

| Value Driver Name | Value Driver Formula |
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| Reduces Downtime Costs | <i>Downtime Value per Hour * Downtime Hours * Reduction of downtime costs</i> |
| Increases Inventory Turnover | <i>Current inventory holding costs * Change from Using Offering</i> |
| Increases Effectiveness of Promotions | <i>Customer's Current Product Revenue * Change from Using Offering * Customer's Contribution Margin</i> |
| Reduces Material Inventory Costs | <i>((number of gallons of material inventory * cost per gallon of material) / number of units produced) * Reduction of Material Inventory Costs * Customer's Current Cost of Capital</i> |
| Reduces Production Line Repair Cost | <i>cost of product line repair * incidence of repair (quality defects) * Reduction of production line repair cost</i> |
| Reduces Waste Disposal Costs | <i>disposal cost per pound of waste * Reduction of waste disposal costs</i> |
| Reduces Design Costs | <i>(Design Engineering Rate * Design Engineering Hours) + (Testing Rate * Testing Hours) + (Test Equipment Cost / Number of Units) + Other Design & Engineering Costs</i> |
| Reduces Warehousing Costs | <i>Warehousing Rate * Warehousing Hours * Reduction of Warehousing Costs</i> |
| Reduces Warranty Costs | <i>Warranty Failures Avoided * Cost per Warranty Failure</i> |
| Reduces Waste and Energy Costs | <i>(Electricity Usage Change (kw) * Electricity Cost (kw)) + (Water Usage Change (gal) * Water cost (gal)) + (Air and Gas Usage Change * Air and Gas Cost) + (Fuel Usage Change (gal) * Fuel Cost (gal)) + (Weight Change * Weight Cost) + Fines or Credit Changed + Other Waste and Energy Cost Reductions</i> |
| Reduces Water Usage Costs | <i>Water cost (gal) * Water Usage Change (gal)</i> |
| Reduces Cost of Replacement Parts | <i>Cost of New Parts * Percent Reduction</i> |
| Reduces Cost of Supply Delays | <i>Cost of delay in supply per month (part not available) * Number of months delay * Reduction of cost of supply delays</i> |
| Reduces Installation Costs | <i>Installation labor costs (per hour) * (Standard installation time (hours) - Reduction in installation time (hours))</i> |
| Reduces Risk Exposure | <i>Estimated cost of catastrophic risk * Estimate of risk probability * Reduction of risk probability</i> |
| Reduces Labor Install Cost | <i>Labor Install Rate * Labor Install Hours * Reduction of Labor Install Cost</i> |
| Reduces Labor Rework Costs | <i>Labor Rework Rate * Labor Rework Hours * Reduction of Labor Rework Costs</i> |
| Reduces Labor Setup Costs | <i>Labor Setup Rate * Labor Setup Hours * Reduction of Labor Setup Costs</i> |
| Reduces Lifetime Ownership Costs | <i>(Product Cost * Percent Life Increase) + (Number of Spares Reduced * Cost per Spare) + (Service Reduced * Cost per Service) + (Lost Production * Value per Product) + Change out Costs + Change in Maintenance Costs + Other Lifetime Ownership Costs</i> |
| Reduces Litigation Costs | <i>Potential Litigation Costs * Reduction of Litigation Costs</i> |
| Reduces Lost Sales | <i>Lost Sales * Gross Margin * Reduction of Lost Sales</i> |

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| Reduces Receiving Costs | <i>Annual Receiving Charge * Percent Reduction - Annual Receiving Charge</i> |
| Reduces Clean Up Costs | <i>Labor Cleanup Rate * Labor Cleanup Hours * Reduction of Clean Up Costs</i> |
| Reduces Disposal Costs | <i>Labor Disposal Rate * Labor Disposal Hours * Reduction of Disposal Costs</i> |
| Reduces Electricity Costs | <i>Electricity Cost (kw) * Electricity Usage Change (kw)</i> |
| Reduces Expediting Costs | <i>Expediting Rate * Expediting Hours * Reduction of Expediting Costs</i> |
| Reduces Floorspace Costs | <i>Floorspace (Sq Ft) * Floorspace Cost per Sq Ft * Floorspace Years</i> |
| Reduces Freight Costs | <i>((Freight Rate (Wgt) * Freight Area) + (Freight Rate (Distance) * Freight Distance)) * Reduction of Freight Costs</i> |
| Reduce Fuel Usage Costs | <i>Fuel Cost (gal) * Fuel Usage Change (gal)</i> |
