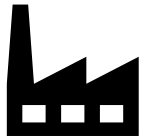


Industrial Funds
Industrial Groups
Investors
Owners

ROI MAX

Production
Companies

CURRENT SITUATION

The economic purpose of any business is to maximize Return On Investment [ROI].

GLOBAL PROBLEM

Production companies cannot maximize their ROI

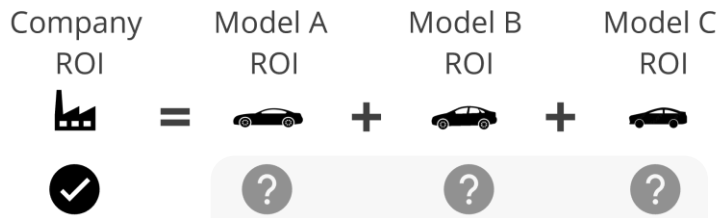
WHY Production companies cannot manage their ROI directly

↓

WHY Production companies cannot manage ROI of their products

↓

WHY Production companies don't know ROI of their products



ROOT CAUSE

Available enterprise systems (ERP, BI etc.) don't provide information about ROI per product

WHY The enterprise systems don't calculate capital employed in production processes

↓

WHY Enterprise systems software houses don't know how to calculate capital employed in production processes

↓

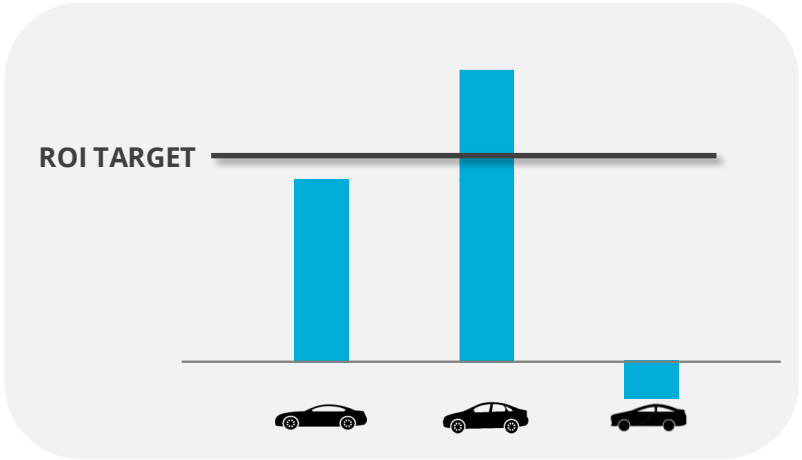
WHY Related capital employed theory and methodology hadn't been formulated before PPROI

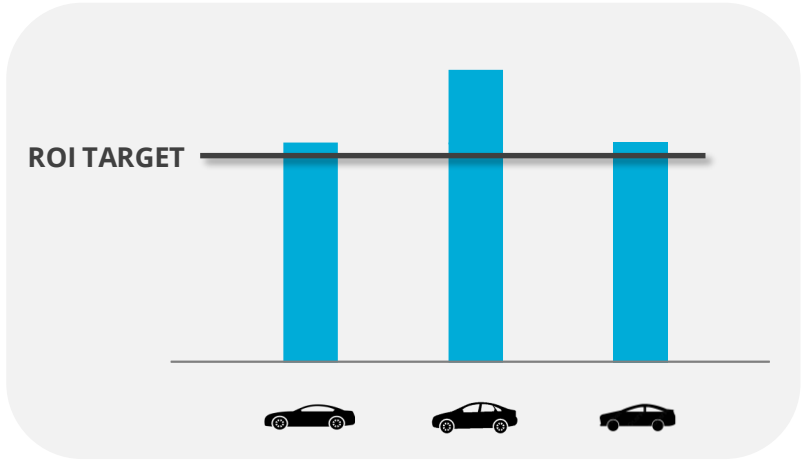
$$\text{ROI per PRODUCT} = \frac{\text{PRICE} - \text{COST}}{\text{CAPITAL EMPLOYED}}$$

