



# Automotive Cost Engineering & Design Collaboration Digital

## Speaker Interview

14-15 October 2020 | Exclusive Virtual Summit

### AN EXCLUSIVE INTERVIEW WITH:



**Eric Gierahn**  
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#### **The automotive industry is operating under increasingly difficult times. What do you think are the biggest challenges for cost engineers?**

The pandemic has hit the automotive industry hard and factories were closed for a long period of time. However, the main challenges are still relative to the industry's transition to electric vehicles and the significant investment in autonomous vehicles.

Additionally, cost engineers have the opportunity to not only manage costs, but make sure costs are fair and accurate in a tightened competitive environment. As cost engineers continue to move upstream in the development process, we must influence a “design to cost” mentality. For example, if engineers were utilizing gold screws, the company's ROI would reduce dramatically. Hence, in the last few years, there has been a major restructuring of departments to improve collaboration across teams.

#### **Many automotive organizations have gone through a restructuring in recent months, where do you think cost engineers should fit within their company?**

There are many different ideas of which department cost engineers should be in. At General Motors, cost engineers are part of the Finance department. Ultimately, we are there to build the highest quality product with engineered and accurate costs to improve the ROI for our shareholders. Finance is the gatekeeper: finance supports business to ensure decisions are made to achieve the company's end goal.

At General Motors, cost engineers used to be part of Engineering. Although there are tradeoffs, such as the close collaboration with design engineers, the cost engineering function can improve results in the finance team whilst maintaining this high-level collaboration. Cost engineers are, therefore, able to engage with all teams at appropriate times of product development.

#### **In a post-pandemic world, how do you think the role of the cost engineers will change?**

In the short-term, it is clear that working remotely is possible for cost engineers and so there will be more flexibility in the workforce in this respect. However, cost engineers cannot do physical teardowns at home while collaboration and impromptu conversations, which are absolutely essential, are difficult to do over the phone. Although there will be some permanent structural changes, traditional working styles cannot be eliminated.

In the long-term, advancements in technology will continue to gain traction. My work revolves around semi-conductors, software, additive manufacturing, and advanced electronics. Organizations that succeed will refocus their resources on these developing technologies, including electronic systems, batteries, receptive power control systems, etc.

Although we will still need traditional manufacturing engineering and mechanical engineers, there will be a shift towards higher value content - electronics and software

#### **Why do you think it is important that we unite in October to discuss cost engineering and how we can use best practice within the area?**

It is essential that we get together to share different perspectives. All organizations are generally facing the same challenges, but by listening to and understanding the challenges of other companies, we can take on board different ideas that I never would have thought of. The diversity of workers in the industry means that networking is essential to gain perspective and improve best practice. This year's global conference will better improve our cost engineering methodology as we gain a cross-continent understanding and network with organizations across the globe. Multiple people from different departments at General Motors will be attending to give them the opportunity to network, learn, and optimize costs.

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