



# 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.

