



ROI Example

Example Application:
 Equipment: Model 55F-FPS-A041
 Situation requires lift truck driver to get off and on truck to move the forks a minimum of twelve times per work shift. Each incidence requires 3 minutes.

A) Cost of Attachment Package \$ 1,810.00

B) Installation Costs \$ 1,414.00

C) Savings in Time

$$\frac{.60 \text{ Hrs./Day}}{\% \text{ Savings in Time}} \times \frac{\$25/\text{Hr.}}{\text{Labor Rate}} \times \frac{\text{Working Hrs. Per Day}}{\text{Working Days Per Year}} \times \frac{260}{\text{Working Days Per Year}} = \$ \underline{3,900.00}$$

D) Savings – Damaged Pallets

$$\frac{\text{Loads Per Day}}{\text{Days/Year}} \times \frac{\text{Days/Year}}{\text{Damage Reduction}} \times \frac{\text{Damage Reduction}}{\text{Average Repair Cost}} = \$ \underline{\hspace{2cm}}$$

E) Savings – Damaged Product \$ 600.00

F) Savings – Damaged Facilities \$

G) Savings – Machine Wear \$

H) Savings – Other \$ Safety ?

Return On Investment (ROI) = $\frac{A + B}{C + D + E + F + G + H} = \frac{\$3,224}{\$4,500} = \underline{.7}$ Years