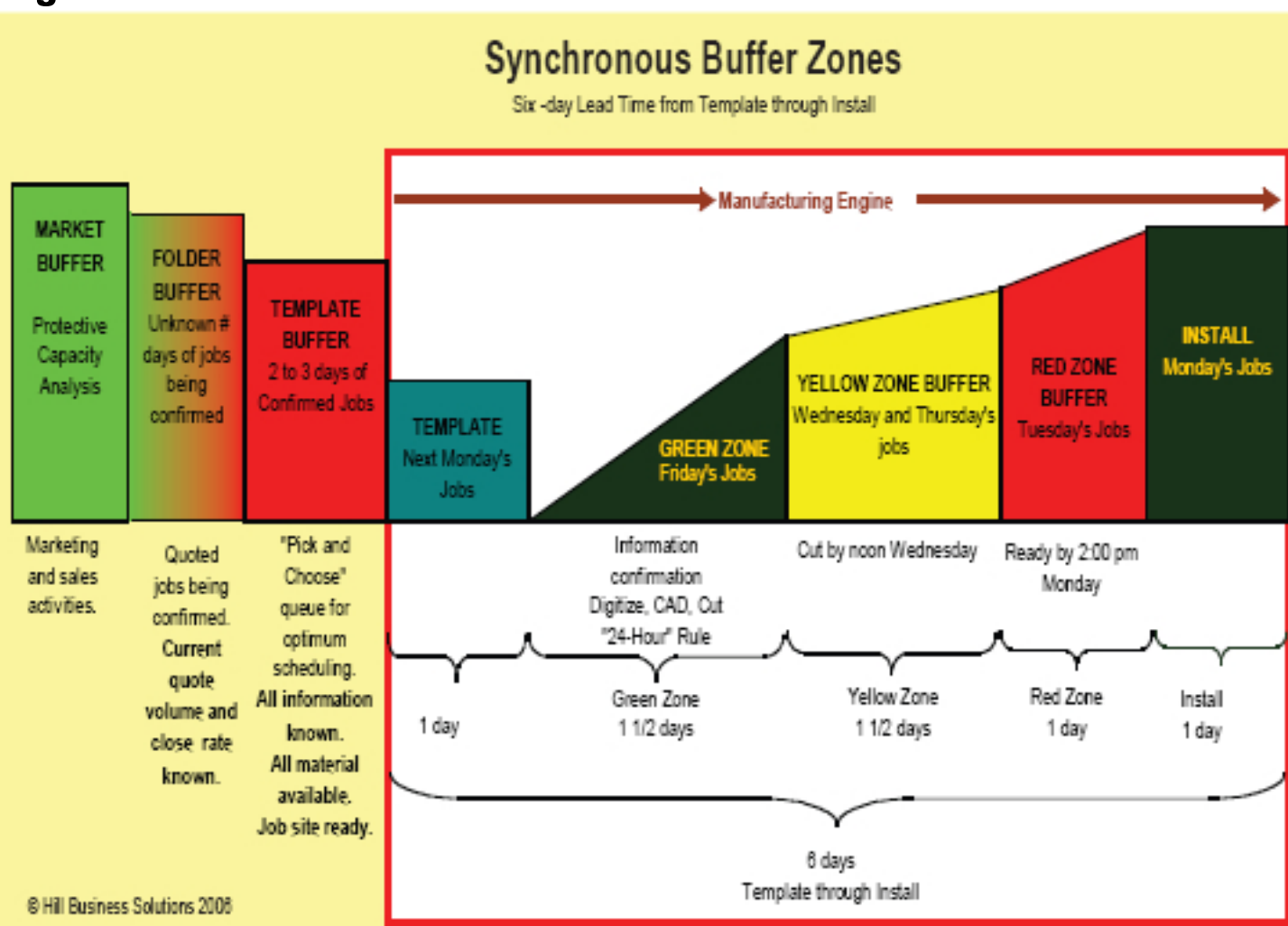


Throughput, expressed as \$T, is the measure of value added by the company. Fabricators' value added is the transformation of sheets of raw material into custom countertops for customers. That transformation is measured as sales price minus the investment in materials, freight and outsourcing. The result of that calculation is \$T.

$$\$T = \text{Sales Price} - (\text{Materials} + \text{Freight} + \text{Outsourcing})$$

As a simple example, a job priced at \$3,000 and having \$1,200 worth of materials would have \$1,800 worth of \$T.

**Figure 1**



**Figure 2**