

STEP-BY-STEP ROI WITH ACCELERATED PAYBACK

1. CURRENT SETUP

12 WORKERS PRODUCE 5,000 DECORATED COOKIES/DAY
PROFIT PER COOKIE: \$0.25
WORKDAYS/YEAR: 260
ANNUAL COOKIE PROFIT: $5,000 \times 260 \times \$0.25 = \$325,000$

2. AUTOMATION IMPACT

EQUIPMENT REPLACES 6 WORKERS
FULLY BURDENED WAGE: \$20/HR
DAILY LABOR SAVINGS: $6 \times 8 \times \$20 = \960
ANNUAL LABOR SAVINGS: $260 \times \$960 = \$249,600$

3. EQUIPMENT COST

PURCHASE PRICE: \$500,000
OWNER USES NET SAVINGS FROM LABOR REDUCTION TO PAY IT OFF

4. ACCELERATED PAYBACK PERIOD

USING \$249,600/YEAR TOWARD REPAYMENT:
PAYBACK TIME = $\$500,000 \div \$249,600 \approx 2.0$ YEARS

5. ROI OVER 4 YEARS

AFTER PAYOFF (~2 YEARS), THE NEXT 2 YEARS ARE PURE GAIN
TOTAL NET GAIN OVER 4 YEARS = $\$249,600 \times 2$ (YEARS OF PROFIT AFTER PAYOFF) = \$499,200

ROI = $\$499,200 \div \$500,000 = 99.8\%$ OVER 4 YEARS
PAYBACK PERIOD: ~2 YEARS

SUMMARY TABLE

METRIC	AMOUNT
EQUIPMENT COST	\$500,00
WORKERS REPLACED	6
ANNUAL LABOR SAVINGS	\$249,600
ACCELERATED PAYBACK PERIOD	2.0 YEARS
TOTAL NET PROFIT (YEARS 3-4)	\$499,200
ROI OVER 4 YEARS	99.8%