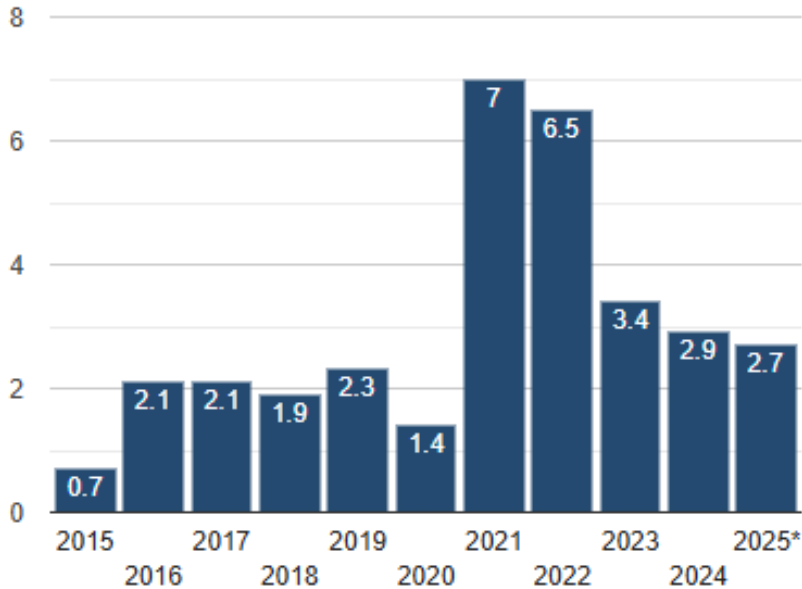
Inflation: 2021-2022

- Grew should cost awareness in the organization
- Should cost became the “4th Quote” in eRFQ
- Added more aPriori process groups
- Built additional spreadsheet-based cost models
- Supply chain turnover

Stable: 2023-2024

- Should Cost Training standardized in LMS
- Should Cost Competency in sourcing
- Grew our costing capabilities from 63% of spend in 2020 to 92% of spend in 2024
- Costed small appliances with CAD

Chart: United States Annual Inflation Rates (2015 to 2025)



Process Groups

2020

- Plastics Molding
- Basic Stamping
- Progressive Die
- Die Casting
- Wire Harness
- PCBA
- Surface Treatment
- Mechanical Assembly
- User Guided (2)
- General milling
- General turning

2021-2022

- Transfer Die
- Soft Tooled Sheet Metal
- Heat Treatment
- Bar & Tube
- Extrusions
- Anodizing
- Welding & Bonding
- Sandcasting
- Powder Metal
- Forging

2023-2024

- Roll Form
- Packaging
- Compression Molding
- PCB Fabrication

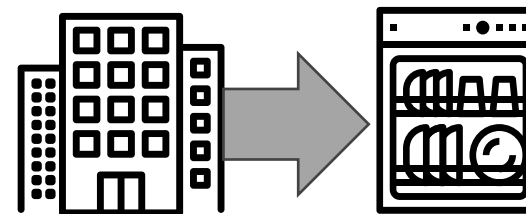
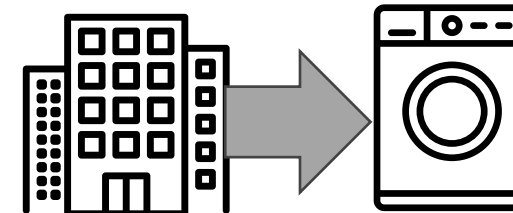
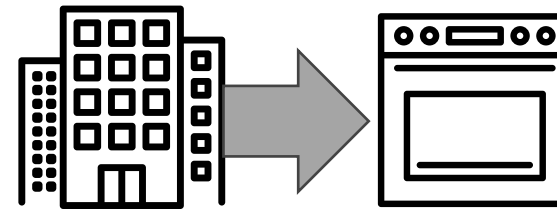
2025

- Bulk Costing
- Added 2 additional regions

2025: Competitive Product Costing

Pre-2025: “Wild, wild west of competitive product costing”

