



## Cost Savings Calculator

[Help document](#)

**The cost savings calculator provides a good estimate of the amount of money which can be saved using Mercado.**

The left hand side of the calculator shows a completed example calculation as reference, providing the average saving our customers can achieve through Mercado.

To discover what you could save, complete the right hand side of the calculator using the instructions below as a guide:

### Glossary of Terms

**Average value of order** – Please input your estimated gross average value of an order here. Note individual order values may vary so you can either use an average value across all orders or create different estimates using different average order values.

**# of orders per annum** – Input the number of orders you place with your supplier per year.

**# of shipment per annum** – Input the number of shipments you receive per year.

**Total orders per annum** – This is system generated multiplying your average order value times the number of orders you place annually.

**Cost of damage and defects** – Please input an estimated percentage of the number of shipments you receive that are either damaged or defective.

**Cost of rework** – Please input an estimated percentage of the number of shipments that require re-work i.e. repackaging, palletizing, sorting, labeling.

**Cost of delay** – Please enter the estimated number of orders that are late, the average number of days delayed, and the estimated cost per order.

**Order processing** – Please enter the estimated number of hours it takes to process an order. Processing includes order issuance, order tracking, communication with the supplier, troubleshooting, problem resolution. We realize that it is a range however a rough estimate here is sufficient.

**Order development** – Please enter the estimated number of hours it takes to develop an order. Development includes vendor selection, negotiation, documentation. We realize that this is also a range however a rough estimate is sufficient.

**Shipment processing** – Please enter the estimated number of hours it takes to process a shipment. Processing includes shipment tracking, communication with the forwarder, troubleshooting, problem resolution.