

# Cost Management Formula

|                       |   |                                                   |   |             |   |      |   |        |
|-----------------------|---|---------------------------------------------------|---|-------------|---|------|---|--------|
| Number of<br>contacts |   | Time to answer<br>a single<br>customer<br>contact |   |             |   |      |   |        |
| Volume                | x | Handle Time                                       | = | Workload    |   |      |   |        |
|                       |   |                                                   |   | <hr/>       | = | Paid | x | Labour |
| Efficiency            | x | Occupancy                                         | = | Utilisation |   | Time |   | Rate   |
|                       |   |                                                   |   |             |   |      |   | =      |
|                       |   |                                                   |   |             |   |      |   | Labour |
|                       |   |                                                   |   |             |   |      |   | Cost   |

  

|                                                                                                    |                                                                                    |                                                             |                            |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------|
| % of paid time<br>available for<br>work allowing<br>for paid breaks,<br>training,<br>holidays etc. | % of time busy<br>allowing for<br>forced idle time<br>to meet service<br>standards | Total paid time<br>required to<br>meet customer<br>contacts | Cost per unit<br>paid time |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------|

Variables

