

Finance vs. Accounting: Which product actually makes us more money?

Profit per time vs. Profit per unit

Metric	Product A	Product B
Price per unit	\$500	\$600
Direct Cost per Unit	\$300	\$300
Margin per Unit	\$200	\$300
Margin %	40%	50%
Units per Machine Hour	8	4
Margin per Machine Hour	\$1,600	\$1,200

Investor's Priority

Product A yields a **33%** higher margin per machine hour.

Controller's Priority

Product B has a **50%** higher margin per product unit.

Prioritizing products and customers by traditional unit-based margin rankings unintentionally reduces time-based investor returns.

Time-based analytics highlight a severe misallocation of production time

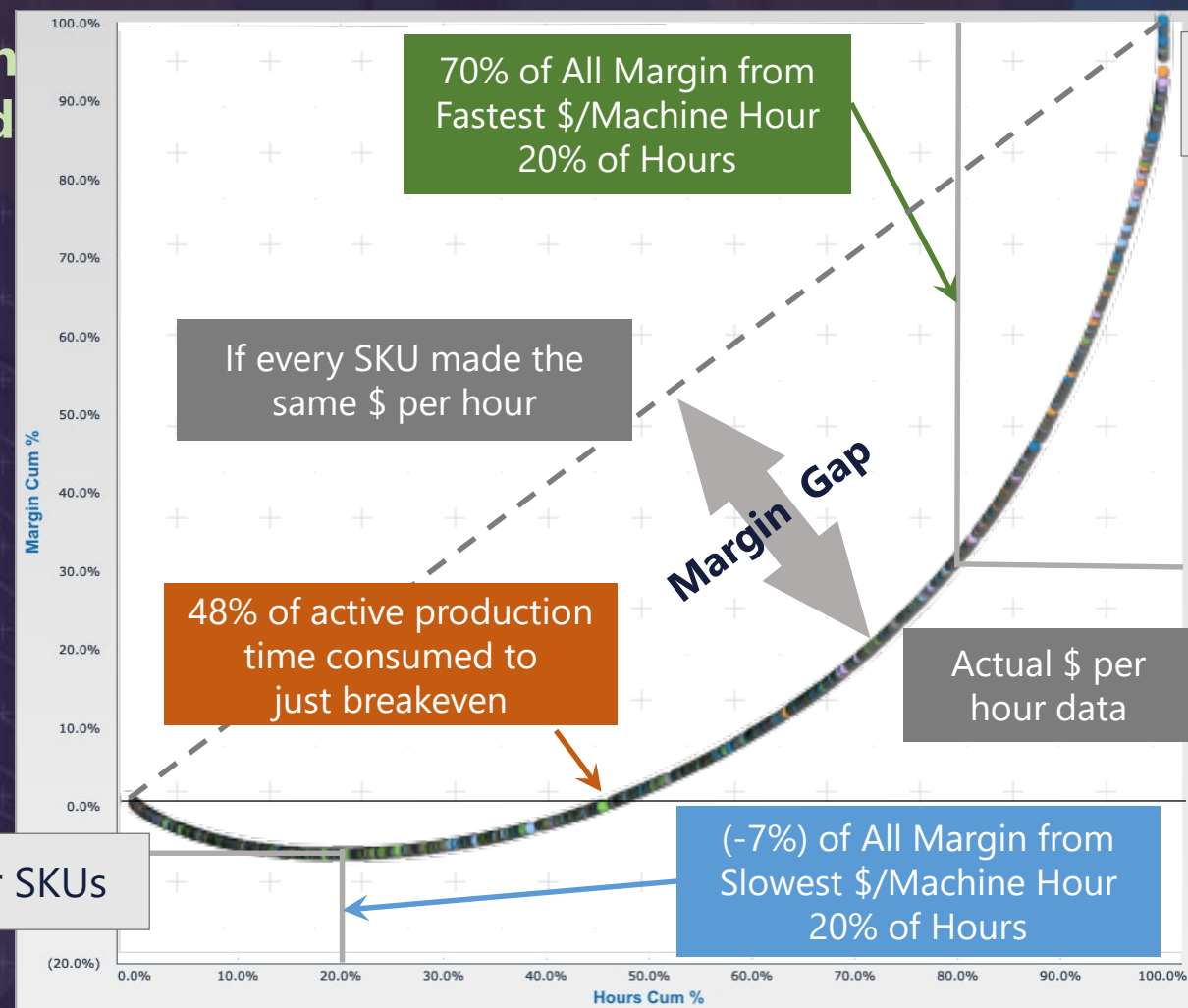
Case Study: SEP 17 – AUG 18: 4,442 SKUs

% of Margin
\$ Generated

Slowest \$/Hour SKUs consume
20% of hours to make (-7%) of
total margin

Fastest \$/Hour SKUs
consume 20% of hours to
make **70%** of total margin

Slowest \$/Hour SKUs



Fastest \$/Hour
SKUs

% of Machine
Hours
Consumed

Time-based data analytics quantify major margin gain opportunities from a modest 10% shift in the product mix

