



Executive Summary - Analysis of Business Benefits

The Cost of getting it wrong >/= the savings of doing right - using AppliCad software!

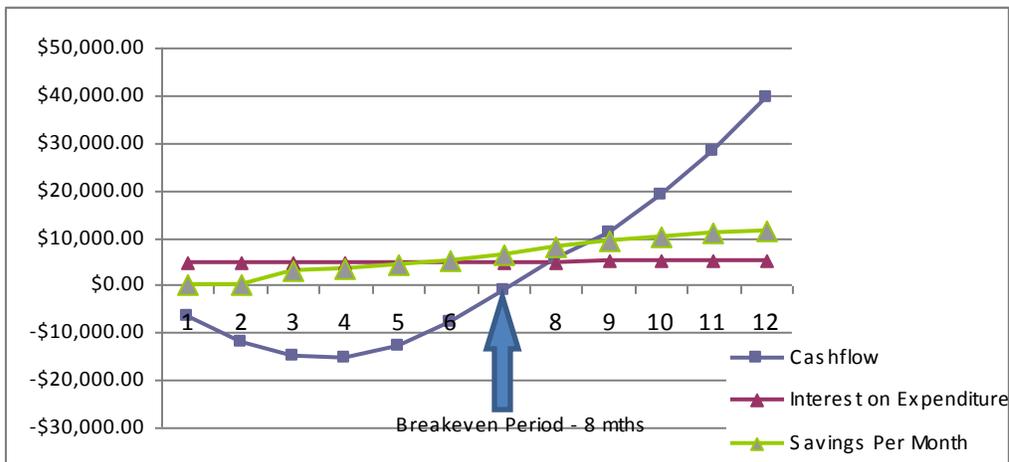
The AppliCad software provides roofing and cladding material estimators with a complete suite of tools for roof modelling, estimating and presentation that are the most cost effective in the world. AppliCad software works for your roofing and cladding business - on several levels.

We took a simple example to demonstrate the return on investment (ROI) in our software to the average roofing contractor's estimating department doing **just 2 residential bids a day**. Based on anticipated costs and job situation we can study the direct benefits to your company. Once a job bid is successful, quantifiable benefits flow on to the Inventory, Manufacturing, Accounting and Installation departments as well. These are shown below for each department.

- 1. Estimating department** - After the bid is won at the order capture stage, the savings kick in for the rest of the business. The usual test for Return on Investment is done by looking at the Estimating department alone, but this is only the start of the savings to your business. Saving \$75 per day of your estimator's time equates to **\$18,000** per year at \$45 per hour.
- 2. Inventory department** - these numbers do not include savings from material waste reduction which could be as much as 10%. Saving the Inventory Department staff time with paperwork and cutting lists that are generated automatically will save at least \$87.50 a day at \$35 per hour which equates to **\$21,000** per year for a 45 week year.
- 3. Manufacturing department** - When the new job is set up and the cutting list is input to the roll forming machine, it is offline. It might be offline for 20 minutes for a job that takes 20 minutes to run. You could double production or instead of running two shifts, you could be running one. The cost benefit here is potentially going to double the return from this department - if your machine is making you \$50,000 a year, you could be making **\$100,000!**
- 4. Accounting department** - The savings in the accounting department usually come from reduced paper work and reduced errors from transcribing hand-written work orders and similar documents (where a 1 becomes a 7 for example). The Accounting Department can take the output directly from AppliCad via seamless file transfer, saving data entry time - a modest time saving that equates to \$37.50 per day at \$45 per hour resulting in annual savings of **\$9,000**.
- 5. Installation department** - these guys have the best potential to save time and money. The omission of such items as insulation, clips and screws can hold up a job for many hours or even days. With better documentation generated by the AppliCad software, these errors are all but eliminated. Time savings on the job site through the quality of our installation reports and cutting lists - may save \$120 per day at \$30 per hour contributing **\$28,800** per year to the ROI.

The total savings on time alone, using this example, in one year amount to **\$76,800** not counting the additional return from the factory. Add material savings and the reduced costs due to elimination of errors, and this number will easily double. In subsequent years as efficiencies continue to grow, the ROI is even greater.

The actual investment goes beyond the purchase price and must include implementation costs which include a training course and initial setup time as material files are defined. The enclosed graph shows the payback period for your initial investment at around 8 months using the example here of 2 bids a day. This will vary with the number of quotes done per day and the hourly charge rate for your staff and the number of licenses of software. You will go backwards before you go forwards but as you go forward the rewards increase. Typical estimating departments are capable of completing anywhere from 5 to 25 bids a day. The results stated here are VERY conservative.



Can you afford not to be investing in AppliCad software for your roofing and cladding business?