

# Gain Share Cost Benefit Worksheet

Please return this worksheet with GSI form for Gain Share consideration.

Colleagues/Group Name \_\_\_\_\_ ID# \_\_\_\_\_

GSI # (if assigned) and Title \_\_\_\_\_

Detailed Description of Idea (be specific on what needed to be changed and what changes occurred, including time, dollars, etc.):

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A. Gross dollar amount after change \$ \_\_\_\_\_

B. Cost of Improvement \$ \_\_\_\_\_  
(Repairs, supplies, new equipment, signs, etc)

C. Net tangible savings (increased revenue) as  
as result of change (annual) \$ \_\_\_\_\_  
(A minus B equals C)

Examples of Tangible savings as a result of change:

A one-page report that was formerly sent to 50 managers is now sent via e-mail. Assume a ream of paper with 500 sheets cost \$5.00 or 1 cent per sheet. If the report is sent daily, the savings is \$.50/day or \$187.50 per year.

Overtime hours that are eliminated should be claimed here as tangible savings. For example, 4 OT hours saved at average rate of \$16 per hour would be  $4 \times \$16 \times 1.5$  (OT rate) = \$96.

If other times savings can clearly be seen as a tangible savings, for example, the colleague whose time is saved fills a position that would otherwise be filled by someone else, then that is tangible savings to be figured at \$16 per hour. Use discretion on this calculation. Enter time saved on line A.

Intangible Returns

Intangible returns are not directly measurable and do not qualify for Gain Share.  
**Additional instructions on reverse side of this form.**

Directors: Please review dollar amounts for reimbursement and other hidden costs.

## **Cost Benefit Worksheet (CBW) Calculations Instructions**

Keep in mind not all GSI will have the obvious, easily determined cost savings, like supply savings for instance. We would like you to be cognizant of this when considering the CBW calculation for your GSI. Make sure you consider things like the value of saving time too!

Below are some examples:

### **Staff time saving**

20 minutes of daily staff time was saved by an improvement. Staff time saved can be calculated by multiplying the hours saved by the GHS average hourly rate of \$16.

**Calculation:** 20 minutes staff time saved per day x 5 days a week x 52 weeks in a year / 60 minutes in an hour (to convert the minutes to hours) = 87 hours saved x \$16 = \$1392.00 worth of staff time is saved.

In addition, in this example, let's say for instance, this time saving created the ability to schedule two more patient diagnostic tests per day. The collected revenue per test is \$200.

**Calculation:** \$200 revenue x 2 tests additional per day x 5 business days a week x 52 weeks a year = \$104,000 increase in annual revenue.

### **Supplies saved**

An improvement was to start sending a daily report to all managers via e-mail rather than on paper, through the interoffice mail. Assumption is that a ream of paper costs \$5.00 and there are 500 pieces of paper in a ream.  $5/500 = 1$  cent cost for a piece of paper. There are 50 managers who receive the report, and the report is 1 page.

**Calculation:** 1 cent cost for paper x 50 managers x 5 business days in a week which is when the report is sent x 52 weeks in a year = \$130.00 in paper cost.

### **Staff time saved**

In the above example, if staff time is saved by not having to sort and deliver the report to the mail room an additional CBW can be calculated also. Assumptions are that it was determined that sorting and delivering to the mail room took 45 minutes each day for one person.

**Calculation:** 45 minutes x 5 days in a week x 52 weeks in a year / 60 minutes in an hour (to convert to hours) = 195 hours of staff time saved annually x \$16 per hour average salary = \$3,120 worth of staff time is saved.

### **Productivity**

Improved productivity of a transcriptionist provided her with an additional hour of typing time per day. Assumptions were that there are 4 transcriptionists who were able to type an hour longer each day; one transcriptionist can type 180 lines of text per hour; and outsourcing the work costs 13.5 cents per line.

**Calculation:** 4 transcriptionists x 1 hour each additional typing time x 180 lines typed per hour = 720 additional lines typed per day x 5 working days in a week x 52 weeks in a year = 187,200 additional lines typed annually by staff transcriptionists and not sent to outsourcing transcription company at a cost of 13.5 cents per line = \$25,272 saved.