

How FluxGage Cuts Costs and Increases Revenue

Introduction

Do you produce LED Luminaires? Keeping your production controlled and predictable is of course important to you - but it doesn't always come about by itself. A test instrument, such as the FluxGage LED Test System from Ophir Photonics, can help you measure the critical performance parameters of your LED luminaires, so your production process can indeed be controlled and predictable.

Just as with any piece of capital equipment, though, before deciding to adopt it you of course ask yourself, "Is this a tool that will help my business? Or is this just a nice-to-have cool toy (which maybe I'll get one day, but now's not the time to spend money on cool toys)?"

In this short exercise, we invite you to become your own consultant for a few minutes. Let's look at some of the places where money can be lost or saved, based on whether or not you are using a test system like FluxGage. We'll consider 3 stages of your business:

1. Production
2. Design and Engineering
3. Sales and Marketing

1. Production

- **Final testing** is often seen as a luxury – meaning it often isn't done. In that common situation, this unfortunately means that some units are likely to be shipped (unknowingly) faulty. When your customer receives those faulty units, those units will of course be rejected and returned to you. Consider what each such RMA return straight out of the box costs you, and how many you get per year.
- Your production process costs money; finding out only at the end of the line that a batch is faulty due to faulty components is a waste of what should have been your margin. **Incoming inspection** of critical LED engines can weed out faulty components before they enter your production process.

2. Design and Engineering

- Using the right tools for **testing during R&D** can directly reduce your time to market. It's not always obvious how to quantify this, but it's easy to see how bringing your products to your customers before someone else does (and that "someone else" is never far off) can make or break everything.
- **Life Testing** maps your product's long term performance. Doing this in the design/ engineering stage can help you identify and fix "hidden" problems that could surface down the road, which can reduce the number of warranty repairs you'll otherwise face (and have to absorb the cost of) after products are shipped to your customers.



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- Regulatory inspections (such as the US Department of Energy “Light Facts Inspections”) can cost you money due to **regulatory penalties** (for your luminaires performing below your own specs). You can avoid these penalties in two ways:
 - by under-specifying (but then you’ll need to under-charge accordingly)
 - by KNOWING – i.e. by actually testing your products, and specifying them with performance values that you already know they meet.

3. **Sales and Marketing**

- **Reputation** matters a great deal in this industry. Having a reputation in your market as a reliable supplier of consistent quality luminaires means, at the end of the day, you can charge a premium and sell more units. This is perhaps not easy to quantify, but it can make a major difference to your long term business.
- Actually knowing the characteristics of your products – because you measure them – means you can **select and sort** them as higher and lower luminance units. This differentiation enables you to offer higher and lower end units at suitably differentiated prices. No more leaving money on the table.

Conclusion

For any manufacturer of LED Luminaires, cost pressures make one think very carefully before deciding to adopt any new capital equipment. Exactly such careful thinking, though, makes it clear that the FluxGage LED Test System can actually bring a significant ROI (Return on Investment), and in fact pay for itself by increasing profits and preventing unnecessary losses.

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