

RECO

Cost take-out analysis tool

Deciding whether reusable packaging will bring cost benefits can be a complex process. To solve the problem, Nefab has developed RECO, a software tool designed to make the decision easier. It is developed with the purpose to simplify the evaluations necessary when considering reusable packaging. RECO is used by experts at Nefab to help customers in the decision making process. As an important element of a packaging audit, RECO can identify the optimum solution.

Main features

Using RECO, the following can be obtained

- A complete investment analysis is made.
- The RECO audit analyses logistical, financial and packaging data to provide clear management information.
- Information is gathered in both figures and graphical displays to provide the solid basis for a business decision.
- Clear sensitivity analyses are provided, predicting the effects of fluctuating parameters and identifying the critical factors for the focus of success.



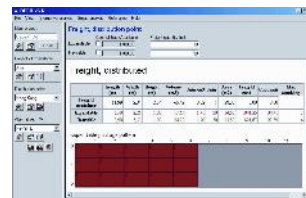
RECO is The Ultimate Business Analysis Tool



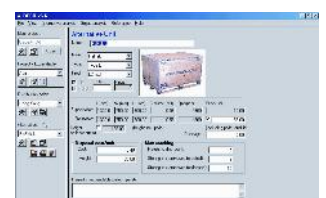
1. Collect data related to logistics, the existing packaging solution, financial data, etc.



2. Define the distribution structure, including data related to all distribution points in the system.



3. Define and analyse how to fill trucks/containers. Data related to the utilisation of the carrier and warehousing/storing will be obtained.



4. Study and analyse different alternative reusable packagings. Comparative results will be given immediately.

Outcome and reports

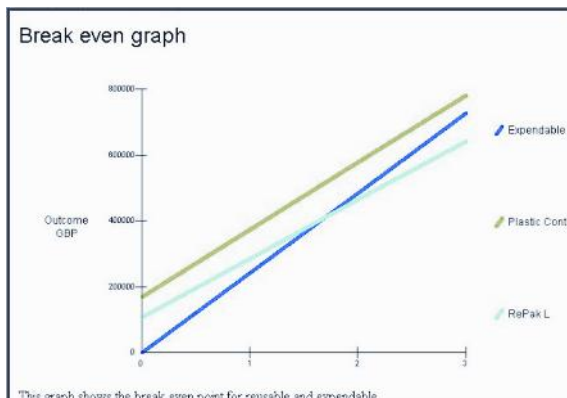
RECO gives you all necessary reports and analysis to come to a correct decision. You get a clear picture of the need of reusable packaging in number of units, and also for each distribution point included in the system. An investment calculation gives all key data such as investment amount, pay-off-time, etc. A cost calculation is presented with costs per trip and unit. An optimizer advises you when boxes shall be returned, and a number of sensitivity analyses eliminate any insecurities related to changes in the parameters.

Ask a Nefab representative for a RECO cost calculation and you will be surprised at the result.

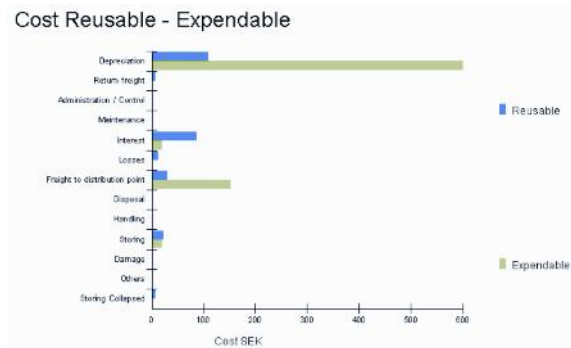
Investment calculation					
Year	Investment	Operating Reusable packaging	Operating Expendable packaging	Outcome	Accumulated
0	-107 808,00	0,00	0,00	-107 808,00	-107 808,00
1	0,00	-178 019,27	232 993,00	54 972,73	-52 835,27
2	0,00	-178 315,77	233 474,40	55 158,63	2 323,36
3	0,00	-178 617,99	233 961,62	55 345,63	37 666,99
TOTAL	-107 808,00	-534 953,03	700 428,02	57 666,99	57 666,99

Pay-Off time (years) no Int.rate, no losses	1,67	Higher than required value
Pay-Off time (years) Int.rate, no losses	1,96	
Investment including losses (year one)	103 232,00	
Investment excluding losses (year one)	99 008,00	
Yearly reinvestment (losses)	4 224,00	
NPV (Net Present Value)	43 047,47	
NPV (Net Present Value) per unit, trip	2,99	
IRR % (Internal Rate of Return)	24,88	Lower than required value
Total no. of exp. packages replaced	14 400,00	
Weight savings during project length (Kg)	374 374,53	
Residual value	79 349,06	

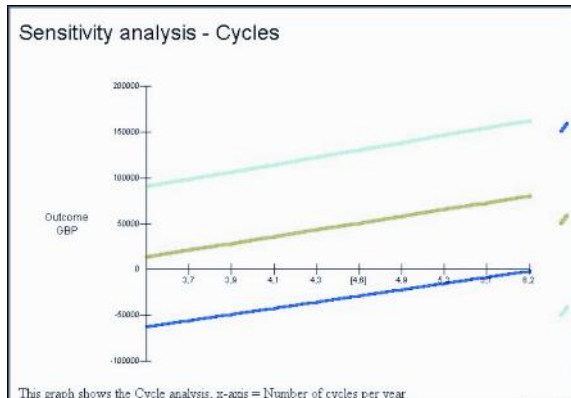
1. With basic data filled in, the total need of units in the system will be calculated as well as lifetime, cycles per year, optimised collect time, etc. The investment calculation will show figures such as the total investment outcome, yearly and accumulated, pay-off time, Internal rate of return and net present value - all essential data for a proper decision.



3. A breakeven graph is created. This graph will contain all reusable alternatives studied in the same graph. To calculate the quantity of reusables to be returned can be complicated. With RECO it is done automatically, and the result is presented in a graph indicating when boxes should be returned.



2. RECO gives cost per unit and cycle, which makes it easy to compare with an expendable packaging alternative. All cost factors can be compared. The diagram will point out the main cost factors.



4. The sensitivity analysis graphs are showing the outcome for each year the system will be in use. RECO generates 10 different graphs covering all from unit price and cycles per year to internal rate of return.