

The following presentation was given at:

SCAF Annual Conference
“Cost Benefit Analysis: What is the Benefit”

Tuesday 11th September 2018

The Royal United Services Institute (RUSI), London

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Valued Relationships

Cost Analysis and Forecasting from a
Commercial perspective

Presented by:

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Commercial Manager (CIT)

QinetiQ

September 2018



Different Functions - Shared Objectives

Integrity

Doing the Right Thing
(Even when no one is looking)

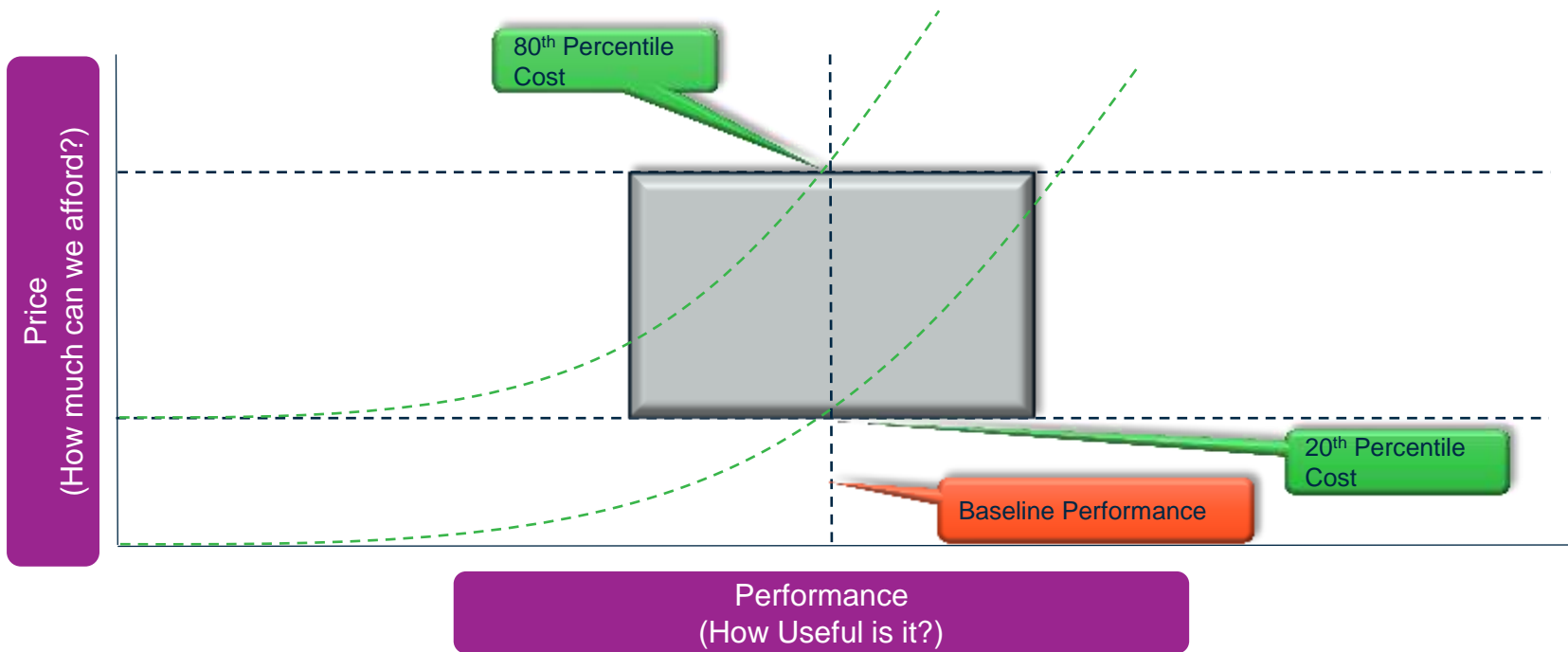
