

101 Reasons to use CostPerform

*Our CostPerform business software helps companies better understand and manage their capacities, costs and margins. But how can you assess the need for a system like CostPerform.
You can use this checklist to determine how CostPerform can add value to your management toolbox.*



CxO wants or needs to..

- ☐ Be more cost-transparent to stakeholders.
- ☐ Know which products contribute to margin the most.
- ☐ Know which products are loss making.
- ☐ Simulate the effect of eliminating loss-making products.
- ☐ Know the top 10 profitable customers
- ☐ Know the Pareto of margin per product, per customer or other dimension.
- ☐ Simulate changes in client mix.
- ☐ Simulate changes in product mix.
- ☐ Simulate changes in product volumes.
- ☐ Identify any unused capacity.
- ☐ Identify obsolete resources and activities.
- ☐ Identify inefficient or ineffective processes.
- ☐ Know potential efficiency improvement areas.
- ☐ Explore supply chain efficiency options.
- ☐ Enable the workforce to be more involved to improve.
- ☐ Disclose all cost & capacity information to managers.
- ☐ Disclose all cost & capacity information to the workforce.
- ☐ See that improvement initiatives result in better performance.
- ☐ Buy new business & simulate the effect on capacity, unit costs and margins and overlap in processes after merging.
- ☐ Simulate the effect of outsourcing business.
- ☐ Estimate a new product's life cycle margin.
- ☐ Simulate the effect of a new product on margin.
- ☐ Simulate the effect of portfolio changes.
- ☐ Show that corporate overhead costs are properly allocated to avoid international taxation issues.
- ☐ Show that all costs are allocated according to IFRS/Basel/ Solvency/ GAAP or other reporting standards.
- ☐ Show we have no cross-subsidizing mechanism in our cost allocation to satisfy market-regulating authorities.
- ☐ Show and prove to our "internal clients" that the pricing is fair and based on logical drivers and true causality.
- ☐ Automate the cost management system as much as possible.
- ☐ Be able to change cost model intelligence without the vendor locking me in.
- ☐ Integrate the cost and capacity information in my ERP.



Managers want or need to..

- ☐ Understand the breakdown of the unit costs.
- ☐ Understand the usage of available capacity.
- ☐ Save costs and or increase margins
- ☐ Know which capacities have to be adapted to change in demand.
- ☐ Know if it is better to hire temporary staff or increase payroll staff.
- ☐ See current cost budget gaps and the true cause of it.
- ☐ Know how to change the causes for the better.
- ☐ Simulate proposed improvement initiatives on margin.
- ☐ Disclose performance information to employees.
- ☐ Know where they can save money without compromising quality levels.
- ☐ Know when quality is compromised.
- ☐ Know the costs of taking more risk by lowering service levels.
- ☐ Know if they can improve the efficiency of the supply chain.
- ☐ Show their internal clients how to save costs together.
- ☐ Understand the bigger picture of the company.
- ☐ Know their performance targets.
- ☐ Understand where they can improve.
- ☐ Be able to start improvement initiatives.
- ☐ See the effects of those initiatives on performance.
- ☐ Prove that when cutting some working standards increases costs of noise and increases long term costs.



Conclusion

It is obvious that the more boxes you've ticked the more benefit you will get out of your investment in implementing CostPerform. The wide spread of possibilities in CostPerform and the flexibility of the tool are widely and highly appreciated by our implementation partners and their customers.

By distributing CostPerform's output information to all levels in your company, you'll increase the knowledge and understanding of the cost-and effect relationships between output and required input for all stakeholders. Better cost-awareness can and will easily lead to better cost-performance,