

## Moldshield™ and Mold Chute Cost Justification

If you're considering one of our products both Moldshields™ and Mould Chutes can be easily cost justified by applying a simple formula. Please see our example below.

➤ Let's take a look at a 10 Cavity Mould running a 60 second cycle

- There are 28800 seconds in an 8 hour shift.
- Every minute we produce 10 pieces.
- In a shift we produce 4800 pieces.
- If each part costs 5 pence to produce then the total cost for the shift is £240.00.
- If we are currently losing 5% of our production then we are losing 240 pieces or £12.00 per shift.

With Moldshields™ and/or Mould Chutes in place we could capture 100% of all parts made, if we are using an MS-30 cost £132.00 then our payback will be the cost of the IPS Shield divided by the savings. In this example £132.00 divided by £12.00

**This represents a payback in approximately 5280 cycles or 11 shifts. (approx\*.)**

\* Figures quoted are a guide only

➤ Let's look again reducing the same tool a 30 second cycle

- There are 28800 seconds in an 8 hour shift.
- Every minute we produce 20 pieces.
- In a shift we produce 9600 pieces.
- If each part costs 15 pence to produce then the total cost for the shift is £1440.00.
- If we are currently losing 5% of our production then we are losing 480 pieces or £72.00 per shift.

With Moldshields™ and/or Mould Chutes in place we could capture 100% of all parts made, if we are using an MS-60 cost £176.00 then our payback will be the cost of the IPS Shield divided by the savings. In this example £176.00 divided by £72.00.

**This represents a payback in approximately 2400 cycles or 2.5 shifts. (approx\*.)**

\* Figures quoted are a guide only

If we are also losing 5% of our parts because they do not fall into the carton or onto the conveyor we can apply the same formula to calculate those losses as well.

If we use the 2 examples above then our total savings using a Moldshield™ and Mold Chute will represent a return on investment in 768 cycles or 384 minutes. More importantly there will also be a savings in material costs, regrind costs, machine overhead costs and ultimately an increase in gross profit. Remember Moldshields™ **have a life expectancy of 3 million cycles under normal use.**

**Can you afford not to use IPS products? Use the attached work sheet to calculate your ROI**



# IPS Payback Calculations

## Return On Investment Worksheet (ROI)

### First Record the Following Information

Number of cavities in the mould

Overall cycle time

Current % scrap factor

Part Unit Cost

Total Parts Per Shift - (Hours in Shift x 3600 / Cycle time x Cavities)


### Next

Total Cost of Parts - (Part Unit Cost x Total Parts per Shift)

Total Parts Scrapped - (Current % Scrap Factor x Total Parts per Shift)

Total Scrap Cost - (Total Parts Scrapped x Part Unit Cost)


### Finally

Cost of IPS Product

/ Total Scrap Cost

=

<b>No. of Shifts to Payback</b>

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