

# EXPER~~(IMEN)~~T

Use a Bending Expert vs. Buying Your Own Equipment

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## Direct Costs- Your Own Bending Equipment

### In Numbers

**\$248,000\***

Cost of Machine + One Set of Tooling

**\$66K-100K\***

Annual Cost of Operator + Avg. Training Costs

**\$3,731\***

Annual Cost of Maint. + Repair + Lubrication

**6.3 days\***

Days of Downtime per year for Maint. + Repair

**\$142\***

Rework cost/part (Set-up + Material)

**\$40K-80K\*\***

Avg. Workers Comp Claim for Back Related Injury

The initial investment for a CNC Draw Bending machine is approx. \$245,000. An average set of tooling on this machine costs \$3,000. Albina has invested in 10 draw bending machines and over 400 different sets of tooling for our machines. A large structural roll machine would cost well over \$1,000,000 and tooling sets can cost well over \$50,000 per set.

The cost to run the equipment includes the cost of the operator wages, benefits, and taxes (approx. \$62,400-\$93,600 per year, assuming \$30-\$45/hour working 2,080 hours per year) and the cost of various 2-4 week training courses for non-complex bending and trouble-shooting training (\$3,840-\$6,560). Experienced operators are often needed when you run into issues of thinning, wrinkling, ovality, etc. Complicated parts could take years to perfect and could cost you 1,000's of dollars if you do not have properly trained operators.

Routine maintenance is done weekly, monthly, quarterly, and annually to the cost of \$1,425 per year thus resulting in 4.3 days of down time per year. Assuming 16 hours of repair work annually plus \$1,000 in parts for said repairs, annual repair costs total \$1,656 per year and 2 days of down time per year.

We use roughly 5 gallons per week (1/2 gallon per machine) of lubrication totaling \$6,500 (\$650 per machine for 10 total roll bending machines).

Handling and Quality Control results in an approx. cost of \$61.50 per order.

Rework costs typically require a new setup, a new full length of material, and time to run the job resulting in an approx. cost of \$142 per part.

There are inherent dangers in running bending equipment which could result in increased injuries for an employer. The average cost of a workers comp claim for a back related injury can be \$40,000 - \$80,000 per employee.

## Advantages of Using a Bending Expert

Economies of Scale- We will produce quantity runs of parts and stock them for future releases. Larger stock orders=decreased pricing/piece. Cost savings could be 50%+ when compared to smaller production runs.

JIT Inventory- You can pull from our stock when needed.

Lead Time- Avg. of 3 business days from order to delivery for stocked parts.

Cash Flow- Average terms for Albina are 30-45 days allowing you to stretch out cash flow leaving more cash available to grow your business. If you had your own machine, your cash would be tied up in a depreciating asset, in making inventory and then managing that inventory.

### In Numbers

**12 months\***

Max. amt. of time Albina will hold stock (inventory turnover).

**3 days\***

Avg. lead time for stock parts from order to delivery.

**30-45 days\***

Avg. Payment Terms with Albina Co, Inc.

Focus on your core competencies, keep cash in your pocket, pull inventory when you need it!

\*Data based on our 80mm (3" OD Capacity) CNC Draw Bending Machine bending 2" SCH80 6061-T6 ALUM Material.

\*\* Data obtained from the Spine Research Institute and Institute for Ergonomics of The Ohio State University .