

Payback of Sologic RCA

What is the return on my RCA training investment?

Data provided by our clients over the years shows:

- **Average savings per RCA is approximately \$25,000**
- **Average return on investment (ROI) is approximately 1,000% per RCA.**

Training costs per student range from \$500 to \$1,100 per student for the 2-day Facilitator course (minimum course needed for an individual to develop the knowledge and skills necessary to facilitate an RCA). The training cost depends on whether the class is delivered on site (~\$12,000 for a class of 25 students) or whether students attend a public seminar (\$1,095 per student).

If just one student from an on-site Facilitator class completes just one RCA in their career, the cost of an onsite class is completely paid for and yields an additional savings of approximately \$13,000.

How soon can we expect to see students generate savings after their RCA training class?

Immediately.

One study examined the savings generated on the *very first* RCAs performed by facilitators immediately after they completed the 2-day Facilitator class. It found an average savings of \$11,300 per RCA.

As students complete more RCAs, their proficiency continues to improve. The time to complete the RCA decreases and the quality of the RCA increases, thus the average savings per RCA continues to climb.

What is leadership's role in supporting or ensuring a positive ROI??

- Prior to students attending class, or immediately after, make sure students understand that they are expected to promptly apply their RCA skills to problems in their area. Provide students with threshold criteria that establish the level of impact requiring an RCA.
- Assign students to watch for and facilitate triggering events in their work area.

It is important that the area leadership provide base support for the initial launch of the RCA effort. If students are not asked or assigned to lead an investigation, the return on the RCA training investment will be negative. From our experience, when students have a clear understanding of their responsibilities in the RCA program, they fully achieve the above savings numbers without problem.

Contact Sologic for additional information on the "keys to success" for RCA program deployment.

RCA Savings/Payback Data

RCA Case Study Data

The following data was provided by Sologic clients related to their savings from RCAs performed at their facilities. Data was taken between 6 months to 1 year after the solutions were implemented.

Case	Application	# RCAs in Study	Average Value returned per RCA (USD)	Cost of Analysis and solutions (USD)	Payback Period	ROI after 1 year	Notes
1	Operations and Maintenance Improvement	65	\$75,000/yr	\$1,500	1 week	5000%	
2	Maintenance Improvement	30	\$17,000/yr	\$1,800	5 weeks	944%	
3	Operations, Maintenance, Safety and Quality Improvement	34	\$11,300/yr	\$2,000	9 weeks	565%	These were the very first RCAs the students completed after their training
4	Product Quality	1	\$1.3 Billion	\$29 Million	1 week	4482%	RCA also identified \$19 million/yr in waste they didn't even know they had

Average Value = cost savings + any additional net profit from increasing throughput in "sold out" facilities