



ROI Calculator Barcode Tracking system

The purpose of this document is to estimate the savings your organization will realize by implementing a barcode or RFID tracking System

Section 1 - Calculate the approximate cost of replacing the lost items. Please list the **top ten** items, the quantity and the replacement cost of each.

| Description | Inventory Quantity | Replacement Cost |
|----------------------------------|--------------------|------------------|
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| | | |
| | | |
| Totals (Add the above) → | A. | B. |

Replacement Cost for Lost Items

$$\begin{array}{rcccl}
 \boxed{\text{B.}} & \div & \boxed{\text{A.}} & = & \boxed{} \\
 \text{Total Cost} & & \text{Total Qty.} & & \text{Average Cost/Replace} \\
 \\
 \boxed{} & \times & \boxed{} & = & \boxed{} \\
 \text{\# Lost Items/year} & & \text{Average Replacement \$} & & \text{Total Cost per Year}
 \end{array}$$

Section 2 - Calculate the labor costs to manage inventory

Average Hourly Wage

Hours spent looking for lost items

Hours X Hourly wage =

Section 3 - Calculate the additional labor costs to perform physical inventory counting

Average Hourly Wage =

Hours addl. performing physical =

Hours X Hourly wage =

Section 4 – Other Cost Considerations

Cost of work stoppage =

Overtime incurred =

Repairs - missed maintenance =

Section 4 – Total Current Additional Cost of Inventory Management

Total Sections 1 through 4 =

Monthly Cost ($\div 12$) =

Section 5 – Tracking System Cost

Tracking system Cost =

No. Months to ROI
Tracking system cost \div Monthly Cost =