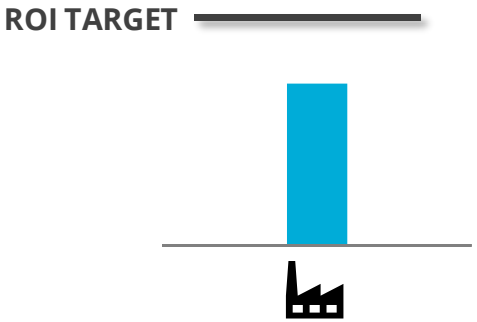
UNKNOWN

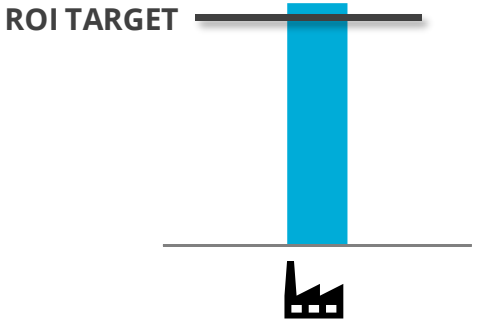
SOLUTION

PPROI calculates ROI per product and has tools to increase products' ROI and company ROI

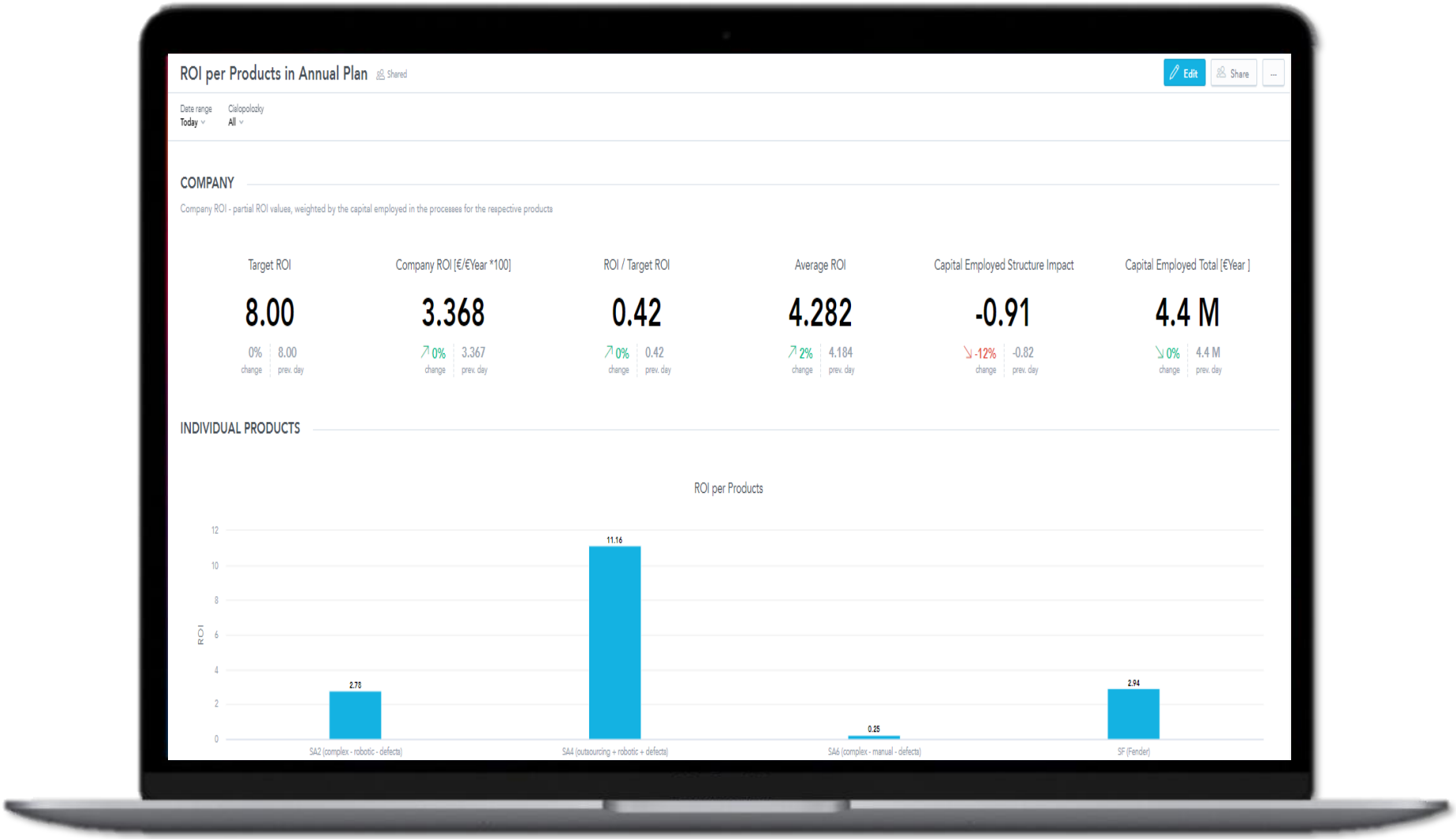








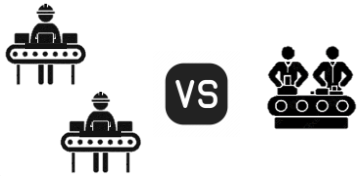
