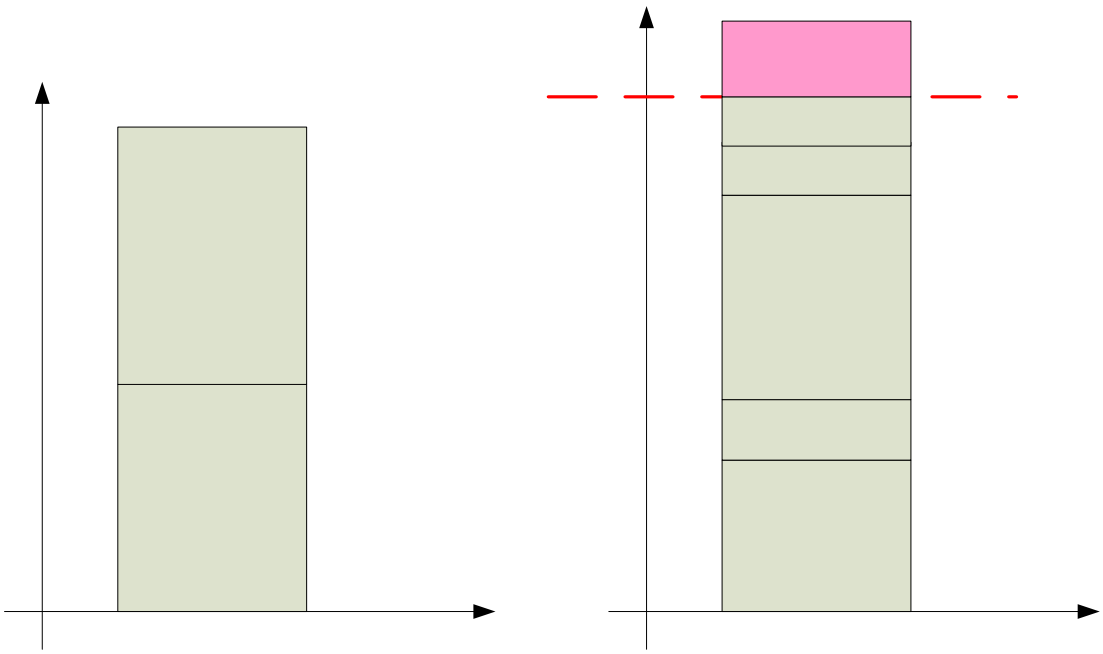
7.1.2004

1 Rutherford Ltd, New Castle/GB – gas measurement

- 60 employees
- turnover: 12,8Mio€
- pfo: -0,4Mio€



1.1 Analyse the P & L

- deviations
- ratios:

12Mio

$$\frac{sales}{employees} = \frac{12{,}8Mio}{60} = 210000€ / employee$$

GM 6,8Mio

$$\frac{R\,\&\,D}{sales} = \frac{2}{12{,}8} = 15{,}6\%$$ (normal:4-5%)

$$\frac{marketing}{sales} = \frac{0{,}8}{12{,}8} = 6{,}3\%$$ (3-4%)

6Mio

$$\frac{sales\,costs}{sales} = \frac{2{,}7}{12{,}8} = 20{,}1\%$$ (6-10%)

$$\frac{ad\,min}{sales} = \frac{0{,}7}{12{,}8} = 5\%$$

- R&D
- Marketing
- Admin
- Sales
- profit

Standard costs

1.2 Analyse production costs

1.2.1 products/production program

products:	Sales 2003 in Mio€
- open path/7h	1,5
- H_2S detection	0,4
- CH_4 detection	1,8
- O_2 detection	0,2
- CO detection	3,4
- Garage detection	0,4
- Ex/Tox detection	0,8
- Detection tubes	2,4
- Pumps	0,1
- H_2 detection	0,3
- spare parts	1,1
- engineering	0,4

- find priorities in product range
  → ABC-Analysis (A-products: main sales drivers, …)
  → analyse sales / product
  → analyse standard costs / product
  → analyse GM/product

1.2.2 standard costs
- standard costs per product
- burden rates/cost center

1.2.3 quality
- ratio scrap/rework
- customer complains
- quality improvement program

1.2.4 production
- layout
- material flow
- lead times
- equipment
- organization

1.2.5 purchasing
- number of suppliers
- ration inhouse/extern
- purchase prices (for material)

1.2.6 human resources
  - o number of employees
  - o absentism rate
  - o wages
  - o direct/indirect employment

- skills

1.2.7 work organization
1.2.8 ratios
1.2.9 production control