



TIPS TO DETERMINE IF YOUR CLIENTS ARE **PROFITABLE.**



Know your direct and indirect labor costs.



Direct costs include wages for employees and direct transaction costs, such as BPO labor that is attributed to a client or business unit. Indirect costs are items such as utilities, rent, etc. and may include supervisor and executive salaries.



Track employee time.

Tracking employee time by task and client allows you to measure the productivity of an employee while also tracking the total number of hours a task took to complete for a specific client.



Utilize Business Process Outsourcing.

BPO firms thrive at process management and rely on closely monitored production tracking and incentives to yield sizable productivity increases.

Allocate indirect labor.

The proportional allocation method will give you a better sense of which clients are adding to your bottom line by assigning a percentage of an indirect cost to all or several departments or revenue categories (clients) in your business.