| Reduce Labor Assembly Costs | <i>Labor Assembly Rate * Labor Assembly Hours * Reduction of Labor Assembly Costs</i> |
| Reduce Air and Gas Usage Costs | <i>Air and Gas Cost * Air and Gas Usage Change</i> |
| Enables Faster Introduction of New Products | <i>Customer's Current New Product Revenue * Improvement of faster introduction of new products * Customer's Contribution Margin</i> |
| Improves Distribution Capacity | <i>Customer's Current Product Revenue * Improvement of distribution capacity * Customer's Contribution Margin</i> |
| Enables Entry into New Market Segments | <i>Customer's Current Product Revenue * Improvement of entry into new market segments * Customer's Contribution Margin</i> |
| Increases Employee Productivity | <i>Customer's Current Product Revenue * Improvement of employee productivity * Customer's Contribution Margin</i> |
| Increases Production Output | <i>Customer's Current Product Revenue * Improvement of production output * Customer's Contribution Margin</i> |
| Increases Number of Customer Referrals | <i>Customer's Current Product Revenue * Improvement of number of customer referrals * Customer's Contribution Margin</i> |
| Reduces Billing Errors | <i>Customer's Current Billing Error Costs * Change from Using Offering</i> |
| Improves Distribution Turnaround Time | <i>Customer's Current Product Revenue * Improvement of distribution turnaround time * Customer's Contribution Margin</i> |
| Increases Total Payables and Time to Payment | <i>Customer's Current Accounts Payable * Improvement of total payables and time to payment * Customer's Current Cost of Capital</i> |
| Reduces Channel Management Costs | <i>Customer's Current Channel Management Costs * Reduction of channel management costs</i> |
| Reduces Application Development Costs | <i>Customer's Current Development Costs * Reduction of application development costs</i> |
| Reduces Management or Supervision Time | <i>Customer's Current Management Costs * Reduction of management or supervision time</i> |
| Reduces Accounts Receivable Asset | <i>Customer's Current Accounts Receivable * Reduction of accounts receivable asset * Customer's Current Cost of Capital</i> |

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| Improves Success Rate of New Product Launches | <i>Improvement of effectiveness of promotions * Improvement of success rate of new product launches * Customer's Contribution Margin</i> |
| Reduces Product Returns or Refunds | <i>Customer's Current Returns Costs * Reduction of product returns or refunds</i> |
| Increases Market Share | <i>Customer's Current Product Revenue * Improvement of market share * Customer's Contribution Margin</i> |
| Reduces Administrative and Sales Processing Costs | <i>Customer's Current Sales Administrative Costs * Reduction of administrative and sales processing costs</i> |
| Improves Customer Access or Convenience | <i>Customer's Current Product Revenue * Improvement of customer access or convenience * Customer's Contribution Margin</i> |
| Reduces Outsourcing Costs | <i>Customer's Current Outsourcing Costs * Reduction of outsourcing costs</i> |
| Increases Average Size of Orders | <i>Customer's Current Product Revenue * Improvement of average size of orders * Customer's Contribution Margin</i> |
| Reduces Work-in-process Inventory | <i>Customer's Current WIP Inventory * Reduction of work-in-process inventory * Customer's Current Cost of Capital</i> |
| Reduces IT Middleware Costs | <i>Customer's Current IT Middleware Costs * Reduction of IT middleware costs</i> |
| Reduces Worker Compensation Claims/Costs | <i>Customer's Current Workers' Comp Claims * Reduction of worker compensation claims/costs</i> |
| Reduces Channel Throughput Costs | <i>Customer's Current Channel Costs * Reduction of channel throughput costs</i> |
| Reduces Marketing Communication Costs | <i>Customer's Current Marcom Costs * Reduction of marketing communication costs</i> |
| Reduces IT Maintenance Costs | <i>Customer's Current IT Maintenance Costs * Reduction of IT maintenance costs</i> |
