

Cost Reduction Case # TSP002 Reduced Press Down Time

Industry: Automotive

Supplier Category: Tier Two

Part Category: Automotive Components

Substrate:

Date:



(insert photo here)

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
PRODUCTION										
Press 11 Uptime Value*	Hours	\$300.00	3,375	\$1,012,500.00	\$300.00	3,013	\$904,020.00	\$108,480.00	100%	\$452,730.00
Press 28 Uptime Value**	Hours	\$300.00	3,375	\$1,012,500.00	\$300.00	2,228	\$668,250.00	\$344,250.00	100%	
TOOLING										
Press 11 Polishing Labor	Hour	\$12.00	188	\$2,250.00	\$12.00	9	\$108.00	\$2,142.00	87%	\$129,384.00
Press 28 Polishing Labor	Hour	\$12.00	188	\$2,250.00	\$12.00	9	\$108.00	\$2,142.00	87%	
Noses, Cavities Replacement	Each	\$30.00	1,200	\$36,000.00	\$30.00	600	\$18,000.00	\$18,000.00	50%	
Press 11 Polishing Downtime	Hour	\$300.00	188	\$56,250.00	\$300.00	9	\$2,700.00	\$53,550.00	87%	
Press 28 Polishing Downtime	Hour	\$300.00	188	\$56,250.00	\$300.00	9	\$2,700.00	\$53,550.00	87%	
HOUSEKEEPING										
Floor Cleaner	Gallons	\$5.00	660	\$3,300.00	\$7.00	200	\$1,400.00	\$1,900.00	58%	\$2,180.00
Haul-a-Way	Gallons	\$0.20	2,800	\$560.00	\$0.20	1,400	\$280.00	\$280.00	50%	
LUBRICANT										
Consumption	Gallons	\$11.00	9,600	\$105,600.00	\$12.10	7,000	\$84,700.00	\$20,900.00	43%	\$20,900.00

TOTALS

\$2,287,460.00

\$1,682,266.00

Notes:

Total Annual IRMCO Operating Cost Savings

\$605,194.00

*IRMCO's tool performance allowed Press #11 to increase from 25 SPM (Strokes Per Min.) to 28 (a 12% increase or 362 hours saved/year)

**Press #28 to increase from 33 to 50 SPM (a 51% increase and 1147.5 hrs saved/year)

4.5 hours of production per shift, 3 shifts/day, 250 days/year is assumed

polish 15 min per shift before IRMCO, every 21 shifts after IRMCO