REAL TIME OVERVIEW: ROI PER PRODUCT



MOST POWERFUL TOOL FOR ACHIEVING TARGETED ROI: SIMULATIONS [examples]

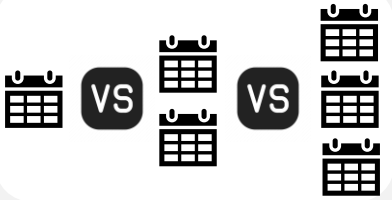
Operators
or
Robots ?

Make
or
Buy Components ?

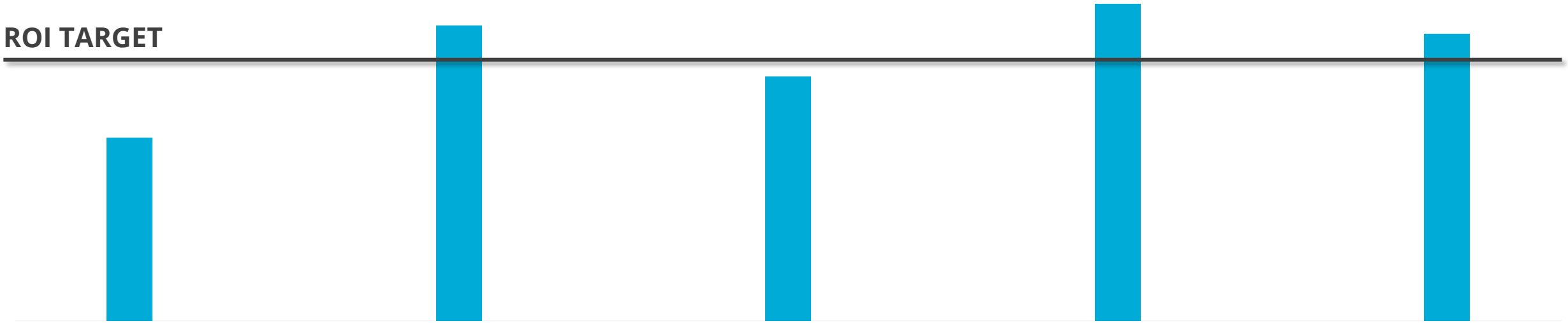


Workplaces
or
Production Lines ?

Produce more A
or
Product B ?



