

SUGGESTION EVALUATION (CONT.)

Comparative Cost Analysis

Frequency of operation

Present Method

Proposed Method

1. The operation is performed.....

_____ per _____
(number) (time/unit)

_____ per _____
(number) (time/unit)

Labor costs per operation

2. Hours required

_____ hours

_____ hours

3. Number of workers involved

_____ worker(s)

_____ worker(s)

4. Worker labor cost per hour

\$ _____

\$ _____

5. Subtotal (line 2 x line 3 x line 4)

\$ _____

\$ _____

Material cost per operation

6. Type of material used

7. Quantity of material used

8. Unit/quantity cost of material used \$ _____ per _____

\$ _____ per _____

9. Subtotal (line 7 x line 8)

\$ _____

\$ _____

10. Total cost = frequency x (\$ labor + \$ material) \$ _____ per _____
(time/unit)

\$ _____ per _____
(time/unit)

11. Total gross savings (difference of present method minus proposed method)

\$ _____ per _____

12. Cost of implementing proposed method

Labor \$ _____

Material \$ _____

Other \$ _____

13. Total cost of implementation (sum item 12)

\$ _____

14. Net savings (lines 11 and 13)

\$ _____