







# 5 STEPS FOR MANAGING STEEP AUTOMATION COSTS



## ACCELERATE PROJECT ROI

Avoid large upfront costs and pay for automation equipment as you gain the benefit of its use.



## CONSERVE WORKING CAPITAL

Leasing stabilizes your cash flow and preserves lines of credit for other operational needs, investments, or unforeseen expenditures.



## BUNDLE SOFT COSTS

Wrap all project costs including engineering, software, freight, installation and service into a unitary payment.



## INCREASED PURCHASING POWER

Lease payments can be substantially lower than traditional debt payments or direct cash outlay. This gives you the ability to enhance your equipment configuration based on your optimal needs.



## CREATE FUTURE OPTIONALITY

Leasing can serve as a hedge against technology obsolescence as it includes an embedded evaluation mechanism to determine whether or not your equipment will continue to meet your future needs. Plan for upgrades accordingly.

### PROJECT EXAMPLE: LEASE VERSUS PURCHASE COMPARISON

**Total Project Cost: \$2,500,000**

Includes \$2,000,000 of equipment Material/Bulk Handling, Automation and Packaging Equipment

Includes \$500,000 of soft costs Such as Engineering, Software, Services, Freight, and Installation

CAPITAL EXPENDITURE	LEASE OPTION
\$2,500,000	Five-year Lease
ANNUAL COST	
\$0	\$500,000
ANNUAL PRODUCTIVITY SAVINGS	
\$700,000	\$700,000
YEARS TO RECOVER INITIAL INVESTMENT	
3.6 years	Day one savings equates to \$17,500 per month



The warehouse automation market will grow more than 2x from \$13 Billion in 2018 to \$27 Billion by 2025, at a CAGR of 11.7% between 2019 and 2025.\*

The growth of this market can be attributed to the growth in the e-commerce industry, emerging multichannel distribution channels, globalization of supply chain networks, increased adoption of micro-fulfillment centers, the emergence of autonomous mobile robots and rising need for same day delivery.

Don't let the high cost of automation keep you from moving faster.

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