Collaboration

Listening and responding to stakeholders

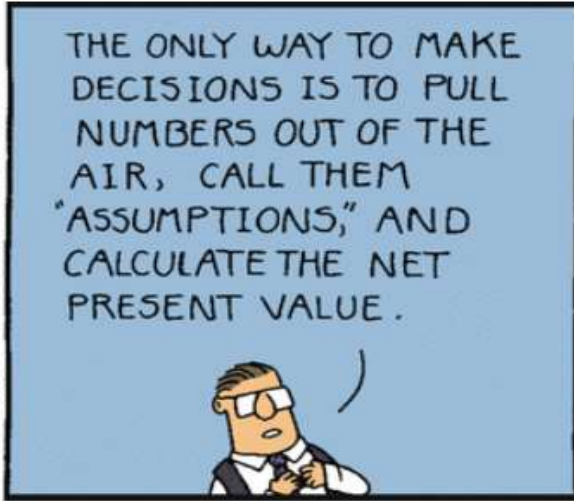
Performance

Delivering capability - Demonstrating VFM

Trade-offs Between Price and Performance



Assumptions Management



Shared Challenges

High Price Drivers

'Estimate':

"Evaluation of expected quantities, time and man-hours, with allowances or provisions for expected unknowns"

3PE

+

Risk

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Monte Carlo Analysis – P X

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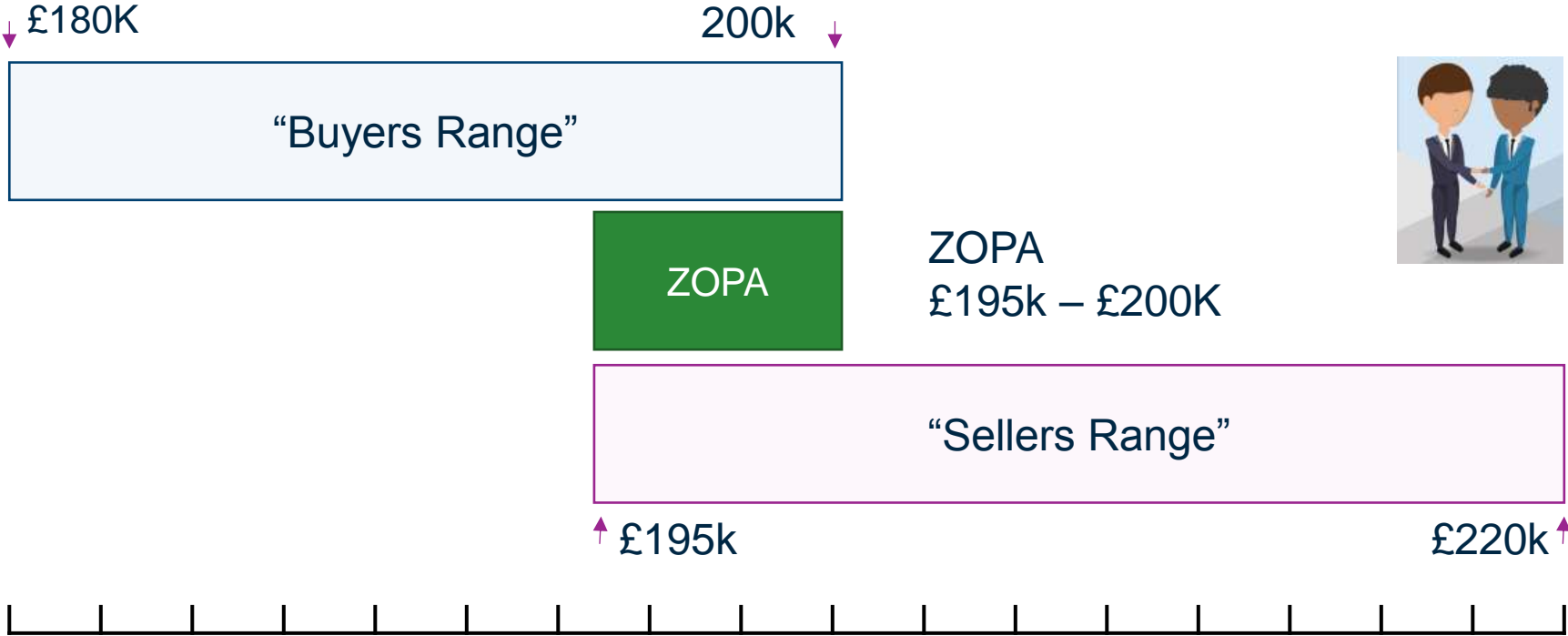
Profit

