EST. # 2891
REVISION #2

HIGH SPOT
ESTIMATED SAVINGS & RETURN ON INVESTMENT
M700 BOLT HANDLE
PRESENT CASTING VS. PROPOSED COLD FORMED STAMPING

	1969 Year of Operation			
	PRESENT CASTING	PROPOSED COLD FORMED STAMPING		
#1 - 1969 SALES **Quantity Forecast**	69,500			
OPERATING COSTS				
Purchased Parts + 3% VARIANCE	$ 67,580	$ 52,260	$	$
Raw Material				
Standard Labor	2,520	3,340		
Labor Variance @	1,050	830		
Industrial Relations @ 34%	1,210	1,420		
Supplies	460	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		$
Less: 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		INF. %		%
NET SAVINGS - After Amortization of Operation Charges		$ 4,660		$
Project Operation Charges		$ 19,400		$
Less: Federal Tax 52.8%		$ 10,240		$
Total capital required including research and development and other operation charges		$ 5,190		$
Return on total capital required		89.8 %		%
Return on total additional investment after completion of this project		%		%

(Subdivision 5)

E.A.K.
3-6-69

Rev. 10-10-67 [illegible]

BARBER - PRESALE R 0103668