

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 |
| Losses: | |
| 20,000 x 15 % = 3,000 x \$10.00 | \$30,000 |
| Repairs: | |
| 17,000 x 10% = 1,700 x \$2.00 | \$3,400 |
| Total | \$233,400 USD |

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

PLASTIC SLIP SHEETS

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

****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.