1 Shift
or
2 - 3 Shifts ?



ANOTHER TOOLS FOR ACHIEVING TARGETED ROI

Automatic
Production Bottlenecks
Identifications

Automatic
Most Efficient Tact Time
Calculations

Automatic
Most Efficient Changeover
Calculations

Automatic
Production Process Standards
Calculations

Undistorted Direct Costs

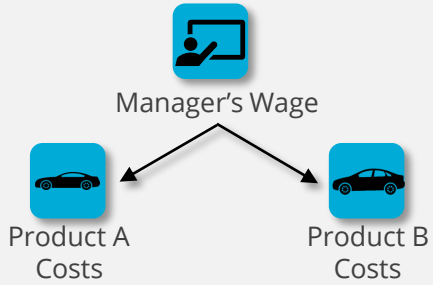
- per each production process
- per each product

PPROI calculates all generated costs **without using any overheads.**

Indirect Costs Allocation

- allocation by time or %
- allocation pyramid

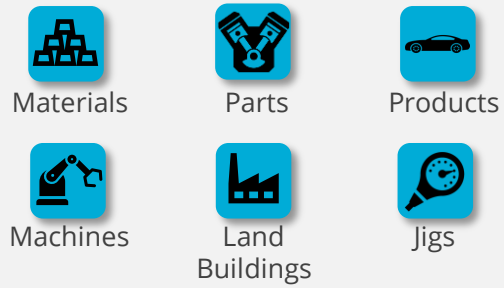
Allocation keys keeps logics, functions and relations among company's territories.



Capital Employed

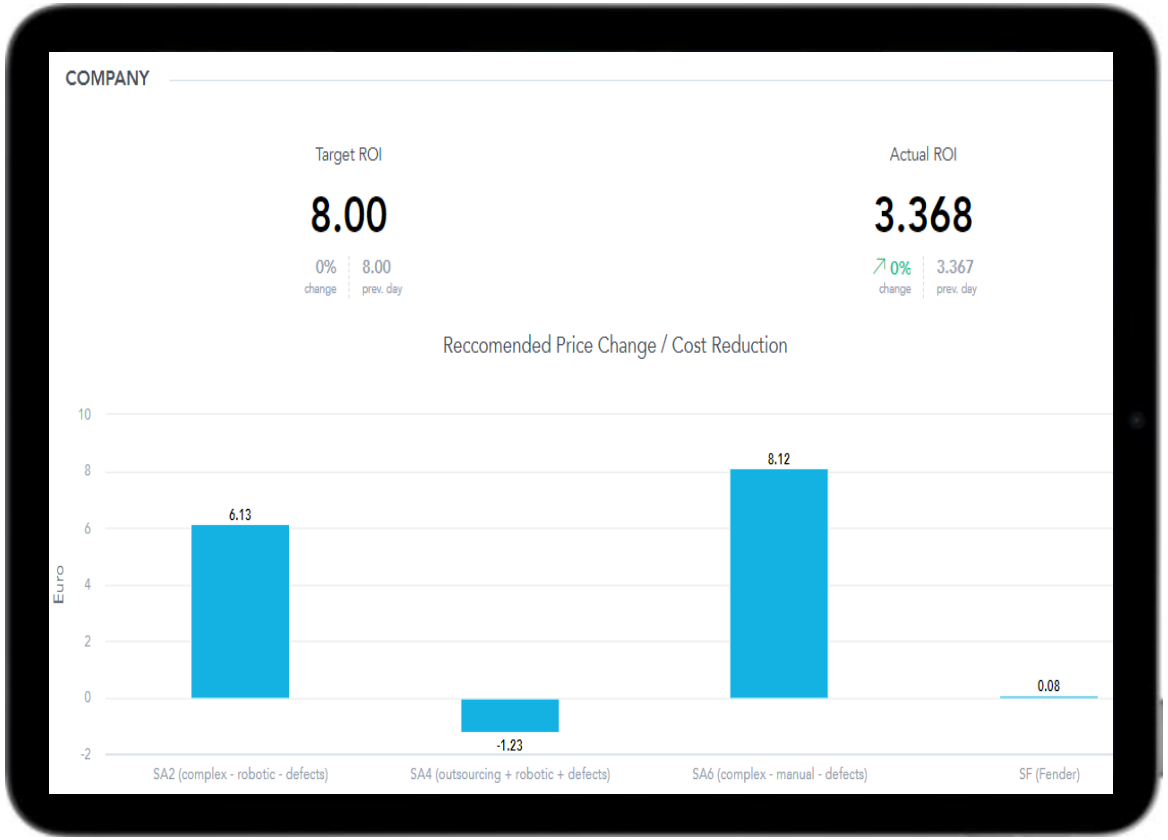
- per each production process
- per each product

PPROI calculates **fixed and current capital employed** in resources and products for production processes.

