MATRIX Return on Investment

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Customer: Clever Engineering
IMC company: IMC USA
Comments: sample

Calculation

**MATRIX PRICE**

**ANNUAL SAVINGS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue and Return</td>
<td>11,000</td>
</tr>
<tr>
<td>Receiving</td>
<td>4,000</td>
</tr>
<tr>
<td>Purchasing</td>
<td>6,000</td>
</tr>
<tr>
<td>Downtime</td>
<td>17,840</td>
</tr>
<tr>
<td>Consumption</td>
<td>20,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>7,875</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>66,715 USD</td>
</tr>
</tbody>
</table>

**ROI**

4 months

**Variable Values**

# machine tool operators: 20
# active cutting tools (SKU): 400
# cutting tool suppliers: 15
# machine tools: 12
annual cutting tool consumption: 400,000 USD
value of cutting tool inventory: 150,000 USD
MATRIX Price: 22,000 USD

**Default Values**

average # of visits to tool room per day per machine operator: 2
time saved issueing or returning at item via MATRIX: 3 minutes
average hourly rate for production personnel: 25 USD
time saved per week per operator searching for missing tools: 5 minutes
average # of times per month each active item is ordered: 1
time saved per order line receiving an item via MATRIX: 2 minutes
average # of PO/s per month per supplier: 4
time saved opening a PO via MATRIX: 5 minutes
machine tool hourly rate: 50 USD
machine downtime caused by stock-outs: 5%
hours per day machine tools are operated: 24 hours
reduction in machine downtime by using MATRIX: 10%
reduction in tool consumption by using MATRIX: 5%
reduction in stock levels by using MATRIX: 5%
annual stock finance cost: 5%
reduction in dead stock by using MATRIX: 5%

**Remarks**

**Issue and Return**

time saved issueing and returning items via MATRIX

time saved having tools close by the work cell for quick 24/7 access
reduced handling as tool room is not involved in the process

**Receiving**

time saved receiving items via MATRIX
quickly find PO data for inward goods department
quick and secure process to receive goods into stock

**Purchasing**
- Time saved using MATRIX logistics and purchasing module
- Usage, frequency, lead time and min/max values are calculated monthly and always up to date
- PO is created automatically by schedule for all suppliers
- Easy to review, approve and issue PO to suppliers

**Downtime**
- MATRIX logistics module minimizes stock-out which cause costly machine downtime
- Less time searching for missing tools as MATRIX can identify who has each item

**Consumption**
- MATRIX monitors usage per operator to reduce waste and excess usage
- Better tool selection and performance benchmarking for improved tool life

**Inventory**
- MATRIX reduces excess stock and dead stock
- MATRIX ensures that the correct quantity of tools is purchased