

Extra Brooms Are Cheap

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How much does a broom cost? There are some simplified formulas for calculating the cost of extrusion process line down time. When a line is not producing saleable product or is down for repair, troubleshooting or product changeover, labor and overhead costs begin to pile up. Further, if the lines are sold out at full capacity even more money, profit on sales, is lost.

The first step is to go to you accounting department and ask: "What is the labor and overhead rate per hour for each line?" (They may give you the average cost for all lines.) Example #1: If you spend 3 minutes twice per shift looking for a broom, a tape measure, a wrench, etc.:

$$3 \times 2 \div 60 \times 3 \times 300 \text{ shifts/yr} \times \$300/\text{hr} = \$27,000/\text{yr}$$

The moral to this story is – buy more brooms or whatever else causes even small amounts of downtime! Example #2: Assumptions: accounting department reports labor and overhead dollars per pound (say \$.16/lb) with a 90mm extruder running at 2,000 lbs/hr, the line is sold out. Same downtime example #1 – 6 minutes per shift looking for miscellaneous tools and supplies. Engineers and operators intuitively know that they must work hard when a line is down.

$$.16 \times 2000 \times 3 \times 2 \div 60 \times 3 \times 300 \text{ shifts/yr} = \$28,800/\text{yr}$$

The objective of this article is to highlight the importance of understanding costs of line downtime.

– Russ Gould, RG Associates

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