

Assume you're managing a touring production company with 200 cases in active use. Your equipment includes LED panels, digital consoles, and broadcast gear valued at approximately \$3 million total.

### Budget Case Analysis (\$180 per unit)

| Cost Category             | Calculation  | 3-Year Total         |
|---------------------------|--|----------------------|
| <b>Initial Investment</b> | 200 cases × \$180  | <b>\$36,000</b>      |
| <b>Replacement Costs</b>  | Industry average: 16% annual replacement<br>48 cases/year × 3 years = 96 cases<br>96 × \$180                             | <b>\$17,280</b>      |
| <b>Gear Damage</b>        | Industry average: 1.5% of protected value annually<br>\$3M × 1.5% × 3 years<br>Insurance deductibles: \$5,000 × 3 claims | <b>\$15,000</b>      |
| <b>Labor for Repairs</b>  | Est. 120 hours/year × \$35/hour × 3 years  | <b>\$12,600</b>      |
| <b>TOTAL 3-YEAR COST</b>  |  | <b>\$80,880</b>      |
| <b>Annual Cost</b>        | \$80,880 ÷ 3   | <b>\$26,960/year</b> |

### Premium Case Analysis (\$420 per unit)

| Cost Category             | Calculation  | 3-Year Total         |
|---------------------------|--|----------------------|
| <b>Initial Investment</b> | 200 cases × \$420  | <b>\$84,000</b>      |
| <b>Replacement Costs</b>  | Documented rate: 2.5% annually for ATA-spec cases<br>5 cases/year × 3 years = 15 cases<br>15 × \$420 | <b>\$6,300</b>       |
| <b>Gear Damage</b>        | Negligible (proper protection prevents claims)   | <b>\$0</b>           |
| <b>Labor for Repairs</b>  | Minimal maintenance required   | <b>\$0</b>           |
| <b>Insurance Savings</b>  | 12-15% premium reduction (industry standard)<br>~\$2,400/year × 3 years                              | <b>-\$7,200</b>      |
| <b>TOTAL 3-YEAR COST</b>  |  | <b>\$83,100</b>      |
| <b>Annual Cost</b>        | \$83,100 ÷ 3   | <b>\$27,700/year</b> |