

The Kenall ROI

The ROI saving of more than one million dollars over five years was based upon the attached 7 nested sheets. The saving came from operating one laser 16 hours a day, 5 days a week, 50 weeks a year.

PROGRAMMING savings of \$200,000.00 over 5 years

All nested sheets were created automatically without ANY operator intervention. That included assigning of lead-ins, applying a radius to intersections, tabbing, slicing of the skeleton, and post processing of the nests. Using \$40K per year programming saving, the 5 year savings are \$200,000.00. The actual labor savings will be higher because this number did not include:

- . Engineering time that will be saved by the P.E.P. CAD Converter
- . Sales / Quoting time which can be done more accurately and automatically
- . Management's involvement in hiring, training and supervising
- . Overtime, Sick leave, Vacations, Medical benefits, etc.

HEAD RAISE savings of \$807,900.00 over 5 years.

The P.E.P. head raise savings over a 5 year period at a constant machine rate of \$100.00 / hr. came to \$807,900.00.

11,785 eliminated head raises x 2 secs	=	23,270 seconds SAVED per day
23,270 seconds / 60 sec. / minute	=	6 hours, 27 min. / day
One week savings	=	32 hours, 19 minutes
One year savings	=	1,615 hours, 58 minutes
Five year savings	=	8,079 hours, 51 minutes SAVED

MACHINE Cutting Speeds savings of \$400,000.00

P.E.P. ability to control heat buildup and by common cutting and radiusing corners will allow the laser to cut faster saving more than 20% of the machines cutting time.

MACHINE savings of \$20,000.00 over 5 years.

Eliminating the un-necessary 31.2 million head raises over the 5 years has many long term benefits besides the machine time savings. I believe the service interval, possible head replacement, down time and depreciation will be worth an additional \$4,000.00 per year.

MATERIAL savings of \$75,000.00 over 5 years

On this job there was only a 5% savings in material because of the simplicity of the parts, never-the-less, the annual \$300,000.00 in material purchases amounted to a saving of \$75,000.00 over 5 years.

In shops that cut more irregular shaped parts the material saving are normally 10 to 30%. Using a mix of materials (ex. 80% carbon, 12% stainless, 8% aluminum) the saving would be substantially more using today's cost of materials.

Automatic Nesting Comparison - P.E.P. Technology vs. Geo-shapes

Metalsoft, Sigmatec, MerryMech, SDS, Bysoft, Cinsoft, Radan, Ncell, Metamations and Topps are just a few of the 60 plus Cam software companies that have all purchased the 3rd party nesting engine known as Nest-lib sold by Geo-Shapes. When comparing the automatic nesting results between these companies you will find the major difference between them to be the user interface. The P.E.P. Automatic Nesting engine on the other hand was developed in house and is the sole property of P.E.P. Technology.

Highlights of the P.E.P. nesting results...