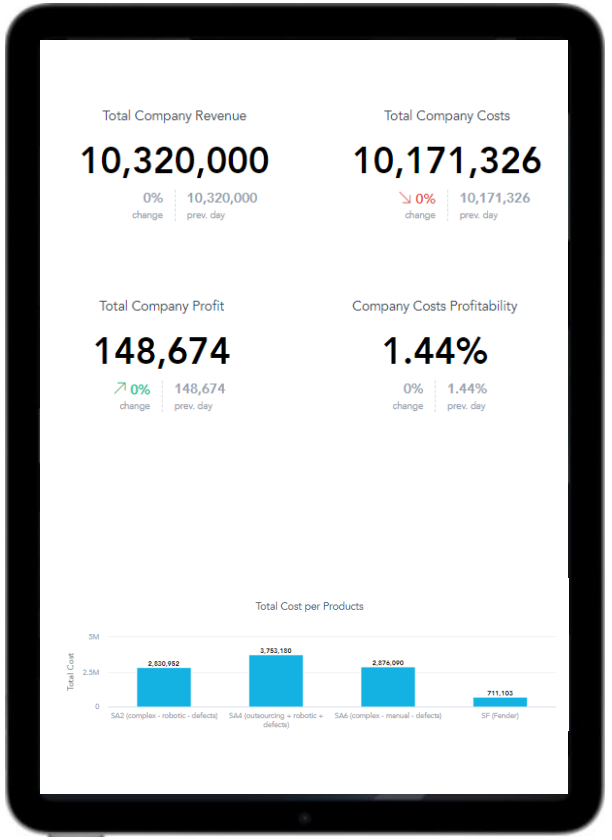


INFORMATION FOR ACHIEVING TARGETED ROI [examples]

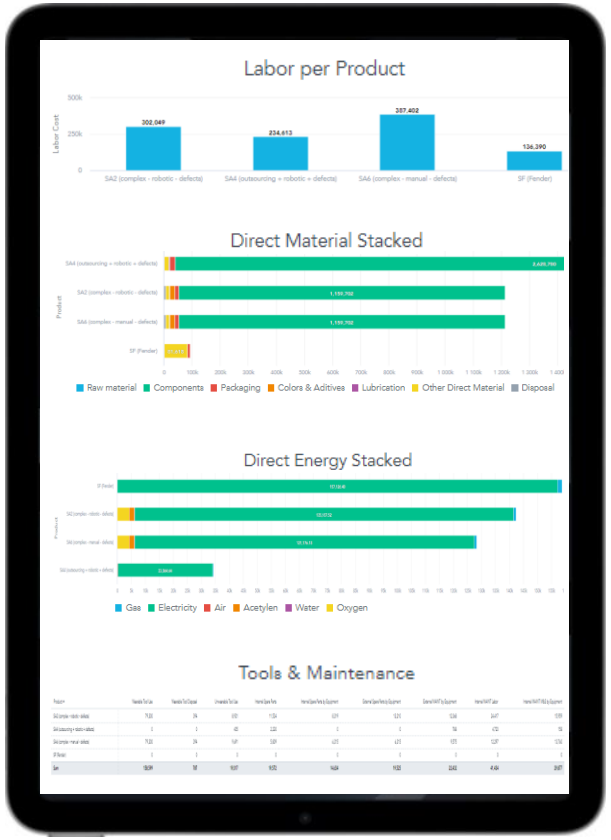
Recommended Price Change / Cost Reduction per Product to achieve targeted ROI



Total Cost Cost per Product



Cost Structure per Product



INFORMATION FOR ACHIEVING TARGETED ROI [examples]

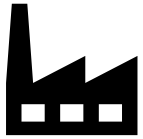
Cost and Capital per Product
&
Capital Turnover per Product

Most Efficient Tact Time per Production Lines
&
Production Bottlenecks Identifications

BENEFITS

Industrial Funds
Industrial Groups
Investors
Owners

- have **real time data about products' ROI** and company ROI
- can **evaluate the performance of production management** based on the ongoing achievement of set ROI targets
- can approve production company **investments according to simulations of impact on ROI** etc.



