



Instructions For Effective Utilization Of Our Online Calculator

www.calibaja.com

Part One (Workforce Requirements)

1. Enter your general project information.

- a. Enter your company's name (i.e. Acme Manufacturing Inc).
- b. Enter the name of the project you want to outsource (i.e. #6 Widgets)

2. Define the workforce that you will need.

- a. Select from the drop down menu which [type](#) of employee you will need.
- b. Select the desired [experience level](#) that you will require for this type of employee.
- c. Enter the [number](#) of these employees you will want dedicated to your operation.
 - i. Note 1: you can enter *portions* of an employee (in decimal form) if desired. For example, if you only want 24 hours a week of engineering support per week, simply enter .5 in the “number of employees” field.
 - ii. Note 2: When deciding how many workers you will need to manufacture your product, please remember that Calibaja has a **48 hour** work week.
- d. Fill in the [“Number of additional workers”](#) field if needed. If this is *not* needed, skip to the next step.
- e. Check the [“I need more worker fields for this project”](#) box if you need to input more than five worker types. This will bring up another screen in which you can input the rest of your requirements. Once the new screen is displayed refer to steps a-d above.

Part Two (Additional Requirements)

1. Define some additional project requirements.

- a. Enter the total number of *square feet* that your project will require.*
*The costs that will be calculated from this parameter will be under the assumption that we will house your operation in our current facilities. If you have specific requirements that would negate the possibility of utilizing our current facilities, your cost may be less or more than what the calculator quotes. If this is the case please [contact us](#) directly for an accurate quotation.
- b. Enter the number of times *per week* that you anticipate needing to **cross the border**. This includes both:
 - i. **Importing** raw material, equipment, tooling, etc. into Mexico.
 - ii. **Exporting** finished goods into the United States.

2. Calculate a “price per piece”

***This section can be skipped if you do not have the appropriate data or if you are only interested in weekly labor costs.**

- a. Enter the *name or number* of your first part.
- b. Indicate the amount of direct *labor* it takes you to build **one** of these parts (in hours).
 - i.e. enter “.5” if it takes you 30 minutes of labor to build **one** of these parts.
- c. Enter the cost of *raw materials* (in USD) if you want Calibaja to purchase the raw materials.*
*Please skip this section if you will be providing the raw materials
- d. Input the *number of parts* that you anticipate building per week.
- e. Finally, enter the “proportion of operation”.* This is the proportion (expressed in *decimal* form) of the total amount of *labor* that a particular part number constitutes. This number is used to divide up the *total* costs for: Administration, Small Business Fee, Customs, and Floor Space. The total costs for all of the aforementioned areas are multiplied by the proportion of the operation and then divided by the number of parts/ week to come up with a price per piece.
*Note: it is very important that all of the proportions entered add up to 1.
For Example: $.25 + .2 + .15 + .4 = 1$
Please verify that this is true before proceeding.
- f. Check the [“I want to specify more parts for this project”](#) box if you need to input more than five parts. This will bring up another screen in which you can input the rest of your requirements. Once the new screen is displayed refer to steps a-e above.

Part Three (The Pro Forma Quotation)

Here you will find a detailed breakdown of how much your operation will cost when outsourced with Calibaja Manufacturing Services.

1. The first section of this breakdown is a **summery** of the entire quotation and thus contains *the most important information* regarding your project.
 - a. **Total Annual Savings:** This is a comparison of the annual cost for your operation in The United States and the annual cost if outsourced with Calibaja. Please see the [US comparison explanation](#) for details concerning where the United States wage data comes from.
 - b. **Labor Costs Per Hour:** This is cost with Calibaja for *one hour of direct labor* according to the parameters you input into the calculator. This number will change depending on: the experience level of the operators, the amount (and experience level) of indirect support that you requested, and the total number of employees you selected.
 - c. **Total Cost Per Hour:** This is *usually the most useful number of all*. This number shows the: “Fully burdened”, “End of the day”, “Out the door”, “Everything included”, cost that you will pay for *one hour of direct labor*. This number is dependent on every single parameter that you have thus far input into the calculator. This is the number that should be compared with your own costs to determine whether Calibaja is right for you.
***Just remember to compare “apples to apples” when comparing your cost to ours and make sure to take into consideration ALL of the costs that you are incurring (or would incur) for this operation.**

2. The “**Costs Per Position Per Experience Level**” section of the Pro Forma Quotation breaks down the costs *per position* for *each experience level* that you selected. The Calculator will provide you with the: Hourly, Weekly, Monthly, and Annual cost for *ONE* of each of the positions and experience levels that you selected.* At the bottom of this section, you are once again given the *labor cost per hour* (see above for explanation), as well as both: the total number of employees that you selected to work on this project, and the “Total Number Of Employees With Calibaja” (remember this number determines “[where on the curve](#)” your pricing comes from).

*For example, if you need 20 low-skill operators at an experience level of 1 for a particular part of you operation and 20 moderately experienced operators (say level 5) for another function, this section of the quotation will give you a *separate* “line item” breakdown of the Hourly, Weekly, Monthly and Annual costs associated with the *ONE* of the 20 low-skill operators at an experience level of 1, and *ONE* of the 20 moderately experienced operators at level 5.

