



Filter

definition, use, etc.

easyKost practical sheet/user support

sheet n°2

A filter is an indicator that makes it possible to limit the number of records of a database.

It may be numerical, and in this case make it possible to consider only records equal to, higher than or lower than a value; or between two values.

In the case of a qualitative filter, the records considered will be those whose indicator has the selected items or items as value.

Any indicator, including a date, may be used as filter.

The easyKost algorithm is based on a statistical model.

Therefore, the larger the sample, the more precise the result.

It is therefore highly recommended that you limit the use of filters to a few specific cases to preserve all of the quotations of your database as references.

Use case / not to be used

Date Age of your database

If your database is made up of old quotations with one or more cost-drivers that vary greatly over time (e.g.: raw material cost), we recommend applying a filter to the date and considering only the last two or three years as reference in order to reduce the obsolescence of your quotations.

The obsolescence of the quotations has even more impact if you do not adjust your base for the materials rates, exchange rates and inflation rates of the countries.

Nevertheless, do not favor the recency of your quotations over their number.

Awarded Quotations awarded yes/no

It is possible to use a reference framework consisting of awarded and non-awarded quotations.

For example, if out of five suppliers invited to quote, two were excluded and three were challenged and ultimately one of them was selected, it may be interesting to include the two challenged suppliers in the reference base.

Nevertheless, since the level of solicitation may be different, only the quotation corresponding to the selected supplier is "certified." Therefore, to ensure the maximum precision of the estimate, excluding the non-selected quotations from the reference base by filtering the base with an "Awarded Yes/No" type indicator is recommended.

Cost-driver

The indicator has an impact on the cost

As soon as an indicator is referenced as cost-driver, we strongly discourage using it as a filter. Even if it seems more logical to limit the reference database to a given country, for example, because you know that you are going to produce your product in this country.

In fact, in a way, the random forest algorithm used by easyKost groups the cost-drivers and therefore filters them. However, unlike a "manual" filter, it makes it possible to preserve the entire sample and therefore to benefit from all the values to observe them and conclude behaviors from them.

For example, if you filter your base for the country "China" instead of indicating the value "Chine" for the Country cost-driver, you deprive yourself of all of the raw material, dimension and other values of the other products manufactured outside of China. You therefore have less knowledge to observe the behavior of a given characteristic on the costs of your product.

Thus, if China produces only products whose length, for example, is longer than 15 mm, filtering your database for China eliminates any reference to products whose length is shorter than 15 mm. Without further reference, the precision of your estimate will inevitably be reduced.

