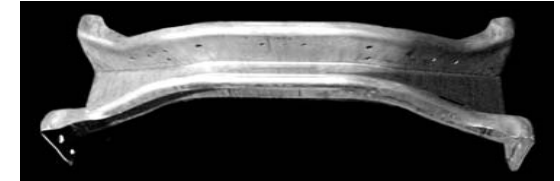


# Financial Case # HSSTA001 Reduce Tooling & Parts Cleaning Cost

Industry: Automotive

Supplier Category: Tier 1 Automotive Structural & Frame Components



PROCESS INFORMATION		BEFORE IRMCO			WITH IRMCO			NET SAVINGS		
Process Cost Area	Unit Of Measure	Previous Unit Cost	Previous Annual Volume	Previous Annual Cost	IRMCO Unit Cost	IRMCO Annual Volume	IRMCO Annual Cost	IRMCO Annual Savings	Percent Reduction	Total Category Savings
<b>PARTS WASHING</b>										
Labor	Man	\$35,000.00	12	\$420,000.00	\$35,000.00	4	\$140,000.00	\$280,000.00	67%	\$441,136.00
Maintenance	Month	\$3,335.00	12	\$40,020.00	\$1,100.00	12	\$13,200.00	\$26,820.00	72%	
Energy (Gas)	Month	\$11,700.00	12	\$140,400.00	\$3,900.00	12	\$46,800.00	\$93,600.00	67%	
Disposal	Gallons	\$0.35	90,000	\$31,500.00	\$0.35	30,000	\$10,500.00	\$21,000.00	73%	
Water	Month	\$1,692.00	12	\$20,304.00	\$564.00	12	\$6,768.00	\$13,536.00	73%	
Cleaning Chemical	Month	\$775.00	12	\$9,300.00	\$260.00	12	\$3,120.00	\$6,180.00	72%	
<b>TOOLING</b>										
Labor	Hour	\$17.00	5,760	\$97,920.00	\$17.00	180	\$3,060.00	\$94,860.00	96%	\$850,860.00
Downtime Overhead	Hour	\$600.00	1,440	\$864,000.00	\$600.00	180	\$108,000.00	\$756,000.00	88%	
<b>HOUSEKEEPING</b>										
Gloves	Pair	\$0.60	120,000	\$72,000.00	\$0.60	72,000	\$43,200.00	\$28,800.00	41%	\$64,800.00
"Pig" Pads	Month	\$4,500.00	12	\$54,000.00	\$1,500.00	12	\$18,000.00	\$36,000.00	55%	
<b>LUBRICANT</b>										
Investment				\$588,000.00			\$350,000.00	\$238,000.00	40%	\$238,000.00

TOTALS

\$2,337,444.00

\$742,648.00

**Total Annual IRMCO Operating Cost Savings**

**\$1,594,796.00**

