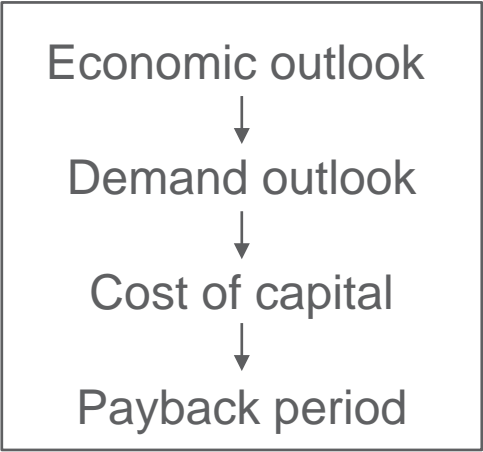


Figure 1 – ROI for a Fixed Technology Frontier

Decision motivators



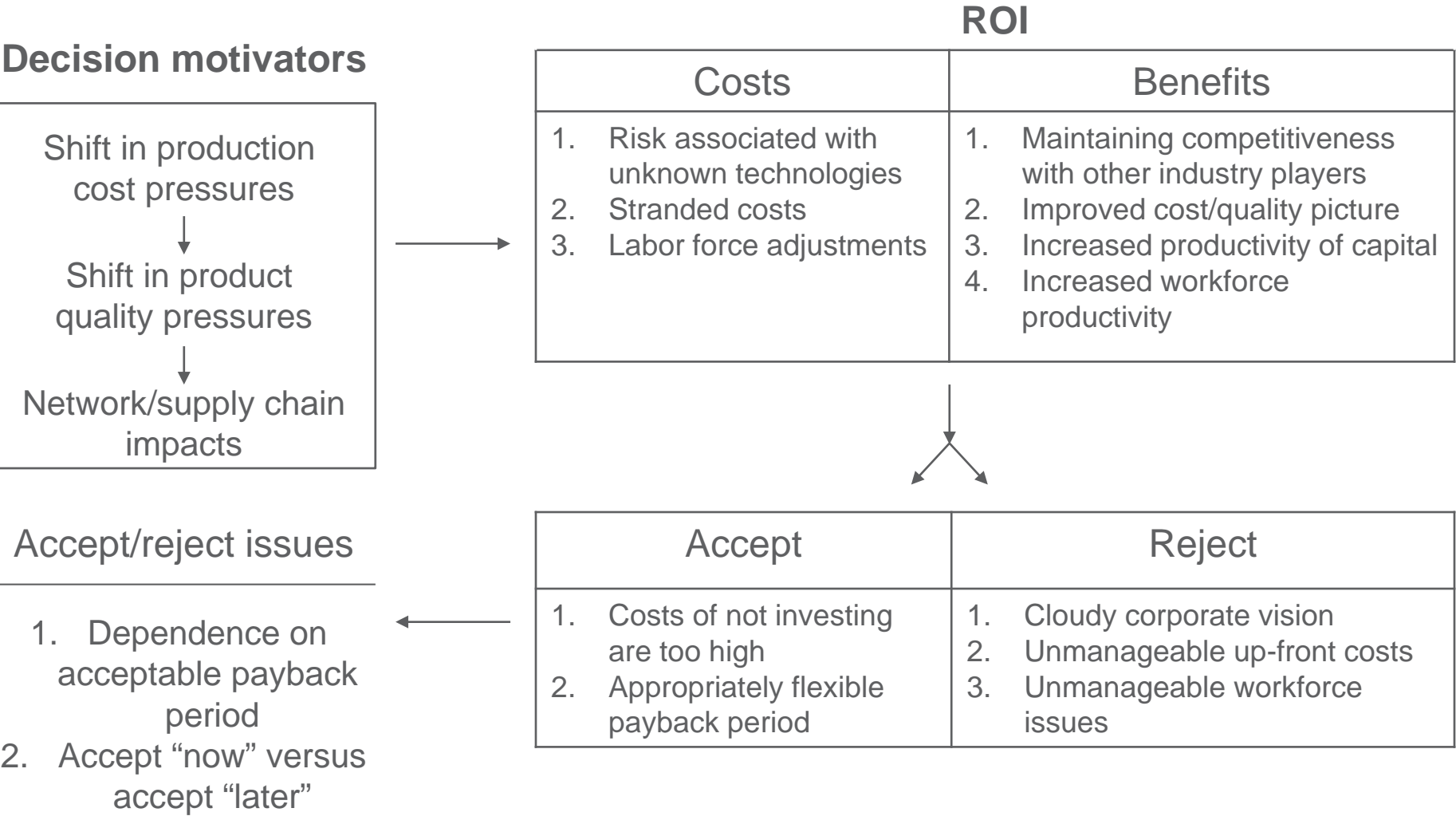
Accept/reject issue

View of short-run
market conditions

ROI

Costs	Benefits
<div>1. Cost of capital 2. Time for implementation</div>	<div>1. Revenue 2. Market share</div>
Accept	Reject
<div>1. Net benefits over a fixed period > net costs 2. The company's hurdle rate is cleared</div>	<div>1. Initial costs too high 2. Acceptable payback period too short for technology capacity and market conditions</div>

Figure 2 – ROI for an Expanding Technology Frontier



Source(s): MAPI Foundation