

RASGULLA MACHINE COST-BENEFIT ANALYSIS

S.No.	Factors	Manual / Labor Work	Machine Work	Advantage point
1	Output	Depends upon the no. Of labor employed & their individual working capacities.	Each machine output is about 5000 to 6000 pcs per hour and can produce at the same speed for an entire shift.	<i>Labor gets tired after sometime & will not give a constant production each hour.</i>
2	Production each day	Depends on the availability of labor, if there is shortage of labor then daily production requirement cannot be met in the same time.	Machine is available 24 x 7 & can produce at the same speed for an entire shift.	<i>No production loss & most important no time loss. Each day same routine can be maintained.</i>
3	Hygiene	Hygiene cannot be controlled because of sweating, itching & skin problems.	Machine can be cleaned easily every shift and hygiene can be controlled & maintained.	<i>Can follow new food safety standards and your hygiene standards will not be questioned.</i>
4	Maintenance	Require maintenance like sickness at work, accident at works & then compensation for accidents along with legal complications.	Maintenance is easy & harmless. Average per year cost not more than Rs. 15,000 including spare parts, engineers visits etc.	<i>Easy to maintain without any mental tensions.</i>
5	Quality of product	Traditional Standards	Its has been learnt from our customers that the quality of the product has improved only & their is no degrade in the product quality or structure.	<i>More satisfying quality can be made.</i>
6	Cost of production & savings	Each labor will cost around Rs.8000 to Rs. 10000 including the salary, food, accommodation. Additional bonuses also given.	Machine power consumption is 12 unit per day (8hr shift) so 360 units per month. Cost of power = 360 x 5 = Rs. 1800 + Rs. 1250 (maintenance) = Rs. 3,050.	<i>If you save 4 labor you save minimum = Rs. 32,000 to Rs. 40,000 per month. With 10 labor you save = Rs. 80,000 to Rs. 1,00,000 per month.</i>
7	Machine payback time	Cost of machinery / saving per year	Rs. 7,00,000 / Rs. 3,50,000 (min.)	<i>2 years</i>
8	Additional hassles	* Require management control, cost of management is increased. * Holidays & you still paying for those holidays.	* Requires no management control, only one operator is required. * No holidays, available whenever you need.	<i>Machine is always available and you have peace of mind.</i>
9	Who should buy ?	Till when you can rely on labor and labor cost is increasing day by day.	Everyone who understands advantages mentioned above.	<i>Everyone who wants to take advantage in this competitive business.</i>

Analysis: per month basis

Cost of labor reduced
Rs. 80,000
 (Rs. 8,000 x 10 Labor)

Operator Salary
Rs. 10,000

Utilities - electrical, cleaning, spare parts etc.
Rs. 3,050

Saving per month
Rs. 66,950

+ Additional profit from increased production.