

Purchase reasons	Documented	Perceived
Cost reduction	50 <sup>1</sup>	19 <sup>2</sup>
Update/introduce new technology	37	55
Increase throughput/productivity	37	17
Increase capacity	37	27
Part of a reorganization	28	34
Improve quality	25	16
Process dedication requirement	25	21
Reduce changeover times	21	–
Improve product flexibility	20	–
New process/existing technology	18	1
Reduce supervisory costs	16	12
Purchase of available machine	15	17
Improve material control	10	–
Reduce lead times	6	–
Process modernization	5	22
Automate process	4	–

#### NOTES

1 In 50 per cent of the cases cost reduction was documented as a reason for investment.

2 In 19 per cent of the cases, cost reduction was perceived to be a reason for investment. Perceived reasons were reached sometimes after the investment had been made.

**EXHIBIT 11.3** Documented and perceived reasons for all investments over a 30-month period, UK manufacturing company