

Retrofit ROI Value Matrix

No.	Why Buy?	Business Issue	Stakeholder	Desired Outcome(s)	Feature(s)	Category	Value Metric	Value Statement	Group	Components	
1.	We want to reduce our labor costs for the machine...	Because our margins are low as we are competing with offshore companies with lower labor rates, and domestic companies that have operators manning multiple machines.	VP Mfg., CEO, CFO	We need to increase process reliability and automation so that a single operator can man multiple machines, and eliminate the need for overtime.	The high MTBF of the new CNC and drives will increase reliability. Advanced tool management allows tool maintenance policy to be implemented and sister tooling will extend the time between tool maintenance interventions.	Cost Reduction	Reduction in labor hours No overtime labor	Reduce labor cost by increasing process reliability and automation so one operator can manage multiple machines using a CNC with a high MTBF and advanced tool management.	Productivity for production	<ul style="list-style-type: none"> • Labor hours • Overtime hours • Labor cost per hour • Overtime cost per hour 	<ul style="list-style-type: none"> • How many? • How many? • How much? • How much?
2.	We want the machine to produce the schedule output reliably...	Because we lose revenue, sometimes miss critical fiscal commitments to shareholders, and sometimes even lose customers, when the machine does not produce the planned number of parts.	VP Mfg., CEO, CFO	We need increase the machines overall equipment effectiveness, increasing availability, speed and part yield quality.	High MTBF of CNC and drives Training is also available to improve MTTR.	Revenue Increase	Increased revenue		Productivity for production	<ul style="list-style-type: none"> • Number of setups • Time for setup • Downtime occurrence (MTBF) • Time to repair (MTTR) • Parts per day • Cycle time • Value of parts • Setup scrap rate • Production scrap rate 	
3	We want to reduce our cost per part...	Because global competition is squeezing margins...	VP Mfg., CEO, CFO	We need to increase part production...	Improved uptime will deliver more machining time and increased motor speeds and improved CNC acc/dec technologies will decrease cycle times by 20% on average.	Cost Reduction	Cost per part	Reduce part cost by decreasing part cycle time using the increased speed of motors and improved CNC acc/dec technologies.	Productivity for production	<ul style="list-style-type: none"> • Machining hours per day • Machining days per year • Days lost to upgrade system • Number of parts produced • Anticipated improvement 	

4.	We want to reduce our maintenance costs for the machine...	Because there is a continuous downward pressure on costs and the obsolete control on the machine has premium and rising costs for parts, and we have to keep spare parts inventory because certain parts are difficult to get.	Maint. Mgr.	We need a control system that is more reliable so there is less service required and has parts readily available, at reasonable prices, eliminating the need for our own inventory.	The high MTBF of CNC and drives will minimize service interventions. The control includes 24-month parts and labor contract, which will limit your resource and cost exposure. Technical support available is also available 24/7. Parts for the CNC system are available from multiple sources at competitive prices, so you can sell your obsolete inventory.	Cost Reduction and Revenue Increase	Reduction in CNC repair labor cost Revenue from sale of old control and spares inventory	Reduce the cost of CNC repairs by increasing control system reliability so that less service is required using a CNC with a high MTBF, a 2-year service contract and 24/7 technical support. Increase revenue by selling the old CNC and its associated parts inventory.	Productivity for maintenance	<ul style="list-style-type: none"> • Repair hours • Labor rate • Costs of parts • Cost of inventory • Cost of contract service • MTTR • Value of CNC 	
5.	We want to increase performance now...	Because we must respond quickly to competitive threats and a new machines have a long lead time	VP Mfg.	We need to increase productivity in the next 12-weeks.							