**Benefits of Website**

**----Atri Sengupta(223018839)**

**1. Cost Benefit Analysis:**

It helps determine benefits of taking an action, minus the cost involved in taking the action. **Here the CBA is measured for the 2.7k $/month solution from GE CORP.**

**(Note: The price was lowered later from 2700 $ to less than 1000 $ a month. Subsequently we got a zero recurring cost solution)**

According to the CBA, if GE employees get paid **4166$ a month[50,000$/12]** and they work for **180 hours a month[40hrs/week\*4.5weeks]**, **then cost paid to 1 person/hour= 23$.** Consider there will be roughly **10-15** key users for the website.

**(Note: When the website is fully functional a total of 70-80 people will access it; A weekly unique hit of 20-25 users is considered success. The number of key users to the website i.e. people who are directly associated with cash automation process will be 10-15 people)**

Now before the website, per person approximation of **3.5 hours** were needed to get access to correct tool and find documentation on cash automation. Now after the website, it gets reduced to **0.5 hours**.

**So time saved by 1 person/month=3 hrs**.

**Time saved by 1 person/ year=3hrs\*12months=36 hours.**

**Total cycle time reduction=Time saved by 1 person/year\* No of people=360hrs**

**Cost saved on 1 person/year=36 hrs saved\*Cost paid to 1 person/hr=36\*23=828$**

**Total cost saved on 10 people/year=828$\*10=8280$**

Now, **the cost we needed to pay to GE CORP (initially)=2700 $.**

**Cost benefit for GE CORP solution=8280-2700=5580 $/month.**

**(Note: At present with the SharePoint solution, no recurring cost is involved, so benefit is of entirely of 8280 $ on basis of the 30 hours saved)**

**Benefits**

**So now after the website, GE doesn’t need to pay its employees 8280$ in looking for support, help and information on cash automation process. This time saved of 30 hours a month will again be used in a more value added way. Instead of searching for information during this time, it will be utilised in cash collection and application, thus speeding up the process and increasing productivity.**

1. **Cash flow impact**

Cash flow analysis helps determine the performance of business. It is the amount of money going in and out of the company. **A positive cash flow is very important as it suggests that there is more cash coming into GE than going out and GE has enough money to clear off its expenses and at same time support projects in current and future time frame**. Cash is the money at our disposal**. If we are unable to collect the overdue invoices and are not able to apply the payment to respective invoice in quick time, then the cash flow will suffer.**

**As a result of the website, the process of cash collection and application gets speeded up.**

**The cycle time gets reduced by 30hrs/month OR 360 hrs/year.**

**Due to this reduction in cycle time, cash comes into GE faster. As cash is the most important KPI for all GE projects this creates a big impact.**

**Thus, post creating a website, approximation of \_\_\_17M\_\_\_\_$ flows into GE in a lesser time period of \_\_\_\_\_360hrs/year\_\_\_\_**