3. The “**Labor Costs By Position**” section of the Pro Forma Quotation gives you a breakdown of the costs for *each of the positions* that you selected. For *each position* you will get an *hourly average cost* as well as a *sum total cost* for a: week, month, and year.

Using the example above, all of the 20 operators at an experience level of 1 and all of the 20 operators at an experience level of 5 will be added together to yield a single *hourly average cost* for the operator position. In addition, you would be given a *sum total* of the weekly, monthly and annual costs for ALL 40 of the operators.

4. The “**Savings With Calibaja Per Position**” section of the Pro Forma Quotation is a comparison of Calibaja’s labor rates to the corresponding labor rates that you would expect to pay in the United States. These numbers are calculated by taking the mean United States wage for each position you selected (data from [The United States Department of Labor Statistics](#)), and comparing it to our own rates. Once we have these two numbers we then compute various statistics regarding the savings associated with outsourcing your manufacturing with Calibaja.

*Please note that these savings statistics are actually *lower* than they should be as we are not taking into account any of the US: Workers Compensation, Insurance, Payroll Taxes, Benefits, etc. If you are paying *any* money for your employees on top of their base salaries, the savings realized from outsourcing with Calibaja would in fact be *even greater* than what we calculate.

Explanation Of Statistics:

Position: Shows what position we are comparing.

Weekly Calibaja*: Shows the weekly rate we charge for this employee.

U.S. Comparison: Shows the mean weekly rate in the United States.

Weekly Savings*: Shows the weekly savings with Calibaja.

Annual Savings*: Shows the annual savings with Calibaja.

Savings Percentage*: Indicates the percent saved with Calibaja.

*These numbers will change with varying numbers of employees due to the variable markup of CB employees (see [Pricing Structure](#) for explanation): the US comparison will not fluctuate in the same way. This remains a valid comparison as you are comparing the rate you will pay in Mexico (i.e. w/ markup) vs. what you will pay in the US (i.e. no markup).

5. The “**Additional Fees**” section of the Pro Forma Quotation gives you a breakdown of [Administration](#) costs as well as any “[Small Business Fees \(SBF\)](#)” that would apply.

*Please note that these costs are *in addition* to the labor rates given in the first four sections of the Pro Forma Quotation.

The **first** part of the “Additional Fee” section gives you the: hourly, weekly, monthly, and annual administration and SBF costs *per employee*.

The **second** part of the “Additional Fee” section gives you the **total**: weekly, monthly, and annual administration and SBF costs *for your whole project*.

6. The “**Total Weekly Operational Cost**” section of the Pro Forma Quotation will provide you with a detailed understanding of how much each individual facet of your selected operation will cost you on a *weekly basis**.

*These numbers are provided on a *weekly basis* because Calibaja bills on a weekly basis.

We include a breakdown of:

Material*: Shows how much material is costing you per week (If Calibaja will be purchasing).

Labor: Shows your total weekly cost for labor (All employees are included here).

Border Fees*: Shows the total weekly cost for border crossings (This includes all documentation and permits as well as freight).

Additional Fees: Shows how much administration and SBF is costing you on a weekly basis.

Building Cost*: Shows your total weekly cost for floor space (Please remember that if you have specific requirements that would negate the possibility of utilizing our current facilities, your cost may be less or more than what the calculator quotes).

Total Cost: This is a summation of all of the various costs mentioned above. This is your *total cost per week with everything included*.

Total Hourly Cost: This number is simply the total cost for the week (explained above) divided by the number of labor hours per week (remember that Calibaja has 48 hours per week). *This number shows the: “Fully burdened”, “End of the day”, “Out the door”, “Everything included”, cost that you will pay for one hour of direct labor.*

*Please note that these categories *may not be applicable to your particular project* and if you did not input any information regarding these categories during your request for a quotation, the calculator will return zeros. This will not affect any of the other calculations and the remaining numbers will remain valid.

7. The “**Price Per Piece Breakdown**” section of the Pro Forma Quotation will provide you with a detailed understanding of how much each individual part will cost you, and why.*

*Remember that if you did not provide us with any information regarding individual parts, this section will be blank.

We include a *per part* breakdown of:

Material*: Shows how much material goes into one part (If Calibaja will be purchasing).

Labor: Shows your per part cost for labor (All employees are included here).

Border Fees*: Shows the per part cost for border crossings (This includes all documentation and permits as well as freight).

Additional Fees: Shows how much administration and SBF is costing you per part.

Building Cost*: Shows your per part cost for floor space (Please remember that if you have specific requirements that would negate the possibility of utilizing our current facilities, your cost may be less or more than what the calculator quotes).

Cost Per Part: This is a summation of all of the various costs mentioned above. This is your *total cost per part with everything included*.

Thank you for using Calibaja’s online calculator!

We hope that the information provided has proven useful and will facilitate your decision to outsource your manufacturing with us.

If you have any specific questions that are not addressed in this instruction manual, please do not hesitate to send us an e-mail to: info@calibaja.com

Or call us toll free at: (866) 240-6065