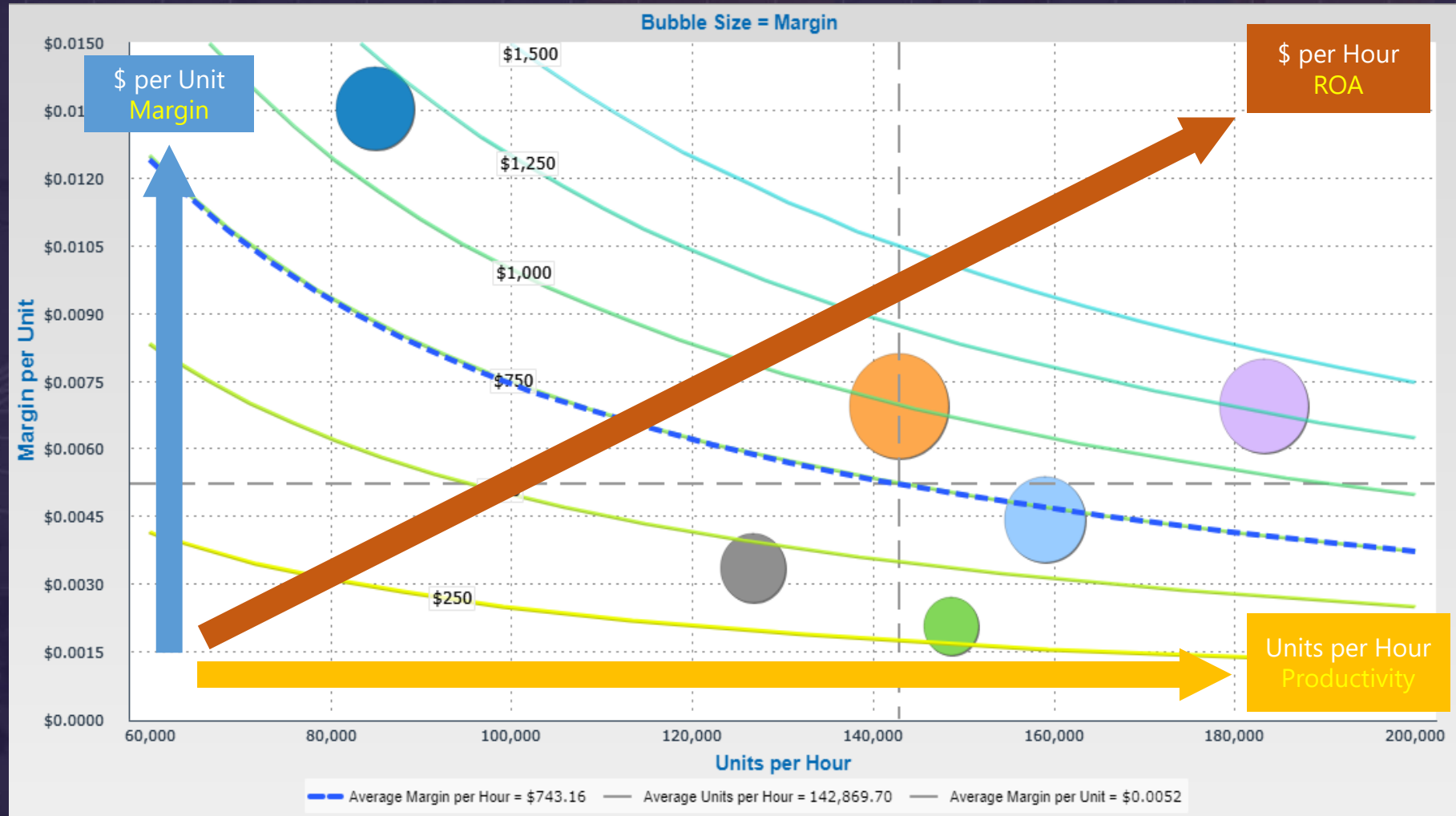
Industry	Key Process	Revenue \$M	Gain \$M	BPS of Rev
Metal Forgings	Forging	155	16	1,029
Metal Castings	Die Casting	30	3	946
Industrial Parts	Assembling	121	8	649
Industrial Parts	Heading	33	2	633
Baked Goods	Baking	476	29	610
Semiconductors	Wirebonding	213	11	500
Plastic Containers	Blow Molding	289	14	483
Flexible Packaging	Printing/Laminating	365	17	477
Flexible Packaging	Extrude/Laminate/Print	50	2	424
Medical Packaging	Thermoforming	25	1	319
Specialty Papers	Paper Making	279	7	255
Packaging Films	Extruding	346	9	247
Hot Band Steel	Hot Milling	863	10	118

Median
margin upside
for complex
manufacturers
= **480 bps**
of revenue

Source: 13 PV Benchmark tests: Reallocation of 10% of total production hours.

