HIGH SPDT

M/700 BOLT HANDLE

ESTIMATED SAVINGS & RETURN ON INVESTMENT

PRESENT CASTING VS PROPOSED COLD FORMED STAMPING

EST. #2891
REVISED

	1969 Year of Operation			
	PRESENT CASTING	PROPOSED COLD FORM STAMPING		
#1 - 1969 SALES **Quantity Forecast**	69,500			
OPERATING COSTS				
Purchased Parts + 3% VARIANCE	$ 67580	$ [illegible]	$	$
Raw Material				
Standard Labor	2520	3342		
Labor Variance @	1,050	830		
Industrial Relations @ 34%	1710	1420		
Supplies	450	470		
Tool Replacement	210	860		
Cutter Grind	100	450		
Tool Maintenance	50	100		
Maintenance	700	670		
Electricity				
Equipment Depreciation @ 10% X 6,600		660		
			61,060	
Franchise Tax @ 3.1%		400		
	$ 73,880	$ 61,460	$	$
SAVINGS IN OPERATING COST		$ 12,420		$
Loss: All other expense:	720			
All Other 5.8%: Federal Tax 52.8%	6180	$ 6,900		$
NET SAVINGS		$ 5,520		$
INVESTMENT				
Project expenditures		$ 6,600		$
Manufacturing and working facilities				
Net change in working capital		(10,570)		
Total capital required for this project		$ (3,970)		$
RETURN ON INVESTMENT - THIS PROJECT		[illegible] %		
NET SAVINGS - After Amortization of Operation Charges		$ 4,350		$
Project Operation Charges		$ 26,400		$
Loss: Federal Tax 52.8%		$ 13,940		$
Total capital required including research and development and other operation charges		$ 8,490		$
Return on total capital required		51.2 %		
Return on total additional investment after completion of this project		%		

(Subdivision 5)

Rev 10-10-67

EAK