

Behind the health care supply chain management elements operations

Engineering Economics and Cost Estimation is an essential aspect of any engineering project. It involves present and future economic factors, making it critical to obtain dependable estimates of future costs, benefits, and other economic parameters. Engineers frequently deal with projects whose scale, complexity, and uncertainty call for sophisticated approaches to planning and budgeting [1]. A number of methods are used for cost estimation, including rough estimates, semi-detailed estimates, or detailed estimates, depending on the needs for the estimates [2]. Key concepts in this field include overhead costs, cost driver identification, cost allocation methods, capital budgeting, flexible budgeting, zero-based budgeting, budgets, and estimates. Several models are available for developing cost (or benefit) estimates, such as the per-unit model, the segmenting model, cost indexes, the power-sizing model, and learning curve cost estimating. The quality of a cost estimate typically increases as the resources allocated to developing the estimate increase.
