

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 BR PROPOSED "B"
Quantity Forecast	XP-100 1,200 M/600 15,000 M/700 32,000	49,200	PROPOSED "A"	PROPOSED "B"
OPERATING COSTS				
Purchased parts		\$ 2,750	\$ 1,620	\$
Raw material				400
Direct Labor		6,840	4,470	1,190
Industrial Relations @ 33%		2,260	1,490	390
Supplies				
Tool Replacement				
Cutter Grind		680	1,110	1,080
Tool Maintenance				
Maintenance				
Electricity			230	360
Equipment Depreciation @ 10%		-	710	-
Franchise Tax @ 4%			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				
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		VENDOR TOOLING \$1,400	TOOLING \$1,600	
research and development and other		OPER. CHGES 3,900		400
operation charges		\$11,400		(8,3450)
		12.8%		NET DECREASE
Return on total additional investment after				IN TOTAL CAP. IN.
completion of this project				

(Subdivision 5)

 FG CARLS
 10/15/64