

Your Business ... Your Burlington

Memex Automation CEO Interviewed by Business News Network

Burlington, Ontario -- (SBWIRE) -- 07/14/2011 -- David McPhail, President and CEO of Memex Automation (<http://www.memex.ca>), was interviewed by Business News Network. McPhail asserts, "Modern manufacturing equipment costs the same (in equivalent currencies) across all manufacturing jurisdictions (North America, Europe, China, India, etc.). Raw materials are priced as commodities in a common currency (usually USD). It is the cost of labor that varies widely between manufacturing zones. The true cost of labor contains all the usual overhead costs that manufacturers are required to pay (taxes, health care costs, insurance, burdens, etc), and is not necessarily limited to what the employee is paid on an hourly basis. These "grey" costs also vary widely between developed and developing manufacturing zones."

When manufacturers benchmark by real-time accurate measurement, the current level of productivity using OEE as the metric, provides an accurate picture of the true efficiency of manufacturing operation(s). Analysis of the data collected allows a company to continuously improve problem areas quickly, which leads to increased productivity in the near and long term.

McPhail notes, "When productivity increases, unit labor cost decreases, which in turn reduces the cost of products manufactured in high labor rate based economies such as North America. This leads to increased bottom line profitability, a tremendous competitive advantage, and sustainable operations for the long term."

The formula to sustain manufacturing into the future, and a C level executive's value proposition is the business case of operating at a 60% OEE is compared to the same company operating at a 66% OEE. Firstly, comparing the reduction of direct labor's impact to operating income - a 21% improvement in EBIT. Secondly, comparing the impact of increased sales to operating income – a 62% improvement to EBIT.

The entire interview can be viewed at <http://watch.bnn.ca/#clip498635>.

About Memex Automation Inc.

Memex Automation Inc., <http://www.memex.ca>, a unit of Astrix Networks Inc., was created to leverage the research and development of Memex Electronics, which was founded in 1992. Memex continues its tradition of serving the discrete manufacturing sector, supplying component hardware, memory upgrades, and visionary shop floor

communication technology. Memex products allow a manufacturer to realize the impact of OEE Profitability.