

DIFFERENT WAYS TO MEASURE THE RESULTS OF YOUR “QUICK WIN”

Direct Operating Expenses

These are direct costs such as maintenance, contract services, utilities, supplies, packaging, freight, material, equipment, etc.

How to calculate: Compare what you were spending versus what you are now spending under the new solution

Example Project

Staff

The total number of Full-Time Equivalent (FTE) employees (1 FTE = 2080 annual hours) needed before and after a process improvement.

How to calculate: Compare the # of FTEs needed before and after the improvement as net reduction of FTEs and overtime annualized over a 12 month period

Example Project

Time

The personnel time needed for a process before and after the improvement. When making processes faster, staff time can be redirected to other work. These are indirect or “soft” dollar savings.

How to calculate: Net savings in time X hourly total compensation for personnel annualized over a 12-month period

Example Project

Revenue

If a project leads to an increase in revenue, that revenue is measured and compared to revenue dollars prior to the solution.

How to calculate: Measure net revenues after implementing the solution.

Example Project