

## Evaluating Alternatives & Justifying Automation Expense Formula

How should automatic label applicators be evaluated and justified? A common-sense approach would include several variables:

### STEP 1. Determine cost of current labeling method

Fully-loaded cost of staff members manually labeling X percentage of their time dedicated to that task      +      Identifiable costs of fixing problems downstream caused by mislabeling or errant label placement (incorrect or missing data, rescans required, etc.)

### STEP 2. Determine performance requirements of automatic label application

- What are you applying labels to? - Flat vs. cylindrical
- What levels of throughput are you expecting to accomplish via label automation?
- Should the labeling automation system be integrated into a process, or standalone?

### STEP 3. Determine the cost to operate labeling automation

Purchase Price      +      Consumables (label stock/ribbon, print-heads)

### STEP 4. Then, calculate total value of estimated performance improvements

### STEP 5. Compare cost of status quo to automation

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