To communicate effectively, turn reams of data into crisp visual images

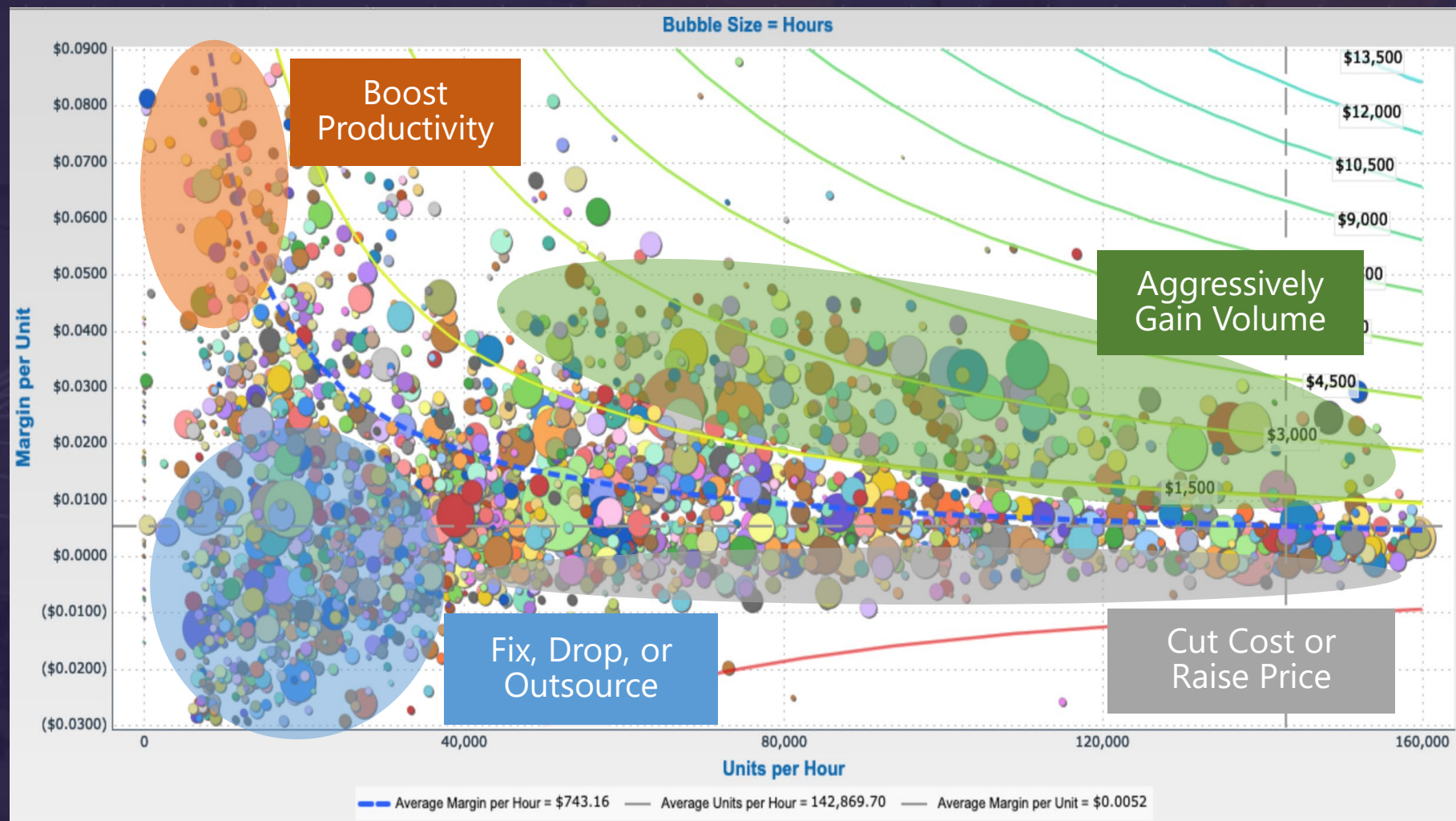
Case Study: SEP 17 – AUG 18: 6 Plants



Profit Map: by SKU

Four strategies to shift the mix and harvest margin gains

Case Study: SEP 17 – AUG 18: 4,442 SKUs



Bubble size
=
hours