The CAM-I Target Costing Model

\[ C = P - \pi \]

Where,  
\[ C = \text{Allowable Cost} \]
\[ P = \text{Competitive Market Price} \]
\[ \pi = \text{Target Profit} \]

Six Key Tenets of TCM

- Price-led Costing
- Customer Focus
- Product & Process Design Focus
- Cross-Functional Teaming
- Life Cycle Cost Reduction
- Value Chain

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