

EST. 47502

ESTIMATED SAVINGS & RETURN ON INVESTMENT

PROPOSED ONE PIECE POWDER METAL BLANK
M/XP.100,600 & 700 SEAR SAFETY CAM ASSY

	PRESENT (2) PIECE CONSTR.	1965 Year of Operation	
		PROPOSED (1) PIECE STAMPING	PROPOSED (1) PIECE POWDER METAL BLANK
Quantity Forecast	XP-100 1,200 M/600 15,000 M/700 32,000	PROPOSED "A"	PROPOSED "B"
OPERATING COSTS			
Purchased parts	\$ 2,750	\$ 1,620	\$ 400
Raw material			1,190
Direct Labor	6,840	4,470	
Industrial Relations @ 33%	2,260	1,490	390
Supplies			
Tool Replacement			
Cutter Grind	680	1,110	1,080
Tool Maintenance			
Maintenance			
Electricity		930	360
Equipment Depreciation @ 10 1/2%	-	710	-
Franchise Tax @ 4 1/2%		130	380
	\$ 12,530	\$ 9,520	\$ 3,440
SAVINGS IN OPERATING COST			
Less: All other expense		\$ 3,010	\$ 9,090
All-Other Federal Tax 48%		1,550	4,670
NET SAVINGS		\$ 1,460	\$ 4,420
INVESTMENT			
Project expenditures	\$ 7,100	\$ -	\$ -
Manufacturing and working facilities	(3,000)	(5450)	(5450)
Net Change in working capital			
Total capital required for this project	\$ 5,100	\$ 5,450	\$ 5,450
RETURN ON INVESTMENT - THIS PROJECT		28.6%	NO CAPITAL INVESTMENT

Return on total capital required including research and development and other operation charges	VENDOR TOOLING \$ 2,400 OPER. CHGES \$ 3,900 \$ 11,400 12.8%	TOOLING \$ 1,600 400 (83450)	NET DECREASE IN TOTAL PROFIT
Return on total additional investment after completion of this project			

(Subdivision 5)

FG CARLS.
10/15/64