Production Companies

- can **evaluate impacts of any decision on each product ROI** to achieve a company ROI target
- can **simulate impacts of physical and financial changes on products' ROI** in a production plant to achieve company ROI targets
- can manage all departments and activities according to **one KPI → contribution to achieving the target ROI**

UNIFIED GOAL FOR ALL DEPARTMENTS [examples]

All company's departments can maintain the same vector of their activities towards one goal - achieving targeted ROI by aligning products, processes and resources. PPROI provides them information about impacts of any change in every aspect of their business on ROI so they can make decisions according to ROI on daily basis.

New Products [complete simulation]

- Product development
- Technology selection
- Production preparation

Performance Benchmarking

- Production plants
- Departments
- Competitors

Product Design Change

- Minor design change
- Full design change

Resource Prices & Parameters Changes

- People
- Materials
- Machines
- Energies
- Consumables
- Jigs
- Production Territories

Logistics

- Stock areas
- Stock turnover
- Parts flow design

Quality

- Quality assurance
- Defects rate
- Quality level optimization

Production Control

- Production OPR
- Downtimes
- Production planning

Maintenance

- Equipment OPR
- Spare parts
- Preventive & Predictive maintenance

Sales

- Products portfolio
- Pricing policy
- Product lifecycle

4 BREAKTHROUGH INNOVATION PILLARS

Production Process Descriptions

PPROI includes a universal tool for describing any production process in any industry down to the smallest element called microphases.

Microphases precisely describe what happens within production processes and which resources are used [operators, materials, tools, machines, consumables, jigs etc.].

This methodology allows implementing unique mathematic apparatus to calculate overwhelming majority of related microphases automatically.

Precise Direct Costs

PPROI highlights idle and active times of all resources that generate costs within any production operation.
The methodology calculates precise direct costs per operation and product:

Operators – wages
Direct materials – purchase price
Machines – depreciation, maintenance, lubricants
Tools – price & lifetime, renewal, disposal
Consumables – purchase price, usage
Jigs – calibration, maintenance
Energy – electricity, gasses, water
Working Territory – depreciation, lightning, heating, cleaning **etc**.

Capital Employed Calculations

PPROI measures fixed and current capital by definite integrals in money-time units in production processes and has allocation tools for non-production capital.

Algorithms are based on the lifetime's work of PPROI's co-founder prof. Matějka who developed the related theory and methodology from scratch.

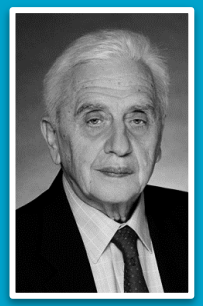
Prof. Matějka received the Czech highest scientific degree [DrSc] for theoretical contribution to enterprise management.

Total Data Interconnection

PPROI connects physical and financial reality of production plants so the system behaves as an organism.

PPROI's unique architecture, where all data is interconnected, allows the simulation or reflection of any physical or financial change in production plants.

All factors are included in output calculations – ROI, costs etc. The data interconnection helps to discover causes of achieved performance and make decisions accordingly.



Prof. Milan Matějka
Co-Founder, R&D Director

Author of breakthrough methodology, algorithms and capital employment calculations.

Prof. Matějka is a former deputy director and head of the scientific section of the Department of Statistics and Vice-Dean for Science of the Macroeconomics Faculty at the University of Economics in Prague.

He was a director of Executive development programs at this school. He headed MBA programs for top Czechoslovak executives organized by Rotterdam School of Management within Erasmus programs.