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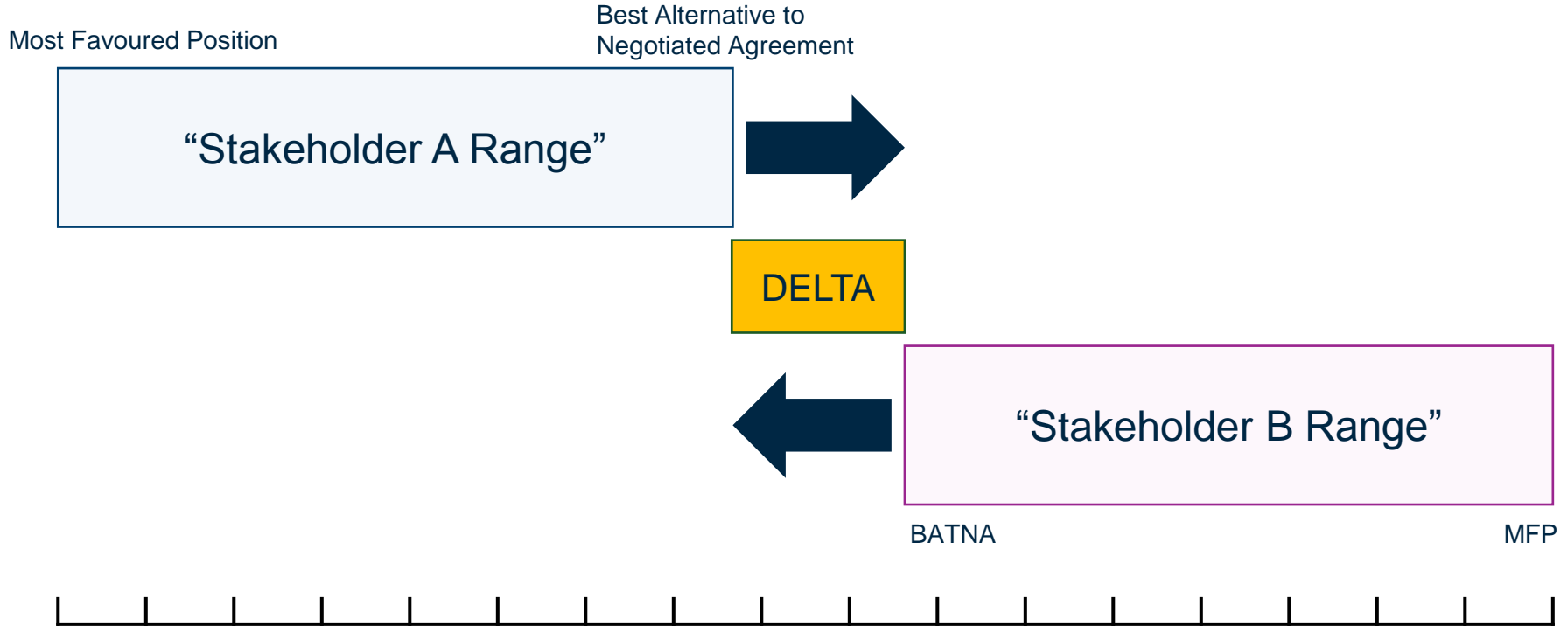
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Low Price Drivers

The Zone of Possible Agreement (ZOPA)



Challenging Assumptions to Create a ZOPA.



Q&A

QINETIQ IN CONFIDENCE

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