Plate 1 of 7

Drawing	Revision	Qty / Req	Loops
B10665	5	67 / 0	(D1) 9,10,11,12,13

Plate #00, 60x120, Spacing=25

Total CPT head raises=135, Normal pierces=1608

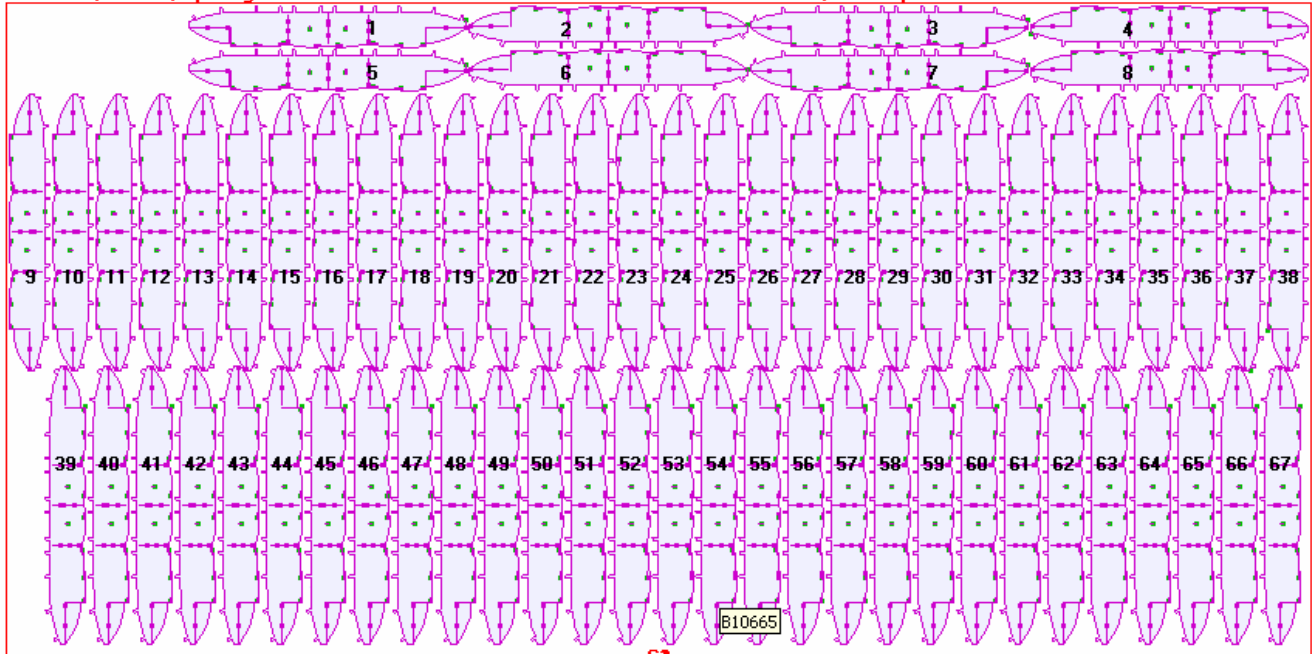


Plate 2 of 7

Drawing	Revision	Qty / Req	Loops
B10803	6	176 / 0	(D1) 6,7,8,9,10,11

Plate #00, 60x120, Spacing=25

Total CPT head raises=511, Normal pierces=3168

