

# Comparative Cost Analysis

- XYZ Company looking to convert from wood pallets to plastic slip sheets
- Estimated unitized loads shipped 20,000
- Push Pull Attachment acquisition \$8000 (one time capital expense)

## WOOD PALLETS

20,000 x \$10.00/each =	\$200,000
<b>Losses:</b>	
20,000 x 15 % = 3,000 x \$10.00	\$30,000
<b>Repairs:</b>	
17,000 x 10% = 1,700 x \$2.00	\$3,400
<b>Total</b>	<b>\$233,400 USD</b>

**\*\*20,000 PALLETS = 40 TRUCK LOADS**  
(500 per truck of receiving, unloading, Storage).

## PLASTIC SLIP SHEETS

20,000 x \$1.50/each =	\$30,000
<b>Capital Expense:</b>	
<b>One time</b>	\$8,000
<b>Repairs:</b>	
N/A	N/A
<b>Total</b>	<b>\$38,000 USD</b>

**\*\*20,000 Slip Sheets = 1 TRUCK LOAD**  
(Savings \$\$\$ receiving, unloading, Storage).

# Comparative Cost Analysis

Plastic Slip Sheets vs. wood pallets Savings = \$195,400 in Savings.

The amount of savings does not represent additional savings in cube optimization, reduction of transportation, and reduction in packaging weight.

