

Concept

FullCost calculates the **full costs** of your organization's products and services.

This can transform the relationship between an internal service provider and its clients.

The old way:

- You're given a budget and you do the best you can with it.
- Clients see everything as free, and blame you when you can't satisfy their virtually infinite demands.
- You may set up bureaucratic governance processes to try to gain their input and manage demand, but the tensions remain.

The new way:

- Your budget is treated as a "checkbook" that's put on deposit with you by your clients.
- Everything you do has a cost.
- It's up to clients to decide what they will and won't buy (priorities), and to live within their means.
- The relationship becomes simple, businesslike, and not at all bureaucratic.

The process is straightforward:

1. Each manager develops an operating plan that forecasts his/her "sales" in the coming year – both assured (keep the lights on) and speculative.
2. Each manager plans how he/she will fulfill those sales, including a staffing strategy (employees of various types and contractors), a plan for "unbillable" time set aside for sustenance work (like training and customer relations), a budget for indirect costs (like tools and training), and needed support from peers within the organization. FullCost automatically amortizes all these indirect costs.
3. When groups work together on teams, they agree on a project code. Then, their costs are automatically added to get the total cost of a project or service.
4. The resulting budget for products and services may be summarized by client business unit for review with executives, by corporate strategy, or by product set.
5. For chargebacks and competitive benchmarking, a price list (rate sheet) is automatically calculated based on each group's unique cost structure.
6. For tracking during the year, a pro forma profit-and-loss statement is generated for each manager, in addition to the traditional budget for costs by GL expense code which is uploaded into your financial system.

FullCost®

know your cost of services

FullCost is the most advanced, comprehensive, practical, and affordable package for business planning, budgeting, and rate setting. It provides:

- Meticulous principles (theory/calculations/transparency)
- Comprehensive functionality
- Ease of use
- Reasonable price
- Proven results

The FullCost tool-kit includes everything you need to transform your planning and budgeting process. It is both software and a planning method.

FullCost software structures all the inputs, amortizes indirect costs and overhead, generates reports for your managers to scrutinize frugality, produces final reports for executive reviews, and formats the data for upload into the accounting system.

FullCost documentation provides detailed guidance for each step, including definitions, frameworks, decision trees, trade-offs, workshop agendas, suggested time frames, and helpful hints.

For a complimentary telephone consultation to assess how FullCost can be applied within your organization call 404-931-3400.



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