

EST. #1502

ESTIMATED SAVINGS & RETURN ON INVESTMENT

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

		1965 Year of Operation		
		PRESENT (2) PIECE CONSTR.	PROPOSED (1) PIECE STAMPING	PROPOSED (1) PIECE POWDER METAL BL PROPOSED "B"
Quantity Forecast	XP-100 1,200 M/600 15,000 M/700 32,000	4,9200	PROPOSED "A"	

OPERATING COSTS

Purchased parts	\$ 2,750	\$ 1,620	\$
Raw material	6,840	4,470	400
Direct Labor			1,191
Industrial Relations @ 33%	2,260	1,490	391
Supplies			
Tool Replacement			
Cutter Grind			
Tool Maintenance	680	1,110	1,081
Maintenance			
Electricity			
Equipment Depreciation @ 10%		2390	3,661
		710	
Franchise Tax @ 4 1/2%		130	380

SAVINGS IN OPERATING COST

Less: All other expenses	\$ 12,530	\$ 9,520	\$ 3,441
All Other Federal Tax 48%		3,010	8,991
		1,550	4,671
NET SAVINGS		1,460	4,421

INVESTMENT

Project expenditures	\$ 7,100	\$
Manufacturing and working facilities		
Net Change in working capital	(2,000)	(5,450)
Total capital required for this project	\$ 5,100	\$ 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%	NO TOOLING \$ 1,600 400 (8,345) NET DECREASE IN TOTAL CAPIT.
Return on total additional investment after completion of this project		

(Subdivision 5)

FG CARLS.
10/15/64