



# Training ROI Study Results

Does Training Pay? See For Yourself

Company A40 (see [blog post part 1](#))

## Direct Savings

Metric	Change	Savings
Reject Rates	Down 48%	\$15,000/mo
Customer Returns	Down 67%	\$ 6,000/mo
<b>Direct Profit Increase</b>		<b>\$21,000/mo</b>

## Production Increases

Metric	Change	Savings
Cycle Times (8 jobs)	Down 16%	\$26,000/mo

## Documented Savings Annualized

Metric	Per Month	Per Year
Reject Rate Reduction	\$15,000	\$180,000
Customer Returns	\$6,000	\$72,000
<b>Subtotal</b>		<b>\$252,000</b>
Cycle Time Savings (8 jobs)	\$26,000	\$312,000
<b>Profit on cycle time (@ 40%)*</b>	<b>\$10,400</b>	<b>\$124,800</b>
<b>Total Savings</b>		<b>\$376,000</b>

\*approximately 40% of cycle time reductions flow through as profit due to overhead, material, etc.

**Total Documented Savings = \$376,000 per year**



# Training ROI Study Results

Does Training Pay? See For Yourself

Company B10 (see blog post part 1)

## Direct Savings

Metric	Change	Notes
Unscheduled downtime	Reduced 32%	
Mold change time	Reduced 10%	
<b>Dollar Output</b>		<b>Increased 18%</b>

## Production Increases

Metric	Change	Notes
Average Machine Hour Rate	\$30/hr	<i>Machine Hour Rate = MHR</i>
\$30/hr x 1.18	\$35.40/hr	
MHR increase	\$5.40/hr	<i>MHR increased by \$5.40</i>
6,000 hr/year x \$5.40	\$32,400 per machine per year	<i>Assuming 6,000 production year</i>
\$32,400 x 10 machines	\$324,000	<i>New MHR x 10 machines</i>
<b>Profit Increase = 40% x \$324,000 = \$129,600/year</b>		

**Profit Increase = 40% x \$324,000 = \$129,600 per year**

Approximately 40% of each dollar increase in MHR flows through as profit. Reduction is result of overhead, plastics material and other costs.