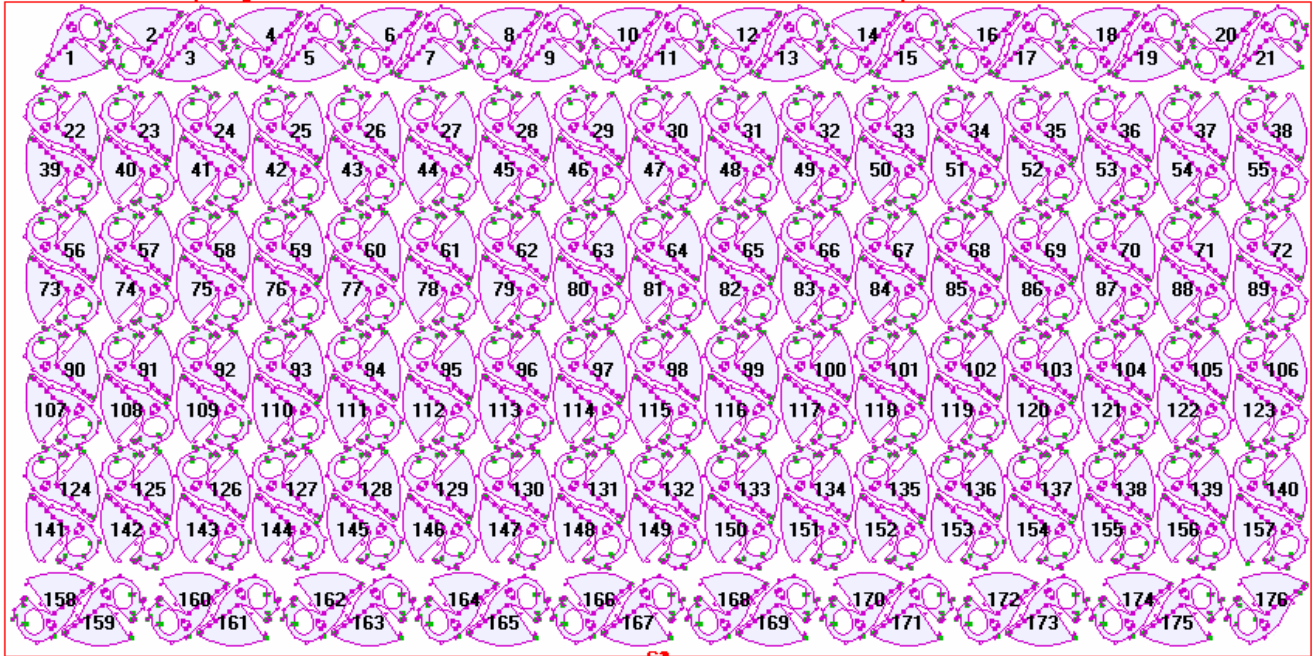


Plate 3 of 7

Drawing	Revision	Qty / Req	Loops
B14875	4	5 / 0	(D1) 6

Plate #00, 60x120, Spacing=.25

Total CPT head raises=0, Normal pierces=2015

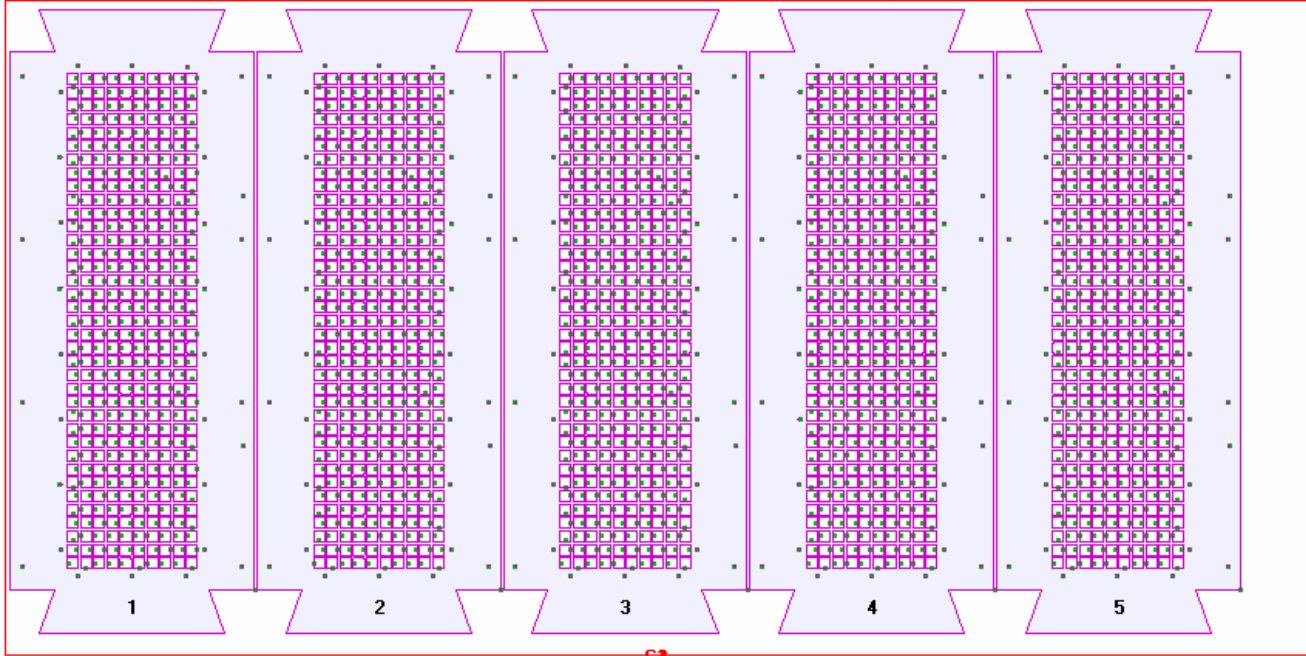


Plate 4 of 7

Drawing	Revision	Qty / Req	Loops
B6735	3	18 / 0	(D1) 5,6

Plate #00, 60x120, Spacing=.25

Total CPT head raises=0, Normal pierces=918

