

# ACME CHEMICAL COMPANY

## *Benefits to Profitability* *Implementatation of ISO 14001*

Presentation by: Nate Plantz

Vice President Sales- Acme Chemical Company

---

# **COSTS OF IMPLEMENTATION**

*Instituting this program will cost our company money*

## **Main Areas of Costs:**

Decrease in Time for day to day manufacturing

Increase in capital expenditures to support system

---

# COSTS OF IMPLEMENTATION

## Time Needed to Implement System

Multiple Meetings, workshops to ensure complete confidence in the ISO system

Senior Staff Support in order to implement policies and new strategies

Worker training and compliance as we change daily activities

Lost Time for day to day activities as we focus on this program implementation.



# COSTS OF IMPLEMENTATION

## Increase in capital expenditures

Initial Costs to implement new systems and processes

Purchasing new equipment to update older, outdated machinery

Downtime in manufacturing processes as we change systems to improve efficiency

Revision to floor layouts and processes (more downtime in manufacturing)

# **COSTS OF IMPLEMENTATION**

*Instituting this program will cost our company a substantial amount*

*We are currently ISO 9001 certified and this is the next logical progression to stay at the forefront of the environmental movement*

# BENEFITS OF IMPLEMENTATION

## *The Hidden Agenda:*

*Saving our company money and  
increasing our profit margins....*

*How is this possible?????*



# BENEFITS OF IMPLEMENTATION

## Higher Conformity to Legislative and Regulatory Requirements

It is given that the Federal and State Governments will continue to require that we meet new environmental guidelines

ISO 14001 will allow us to meet or exceed these standards and guidelines as they are required.

---

# BENEFITS OF IMPLEMENTATION

## Avoiding Environmental fines due to Possible Accidents at Acme

ISO 14001 requires that we review and update our processes, which in turn can lead to a decrease in future potential accidents.

Avoiding these potential accidents results in avoidance of penalties as well as downtime in production



# BENEFITS OF IMPLEMENTATION

## Improving Overall Efficiency

ISO 14001 allows us to develop new ideas to improve efficiency and eliminate wastes.

Reducing Wastes = Reducing raw materials= Reducing Costs =  
Increased profit margins

Increasing efficiency= decreased operating expenses=  
increased profit margins

---

# BENEFITS OF IMPLEMENTATION

## Competitive Advantage Domestically

Consumers are becoming more environmentally aware

This certification allows us the opportunity to gain sales with these clients

We gain a competitive advantage with our sales efforts with these environmentally aware companies

---

# BENEFITS OF IMPLEMENTATION

## Requirment for Sales opportunities abroad

40% of our total sales are within the Asian border

Asian countries will require us to meet these requirements to continue to sell to these companies

Potential to reduce trade barriers with other nations.

Provides a framework that is internationally recognized.



# COSTS VS. BENEFITS OF IMPLEMENTATION

## Costs vs. Benefits

Although this system will be costly to implement in the short run, it will be crucial to continue to boost profit margins, and to increase our sales in the future.

This system needs to be seen as an investment in our future as a company.

Increased costs in the short term = Increased profits in the future

---