

## Die Estimating Defined

What is die estimating? In this article, we define die estimating, clear up some confusion, and explore why die estimating is difficult in the metal stamping industry. Finally, we define the goal of die estimating.

Here is a simple definition of die cost estimating. It is an approximation of the probable cost of a complex tool computed based on available information.

Before we explore this definition further, I need to clarify a few misused terms. We often hear estimate, cost, and quote used interchangeably. They are not the same. We have already defined estimating above. Cost is the actual material, labor, and overhead accumulated during the die design and build process. The term “quote” is short for quotation and is the documented confirmation of the product, price, delivery, and terms as presented to the customer. The quotation is considered a business instrument.

The word “approximation” in our definition tells us that die cost estimating is not an exact science. It is not entirely an art form as some would have you believe. It is some of both. Sophisticated computer analysis and design software take much of the guesswork out of planning the die. Spreadsheets and databases make calculations faster. The die estimator should apply all available technical resources, personal experience, and gut feel to arrive at the best estimate.

The words “available information” in our definition imply that all the information needed may not be available at the time of estimate. Unlike other contract industries, final designs are not available at the time of estimate. The Bill of material type estimating method is impractical because no BOM exists at the time of estimate. The estimator must use project information, part data, and general specifications to develop the cost estimate.

Finally, what is the right price for a die? It depends on who you ask. Some say it the one closest to actual cost. Some say it’s the cheapest. Others say it is the one that wins the job. Bad estimating results in either not getting the job or winning it and losing money. An estimator once told me he worries if his price is too high until he gets the job and then he worries if it is too low. In the end, the goal of good die estimating is to maintain a continuous workload of profitable work for the operation.



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