



Cost Measures

Cost measures indicate the efficiency of processes. Key aspects tracked are:

Productivity

- Volume processed per person
- Automation rates
- Output versus input metrics

Cost Control

- Total process costs
- Unit costs
- Scenario analyses

Resource Utilization

- Staffing ratios
- Capacity utilization metrics
- Demand-supply metrics

Guidelines

- Target productivity gains without quality erosion
- Leverage benchmarking to define targets
- Use activity-based costing for granular insights
- Analyze regularly to improve efficiency

Benefits

- Indicates process waste and bottlenecks
- Drives accountability within teams on costs
- Enables fact-based improvement initiatives
- Helps with accurate budgeting and planning

Cost metrics must balance cost management with value delivery. The focus should be on improving productivity and eliminating waste.