

IS YOUR CLEANING SYSTEM A COST OR AN INVESTMENT?



So what's the difference?

Well in my world a cost is when you spend the money and it's gone, and an investment is where you spend the money and you expect a return in the future.

THE MISCONCEPTION

Sadly, in the food manufacturing industry, a cleaning & disinfection system (or indeed cleaning and disinfection in general) is regarded as a cost - or an overhead. Because let's face it, we don't make profit on cleaning do we? We make profit on food.

Furthermore, the faster and more efficiently we can make the food, the more profit we make right?

BRUTAL REALITY

My immediate and probably obvious push back on that is if you don't clean properly and you finish up poisoning people, or have a big product recall, or have your contract pulled by your customer, then perhaps investment in cleaning and disinfection takes on a new meaning?

THE REAL LIFE VIEW

But there is a much more real life pragmatic and less frightening view on this question which you CFO's might be interested in, especially when I mention hundreds of thousands of pounds on your bottom line.

And here's the deal:

EXAMPLE - CURRENT SITUATION

ACTIVITY	CHILLED FOOD MANUFACTURER
Turnover	£200m
Operating Profit	2%
Cleaning operatives	15
Current cleaning method	Low pressure hoses and mobile chemical sprayers
Chemical cost	£1.20 per litre in 20kg drums
Cost per night to clean	£1,230.00
Time taken to clean	8 hours including breaks
Water used	Hot
Cost of water	£4 per cubic metre
Cost of new central cleaning system	£200,000

AFTER INVESTMENT IN CENTRAL CLEANING AND DISINFECTION SYSTEM

SCENARIO 1:

You are at production capacity (i.e. If you could make more, you could sell more). By installing the central cleaning and disinfection system your factory can be cleaned approximately 2 hours faster. That is 2 hours of extra production time.

Operating profit per hour = £200,000,000x 2% OP/365 days/18 hours production = £608.00 operating profit per hour.

X 2 hours extra production capacity x 365 days = **£443,000 extra operating profit.**

SCENARIO 2:

You have a set production demand and are therefore comfortable with an 8 hour cleaning window. With the central cleaning system you will save approx 35 man hours per shift. Divide by 8 hours = 4 operatives.

So you can clean your factory in 8 hours using 11 operatives instead of 15. And assuming these are paid minimum wage, that's 4 men x 8 hours x £9 per hour x 365 days = £105,000 labour saving.

In both scenario's you will also save, per shift:

£300 of water*
£54 in chemical*
= £354 x 365 days = **£129,210**

In scenario 1 your ROI would be: £572,000/12 months = £47,000 per month saving. £200,000 investment/£47,000 = 4.2 months pay back. So by the end of year one, your cleaning system will have put £300,000 on your bottom line.

In scenario 2 your ROI would be £234,000/12 months = £19,500 per month. £200,000 investment/£19,500 = 10.25 months pay back. So by the end of year one, your cleaning system will have put £34,000 on your bottom line.

* There are huge environmental and sustainability benefits here, see our article on Does your cleaning system cost the earth? - coming soon.

So now when I ask you the same question again, what would your answer be?



INTERESTED?

TALK TO ONE OF OUR EXPERTS...

A QJS cleaning system offers rapid return on investment, get in touch for a consultation and find out how your factory efficiency could be improved.

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