

GETTING THE MOST OUT OF YOUR EQUIPMENT INVESTMENT

A guide to using our ROI calculator, so you can understand the potential financial return

A PTL guide

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INTRODUCTION



The objective of this guide is to help you calculate the financial returns possible when you invest in new equipment for your facility.

Use this guide and the accompanying calculator to understand what dollar savings you could achieve over given time frames, so that you can calculate what your return on investment (ROI) could be.

The [ROI calculator](#) will help prove to your stakeholders the dollar value of investing in new machinery. It helps underscore how this investment can pay off and ultimately benefit your business and its profitability.



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INVESTING IN NEW EQUIPMENT UPGRADES - THE BENEFITS



With manufacturing equipment it's not one-size-fits-all. This is especially true in the food manufacturing industry, and particularly so when it comes to bar and chocolate machinery. Your business has individual needs and your production output will depend on unique specifications. That's why it's important to outfit your facility with equipment that has the flexibility to adapt to your individual needs.

There are also regulatory aspects; your facility has to be compliant with hygiene and safety regulations, and machinery is a major factor where they're concerned.

In order to comply with regulations, ensure maximum production and efficiency, and gain a competitive edge, the machinery and equipment you invest in is essential.

PTL's bar and chocolate machinery help food manufacturers achieve maximum productivity, efficiency and hygiene by providing customized solutions designed to meet their specific needs. The food manufacturing industry is highly competitive, and we understand how crucial it is to invest in cost-effective solutions that provide a tangible return on investment.

THE FINANCIAL VALUE OF EQUIPMENT INVESTMENT



To help you understand, we've built a calculator that will crunch the numbers for you to work out the ROI your business can achieve on new equipment. Use the results when you're building a business case to justify outlaying for new equipment and machinery.

Specifically, the [ROI calculator](#) will estimate:

- Payback in months (i.e. the number of months required to recoup the new equipment investment)
- Increased bar production per month (units)
- Increased bar production profit per month (USD)
- Reduced labor costs per month (production and cleaning labor costs (USD))

CALCULATING YOUR ROI



Whether you're building a business case for investing in new equipment or evaluating the performance of an existing piece of machinery, understanding the financial return is a valuable exercise. We have built this calculator based on both industry studies and experience with our existing client base.

By using the [ROI calculator](#), you will be able to determine the financial value you can expect to achieve when investing in new equipment.

GET STARTED

When using the calculator, please note:

- Enter values in the relevant fields to calculate returns for your organization
- Entries shown here initially are illustrative only
- All financial amounts are in USD
- Figures entered into this calculator are secure and won't be monitored by PTL or any other party
- The estimates provided by this [ROI calculator](#) are for information purposes only. We strongly recommend that you seek the advice of a professional before making any type of investment

Using the ROI Calculator

Complete the following four sections:

Enter your financial metrics

- 1 **Labor rate** (the average hourly rate for production staff, USD)
- 2 **Bar toll rate** (the amount your organization charges to manufacture each bar, excluding ingredients, USD)
- 3 **Bar margin percentage** (the percentage margin your organization expects to make from each bar)

Enter your current production specification

- 4 **Production rate** (the number of units produced per minute using current equipment)
- 5 **Production hours per day** (the number of hours the production line is running per day)
- 6 **Number of people involved in production** (the number of full-time-equivalent staff involved in running the production line)
- 7 **Cleaning hours per day** (the number of hours the production line is not operating due to cleaning per day)
- 8 **Number of people involved in cleaning** (the number of full-time-equivalent staff involved in cleaning the production line)
- 9 **Number of production days per week**
- 10 **Number of production weeks per year**

Enter your targets for the equipment upgrade

- 11 **Target production rate** (the expected number of units produced per minute using the new equipment)
- 12 **Reduction in people involved in production** (the reduction in the number of full-time-equivalent staff involved in running the production line)
- 13 **Reduction in people involved in cleaning** (the reduction in the number of full-time-equivalent staff involved in cleaning the production line)
- 14 **Reduction in cleaning period** (the reduction in the number of hours the production line is not operating due to cleaning per day)
- 15 **Will the time saved in cleaning time be used to increase production?** (Yes, if you intend to use the time saved by reducing the cleaning time to increase the production period)

Enter your investment in new equipment

- 16 **Estimated salvage value of existing equipment** (the estimated resale value of the current equipment, USD)
- 17 **Estimated new equipment cost** (PTL can supply this if required, USD)

The calculator will then estimate the average monthly values for:

- The increase in bar production, quantity and profit (USD)
- The reduction in cleaning and production labor costs (USD)
- The final value calculated is the time in months it will take for your operation to start to see a return on your investment (USD)

MAKING SMART EQUIPMENT INVESTMENT DECISIONS



Business owners and managers are always looking for ways to squeeze the most they can from their operations, while ensuring maximum productivity and efficiency. Key to this is outfitting food manufacturing facilities with machinery and equipment that's been customized for your individual needs - that's how to get the most out of an investment in new or upgraded equipment.

Remaining competitive in the industry is not about running the cheapest operation possible. As a food manufacturer, maintaining a good reputation is critical, and if your products have been created using innovative machinery and equipment, that has a big impact on your ROI.

This guide and our accompanying calculator provide a very clear picture of the value you can typically expect when investing in new and upgraded equipment.

Also consider the cost and potential damage to your brand due to product recalls, and you can see how investing in quality equipment represents an opportunity to achieve a significant return on the investment.

If you would like more help with building a business case for the purchase of new and upgraded machinery, or conducting a financial review of your existing equipment, we'd be happy to help. [Contact us](#), and we'll schedule a time to get the discussion started.

ABOUT PTL



Collaborative design process for customized bar and chocolate machinery

PTL's equipment and machinery is modular, flexible and hygienic. We also focus on waste reduction capabilities and gaining efficiencies. Our bar and chocolate machinery offer the full process section of the line, from forming, compression, sprinkling, multi-layering, cooling, cutting and enrobing. PTL's chocolate machinery provides solutions for melting, tempering, enrobing, molding and depositing. From full production lines to individual machines, PTL can design a tailored solution for a facility's specific needs.

What sets us apart is our collaborative approach. We know this industry inside and out, and from the beginning we work together with our customers to meet and solve the challenges it presents. We view it as essential to understand your business and equipment needs, and from your first contact with us, we make sure you're an integral part of the process.

Once installed in your facility, the unique design of our equipment will help with your performance efficiency. Our bar and chocolate machinery and equipment include features that reduce and even eliminate waste that is often typical in the bar manufacturing process. This means that there's less likelihood of waste products building up to compromise hygiene.

Our bar and chocolate machinery improves production output by reducing cleaning and changeover time and ensuring final product quality.