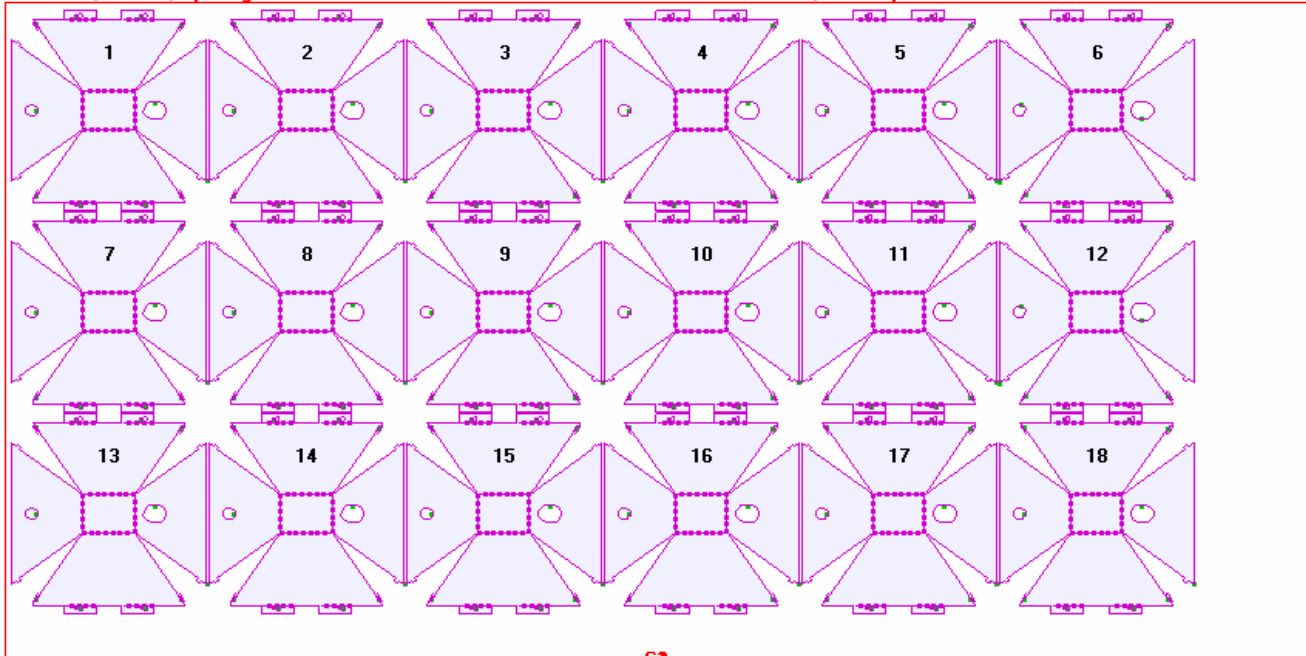


Plate 5 of 7

Drawing	Revision	Qty / Req	Loops
B7100	3	132 / 0	(D1) 4,5,6,7

Plate #00, 60x120, Spacing=.25

Total CPT head raises=209, Normal pierces=2244

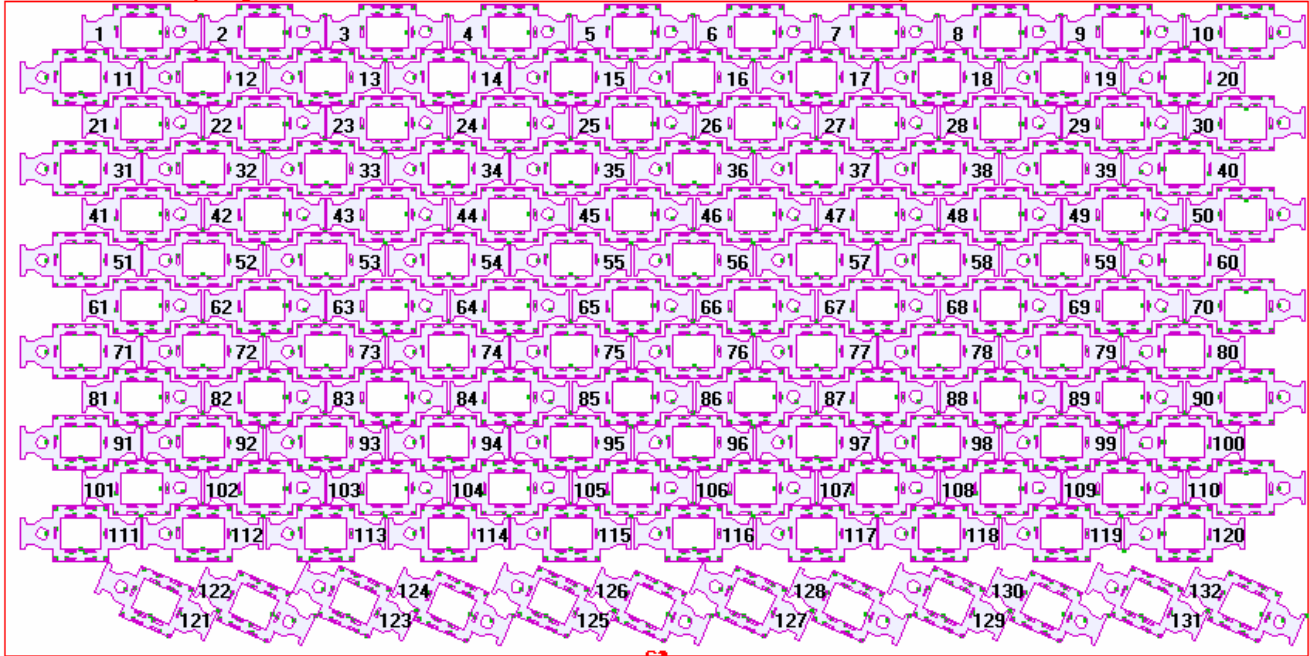


Plate 6 of 7

Drawing	Revision	Qty / Req	Loops
B7245	3	4 / 500	(D1) 3,4,5

Plate #00, 60x120, Spacing=.25

Total CPT head raises=1, Normal pierces=56