- Each product line conducted their own teardown
- Each product line used their own material cost and costing spreadsheets (not updated frequently enough)
- Attribute costing was different by product line for the same part types
- Value-add multipliers were used
- No multi-regional capabilities existed

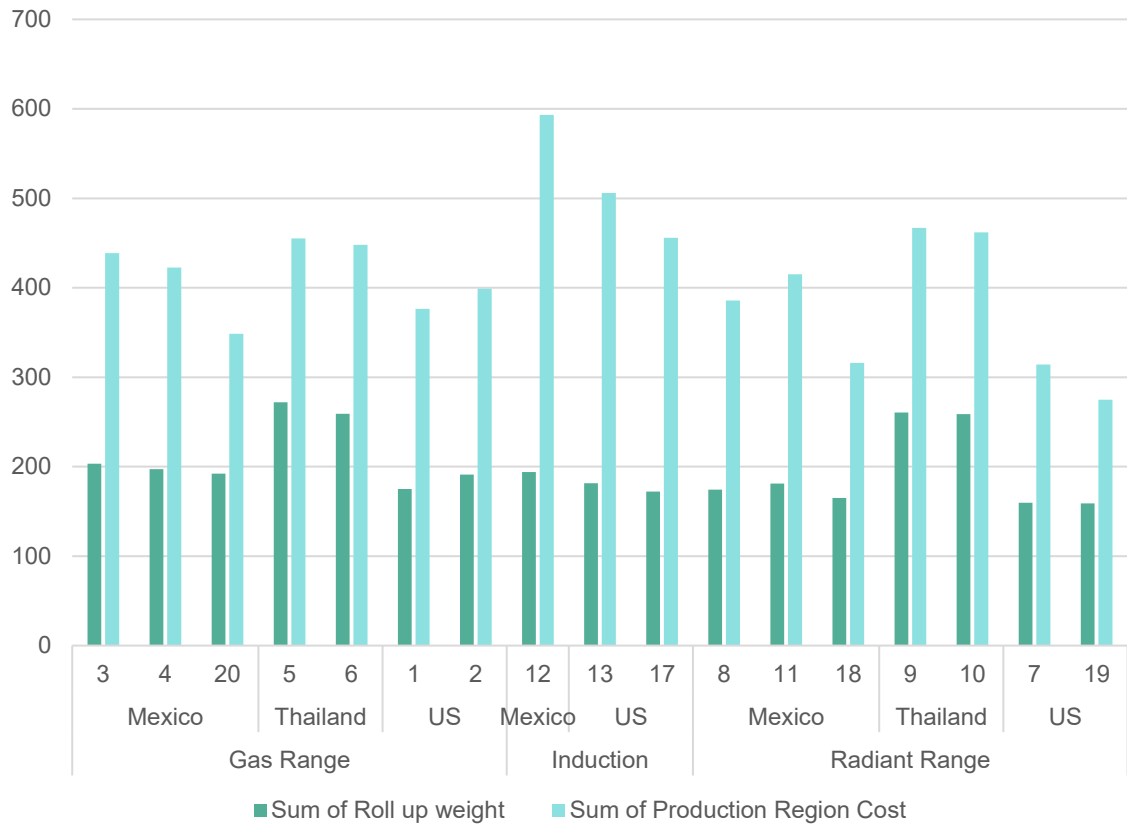


2025: Competitive Product Costing

Part of the Technology Organization

2025: Centralized Competitive Costing

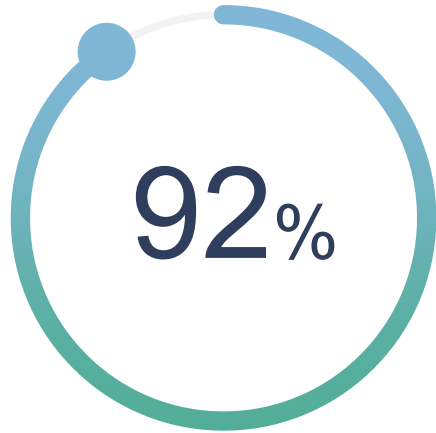
- Centralized competitive costing process
- Centralized attributes needed for proper costing
- Standardized baselines (ie. Material, labor, process) by using aPriori UGC
- Standardized costing spreadsheets for non-aPriori cost models (includes regionality)



