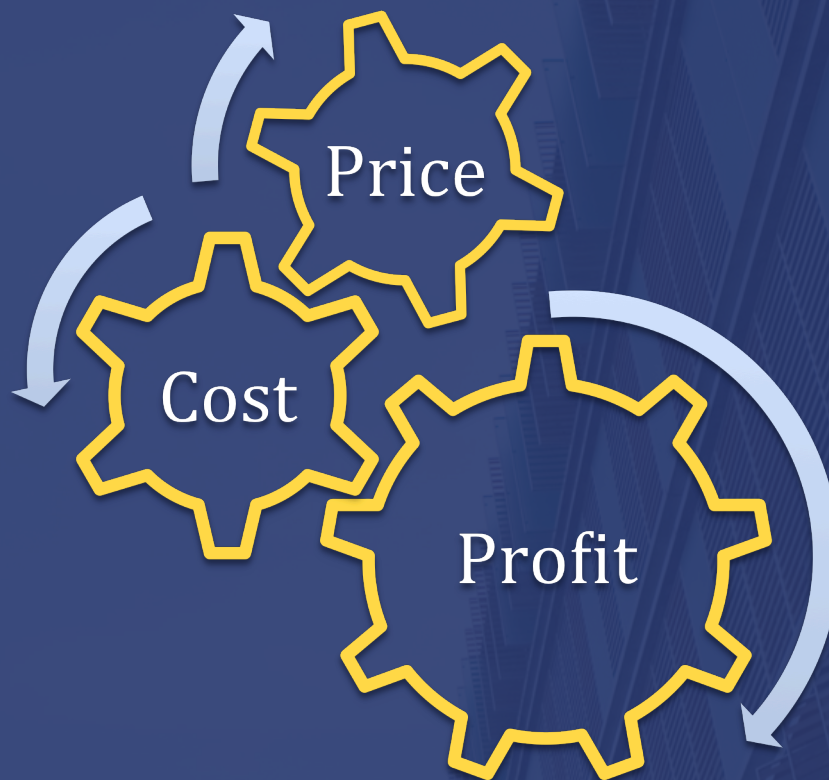


TARGET COSTING AS A STRATEGIC TOOL TO COMMERCIALIZE THE PRODUCT AND SERVICE INNOVATION



Venue: Augustinus Fonden Meeting Room (D4)

Solbjerg Plads 3, 2000 Frederiksberg

Date: October 3rd, 2016

Time: 8.45 am-11.15 am

Participation: Free

Registration: lji.om@cbs.dk (Liping Jiang)

Registration deadline: September 26th, 2016



Background

Product and service innovation are critical success factors for the maritime equipment manufacturers and service providers. However, firms must also be able to successfully commercialize an innovation in the market. One of the key challenges faced in commercialization of new products and services is how to set the price and cost. In today's competitive market environment, it can be difficult to implement the traditional cost-plus pricing strategy, because prices are increasingly determined by market forces rather than by simply marking up the cost with a sufficient profit. Costs must also be carefully managed to create profit and to achieve certain market penetration objectives.

To ensure the commercial success, target costing can be applied to integrate the commercial market with product and service innovation. Starts with understanding the market, target costing creates the opportunity for cost and profit planning at the early stage, thus ensuring that the product or service is both desirable and affordable to the customer and profitable to the manufacturers or service providers. Target costing has been adopted by a number of leading firms across the world. It is also relevant for the Blue INNOShip projects in general and the Danish maritime equipment manufacturing industry in particular.

Through this seminar, you are one step closer to develop core competences and to achieve better market position by:

- ✓ **Bridging the commercial market with product and service innovation**
- ✓ **Improving efficiency in cost management and profit planning**
- ✓ **Promoting cross-functional teams in the firm**
- ✓ **Involving supply chain partners to create customer value and minimize costs**

The seminar will be organized as a part of Seminar Series under the Blue INNOShip Work Package 5. In attendance will be Blue INNOShip project partners, maritime business professionals, and researchers.

Copenhagen Business School and Danish Maritime look forward to your participation.



Seminar Program

08:45-09:00

Registration & Coffee

09:00-09:15

Welcome and introduction to the Blue INNOship WP 5

Liping Jiang, Associate Professor, Copenhagen Business School

Tor Hjorth-Falsted, Project Manager, Danish Maritime

Henriette Schleimann, PhD student, Copenhagen Business School

09:15-09:45

Presentation: The process, elements and practices of target costing

Sof Thrane, Professor MSO, Copenhagen Business School

09:45-10:00

Q & A and Discussion

10:00-10:30

Presentation: Introducing target costing in the Danish maritime equipment manufacturing industry: Needs and approach

Liping Jiang, Associate Professor, Copenhagen Business School

10:30-10:45

Q & A and Discussion

10:45-11:15

Wrap up & Lunch-to-go



Blue INNOship Work Package 5

Servitization: Creating the Market by Understanding Price, Cost, Contracts and Financing
Project Seminar

Seminar List

2016:

1. Target costing as a strategic tool to commercialize the product and service innovation --- Price, Cost and Profit (October 3rd, 2016)
2. Lego game workshop on the application of target costing (October 2016, optional according to the interests of the stakeholders)
3. Pricing management and strategy for the maritime equipment manufacturers and service providers (December 2016)

2017-2018

1. The strategic decision making of ship owners in investing in maritime equipment manufacturers and service providers
2. Optimization and handling of risks and cost within the service contracts
3. Financing of new business models that can promote business and sales within the maritime industry - general
4. Financing of new business models that can promote business and sales within the maritime industry – cases
5. Workshop on marine equipment leasing (Optional according to the interests of the stakeholders)
6. Negotiation and collaboration through international contracts

Note: This list of seminars and workshops is only tentative. The themes and timing of the seminars and workshops will be adjusted according to the interests of the stakeholders and the progress in the project's activities.

Project homepage:

<http://www.cbs.dk/en/knowledge-society/business-in-society/cbs-maritime/research/research-projects>