COMPETITION

			Production financial modules of		
		PPROI	ERP (SAP, Microsoft Dynamics 365, ORACLE)	Business Intelligence Systems	Costing Systems
CALCULATIONS	**ROI per Product**	✓	✗	✗	✗
	Undistorted Cost	✓	✗	✗	✗
	Capital Employed in resources and products for production processes	✓	✗	✗	✗
TOOLS FOR INCREASING ROI	**One click simulations ROI per PRODUCT / Company ROI**	✓	✗	✗	✗
	Production Bottlenecks Identifications	✓	✗	✗	✗
	Most Efficient Tact Time	✓	✗	✗	✗
	Most Efficient Changeover	✓	✗	✗	✗
	Recommended Price Change / Cost Reduction per Product to achieve targeted ROI	✓	✗	✗	✗
	Production Process Standards	✓	✗	✗	✗

PRODUCT

PPROI is a superstructure for Enterprise Resource Planning (ERP) systems

PPROI ⟷ connection / API ⟷ ERP, OTHER SYSTEMS, EXCEL

IMPLEMENTATION PROCESS

- **Connection to ERP**
- **Non ERP data uploading** <1 week>
- **Proof of Concept project / Cost module** <2 weeks>
- **Full implementation** <3 - 6 months>

DEPLOYMENT

- **On - premise**
- **Cloud**

TECHNOLOGY

Backend	**MS SQL**
Frontend	**Angular**
API	**APS.NET**

DEVELOPMENT MILESTONES

Mathematical Physical Laboratory Phase [2004 – 2020]

- Brand – new capital employed theory development
- Academic verification of the capital employed theory
- On – premise β version development
- Implementation and testing in pilot companies in different industries [automotive, electronics, textile]

System Revamping Phase [2020 – 2022]

- On – premise & Cloud version
- Algorithms optimization
- User friendly interface

REFERENCES & AWARDS

"Our annual financial **benefit from new cost calculation of only one product was higher than our annual investment into PPROI**."

Radek Páleník, CFO

AUTOMOTIVE INDUSTRY
Location: Czech Republic
Headquarters: Czech Republic
Employees: 300+
Sales: $ 30M / Y

"**Our productivity has increased by 27%** after half a year since PPROI implementation."

Zdeněk Krofta, CEO

AUTOMOTIVE INDUSTRY
Location: Czech Republic
Headquarters: Spain
Employees: 600+
Sales: $ 128M / Y

"Direct costing and indirect cost allocation provided us the **correct information for product portfolio management and pricing policy**."

Jan Vrba, Investor

TEXTILE INDUSTRY
Location: Czech Republic
Headquarters: Czech Republic
Employees: 500+
Sales: $ 21M / Y

IT PROJECT OF THE YEAR 2009

in the Czech Republic for successfully tested PPROI concept

VISIONARY AWARD 2017

for the best SME innovation in the Czech Republic

EUROPEAN COMMISSION HORIZON 2020

Grant

TECHNOLOGICAL AGENCY OF THE CZECH REPUBLIC 2020

Grant

BUSINESS MODEL

PRICE MODEL

SaaS
5K – 15K € / Month / Plant
according to
No. of operations & BOM items

IDEAL COSTUMER

Manufacturing
Production Lines
High Degree of Standardisation
Automotive, Electronics, Airspace

MARKETS

- Japan
- North America
- Europe

SALES STRATEGY

selling to groups **most interested in maximizing ROI**

Private Equity Funds with production company portfolios

Industrial Companies HQs with production plant portfolios

Implementation in several production plants from one successful sale

SHOULD WE...?

...do sales and implementation activities directly by hiring Japanese staff?

...enter Japanese market by cooperating with Japanese information system integrators who will implement PPROI instead of us ?

...establish PPROI branch in Japan?

...build a technical support centre with Japanese staff to avoid a time difference problem [7 hours] and language difficulties?

...rename our software called PPROI to be more fit to Japanese language?

...adjust price policy to Japanese market?

...prefer selling to Private Equity funds with production company portfolios?

... etc.

Aligning Products, Processes and Resources to Maximize ROI

If you'd like to learn more how PPROI solutions can help maximize ROI in production companies, **please schedule a call with us** (Calendly & Zoom):

https://calendly.com/pproi/overview

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