Business Outcomes

GE Appliances

Measurable Business Outcomes



% of Spend Able to Be Costed



ROI* has Exceeded Goals Each Year



Sourcing Commodity Savings Penetration

*ROI measured as investment & headcount
Does not include competitive costing projects

Key Learnings Along the Way

GE Appliances

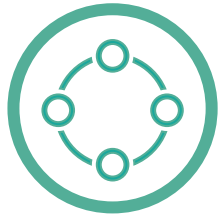
Just Starting: Key Learnings along the Way



Business Champion is not just a name on paper



Embed workflow for sourcing & engineering requests and for supplier price increase requests



Connections & Relationships are key for success



Price versus Cost



Internal Competency & Should Cost Training for Sourcing; Utilize aP Academy



Default & Tune (utilize expert services)

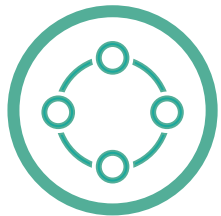
Keep Going: Key Learnings along the Way



Business Champion is still very important



It's not an end point



Increase costing accountability & visibility across the organization



Cost Culture



Have a plan for turnover (continual training, required onboarding training, competency)



Don't be afraid to be wrong

What Does the Future Hold?

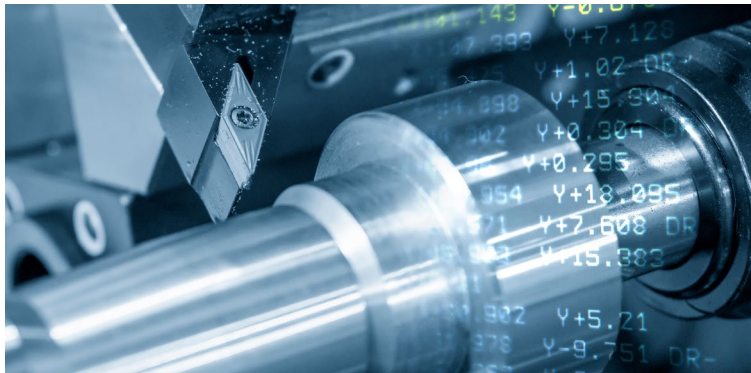
GE Appliances

Business Intelligence

Business Intelligence

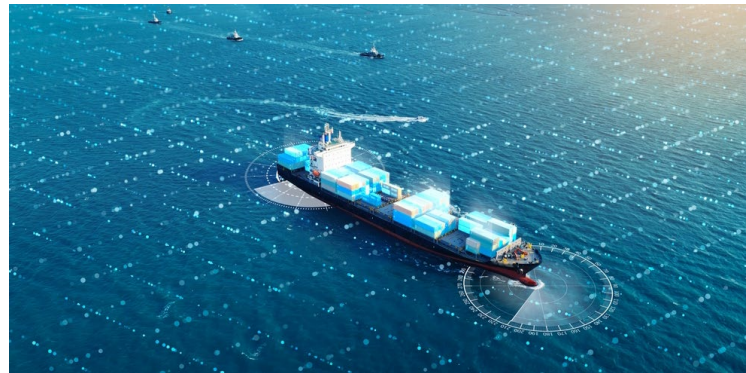
Data & AI

aP Analytics



- Use aP Analytics data to search by material, DtoC, utilization %, material cost %, etc...
- Use aP Analytics to highlight opportunities & outliers in large quantities of parts
- Use aP Analytics to find trends by country, by part type, etc..

Sourcing from Unfamiliar Countries



- Tariffs force sourcing to countries where current knowledge of labor rates, press rates, & overhead rates is not as strong as existing market knowledge
- Use aPriori to help sourcing & engineering understand the best country sourcing for the type of part

Sourcing



- Stop focusing on the end number (suppliers & sourcing)
- Utilize the data to understand where to work
- Use aPriori to develop pre-sourcing strategies
- Isolate parts up front prior to quoting

Thank You!

Any questions?

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