



## Calculating ROI

The following two tables show the return on investment calculation for a recommendation to move 3,000 products to new pickslot locations. Note that in years one and two, the most significant savings come from Annualized Travel Distance Picking Labor Cost.

### Financial Benefit Summary

Year One Simple Financials	Origin Slotting	Target Slotting	Change (\$\$)	Change (%)
Stocker Cost to make physical Reslot Product Moves		\$22,856.25	\$22,856.25	---
Inventory Control Cost to keypunch Reslot Transactions		\$405.76	\$405.76	---
Miscellaneous Reslot Costs		\$370.00	\$370.00	---
Annualized Putaway Labor Cost		---	---	---
Annualized Replenishment Labor Cost	\$223,451.80	\$224,211.39	-\$759.59	-0.34%
Annualized Travel Distance Picking Labor Cost	\$477,448.99	\$263,820.49	\$213,628.50	44.74%
Annualized Cost per Pick (Sweet Zone Slotting)	\$0.00	\$0.00	\$0.00	0.00%
Annualized Cost for Replenishment Injury (Ergonomics)	---	---	---	---
Annualized Cost for Picking Injury (Ergonomics)	---	---	---	---
Maintenance Move Cost		\$13,500.00	\$13,500.00	---
<b>Total Year One Costs or (Savings)</b>	<b>\$700,900.78</b>	<b>\$525,163.88</b>	<b>\$175,736.90</b>	<b>25.07%</b>
<i>Total Item Slotting Optimization Maintenance Rate</i>				0.54%

Year Two and Beyond Simple Financials	Origin Slotting	Target Slotting	Change (\$\$)	Change (%)
Annualized Putaway Labor Cost		---	---	---
Annualized Replenishment Labor Cost	\$223,451.80	\$224,211.39	-\$759.59	-0.34%
Annualized Travel Distance Picking Labor Cost	\$477,448.99	\$263,820.49	\$213,628.50	44.74%
Annualized Cost per Pick (Sweet Zone Slotting)	\$0.00	\$0.00	\$0.00	0.00%
Annualized Costs for Replenishment Injury (Ergonomics)	---	---	---	---
Annualized Costs for Picking Injury (Ergonomics)	---	---	---	---
Maintenance Move Cost		\$13,500.00	\$13,500.00	---
<b>Total Future Year Costs or (Savings)</b>	<b>\$700,900.78</b>	<b>\$501,531.87</b>	<b>\$199,368.91</b>	<b>28.44%</b>
<i>Total Item Slotting Optimization Maintenance Rate</i>				0.54%