Calculating Your Return on Investment



When choosing a new piece of equipment, you may find yourself asking “How does this machine pay for itself?” Broaster Equipment products are durable, time-tested, and proven to be a profit-maker for your business.

The return on your investment is determined by several factors, including:

- Initial investment value.
- How much food you sell.
- Price at which that food is sold.
- Operating costs (including food products, supplies, labor, and other costs).

PAYBACK PERIOD

The estimated payback period (in months) is provided below, assuming Food & Paper costs are 60% and the average order is $8.

Use orders per day estimate to determine payback period based at various levels of equipment investments.

			Equipment Investment				
			$15,000	$20,000	$30,000	$40,000	$50,000
Orders/ day	Monthly Sales	Annual Sales	Payback (in months)				
10	$2,400	$29,200	15.4	20.5	30.8	41.1	51.4
20	$4,800	$58,400	7.7	10.3	15.4	20.5	25.7
30	$7,200	$87,600	5.1	6.8	10.3	13.7	17.1
50	$12,000	$146,000	3.1	4.1	6.2	8.2	10.3
100	$24,000	$292,000	1.5	2.1	3.1	4.1	5.1

F&P Costs = 60%, Average ticket $8

MONTHLY GROSS PROFIT

Another way to determine the return on your investment is to determine your monthly profit when equipment is financed.

Use orders per day estimate to determine monthly profit after equipment payment at various levels of equipment investments.

			Equipment Investment & Estimated Monthly Payment*				
			$15,000 $290/mo	$20,000 $387/mo	$30,000 $580/mo	$40,000 $775/mo	$50,000 $970/mo
Orders/ day	Monthly Sales	Monthly Gross Profit	Estimated Monthly Profit after Equipment Payment				
10	$2,400	$960	$670	$573	$380	$187	-$7
20	$4,800	$1,920	$1,630	$1,533	$1,340	$1,147	$953
30	$7,200	$2,880	$2,590	$2,493	$2,300	$2,107	$1,913
50	$12,000	$4,800	$4,510	$4,413	$4,220	$4,027	$3,833
100	$24,000	$9,600	$9,310	$9,213	$9,020	$8,827	$8,633

F&P Costs = 60%, Average ticket $8 | *Monthly payment based on $0down, 60 month terms at 6% interest. | Operator actual financing may vary based on unique financial situation