

**ROI for LEASE OPTION** worksheet

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| **MACHINE GEOMETRY CORRECTION EVENTS per YEAR *without* Phalanx System** | | | | | | | |
|  | **Travel Rate** | **Travel Hours** | **Travel Expenses** | **Labor Rate** | **Labor Hours** | **Frequency** | **Total** |
| **Unplanned Events** | $100/hr | 16 | $250/day X 5days = $1,250 | $175/hr | 30 | 4 | $32,400 |
| **Planned Events** | $100/hr | 16 | $250/day X 5days = $1,250 | $175/hr | 30 | 1 | $8,100 |
|  | | | | | | | TOTAL |
| **$40,500**1 |

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| **MACHINE GEOMETRY CORRECTION EVENTS in YEAR 1 *with* Phalanx System** | | | | | | | |
|  | **Travel Rate** | **Travel Hours** | **Travel Expenses** | **Labor Rate** | **Labor Hours** | **Frequency** | **Total** |
| **Unplanned Events** | $100/hr | 16 | $250/day X 5days = $1,250 | $175/hr | 30 | 1 | $8,100 |
| **Planned Events** | $0/hr | 0 | N/A | N/A | N/A | 4 | $0 |
| Phalanx System Purchase = $3,250/month X 12 months = $39,000\* (example only) | | | | | | | TOTAL |
| **$47,100**2 |

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| **CUMULATIVE COSTS COMPARISON** | | | | |
| **System** | **After 12 months** | **After 24 months** | **After 36 months** | **After 48 months** |
| N/A | $40,500 | $81,000 | $121,500 | $162,000 |
| Phalanx System | $47,100 | $94,200 | $141,300 | $149,4003 |

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| **UNPLANNED DOWN-TIME per YEAR COMPARISON** | | | | | |
| **System** | **Down days before measurements** | **Down days for measurement** | **Days to Fix** | **Frequency** | **Total Down-time days** |
| N/A | 3 | 3 | 3 | 4 | **36**4 |
| Phalanx | 3 | 1 | 3 | 1 | **7** |

**1** =Chart assumes contracting out geometry events to measure, diagnose, and fix issues with the machine.

**2** = Includes a one time Phalanx System cost with complimentary 4 planned comp and recal events per year for 3 years. It assumes 25% of unplanned crashes actually require geometry correction.

**3** =After completion of a 36 month consecutive lease term, transfer of ownership will be achieved.

**4** = This is a detail of the total days the machine is down for unplanned geometry eval and correction. Both the frequency and days measuring are minimized due to the Phalanx System.