| Reduces Maintenance Costs | <i>Customer's Current Maintenance Costs * Reduction of maintenance costs</i> |
| Reduces Lost Revenue | <i>Customer's Current Lost Revenue * Reduction of lost revenue * Customer's Contribution Margin</i> |
| Reduces Software Licensing Costs | <i>Customer's Current Licensing Costs * Reduction of software licensing costs</i> |
| Reduces Labor Costs | <i>Customer's Current Production Labor Costs * Reduction of labor costs</i> |
| Reduces Capital Expenditures | <i>Customer's Current Capital Expenditures * Reduction of capital expenditures</i> |
| Reduces Travel and Entertainment Costs | <i>Customer's Current T&E Costs * Reduction of travel and entertainment costs</i> |
| Reduces the Unit Production Costs | <i>Customer's Current Unit Production Costs * Reduction of the unit production costs</i> |
| Reduces Networking/Communications Costs | <i>Customer's Current Networking Costs * Reduction of networking/communications costs</i> |
| Reduces Miscellaneous Sales Costs | <i>Customer's Current Sales Costs * Reduction of miscellaneous sales costs</i> |

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| Reduces Product Development Costs | <i>Customer's Current Product Development Costs * Reduction of product development costs</i> |
| Reduces Property, Plant, and Equipment | <i>Customer's Current PPE Costs * Reduction of property, plant, and equipment</i> |
| Reduces Miscellaneous Operations Costs | <i>Customer's Current Miscellaneous Operations Costs * Reduction of miscellaneous operations costs</i> |
| Reduces Hiring Costs | <i>Customer's Current Recruiting Costs * Reduction of hiring costs</i> |
| Reduces Miscellaneous IT Costs | <i>Customer's Current Other IT Costs * Reduction of miscellaneous IT costs</i> |
| Reduces Regulatory/Reporting Costs | <i>Customer's Current Regulatory Costs * Reduction of regulatory/reporting costs</i> |
| Reduces Service Center Labor Costs | <i>Customer's Current Service Center Labor Costs * Reduction of service center labor costs</i> |
| Reduces Administrative Costs | <i>Customer's Current Administrative Costs * Reduction of administrative costs</i> |
| Reduces IT Labor Costs | <i>Customer's Current IT Labor Costs * Reduction of IT labor costs</i> |
| Reduces Shipment Error Costs | <i>Customer's Current Shipment Error Costs * Reduction of shipment error costs</i> |
| Reduces Shipping/Freight Costs | <i>Customer's Current Shipping Costs * Reduction of shipping/freight costs</i> |
| Reduces Testing/QA Costs | <i>Customer's Current Testing Costs * Reduction of testing/QA costs</i> |
| Reduces Unsuccessful Product Launches | <i>Customer's Current Launch Failure Costs * Reduction of unsuccessful product launches</i> |
| Reduces Legal Damages/Fines | <i>Customer's Current Damages * Reduction of legal damages/fines</i> |
| Reduces SKUs in Product Line | <i>Customer's Current SKU Inventory * Reduction of SKUs in product line * Customer's Current Cost of Capital</i> |
| Reduces Legal Fees | <i>Customer's Current Legal Fees * Reduction of legal fees</i> |
| Reduces Outside Services Costs | <i>Customer's Current Outside Services Costs * Reduction of outside services costs</i> |
| Reduces Order Errors Costs | <i>Reduction of labor costs (Chicago detailer) * Reduction of order errors costs</i> |
| Reduces Equipment Rental Costs | <i>Customer's Current Equipment Costs * Reduction of equipment rental costs</i> |
| Reduces Compliance Costs | <i>Customer's Current Compliance Costs * Reduction of compliance costs</i> |
| Reduces Configuration or Integration Costs | <i>Customer's Current Customization Costs * Reduction of configuration or integration costs</i> |
| Reduces Insurance Costs | <i>Customer's Current Insurance Costs * Reduction of insurance costs</i> |
| Reduces Scrap Costs | <i>Customer's Current Scrap Costs * Reduction of scrap costs</i> |
| Reduces Materials Costs | <i>Customer's Current Materials Costs * Reduction of materials costs</i> |
| Reduces Temporary Worker Costs | <i>Customer's Current Temporary Labor Costs * Reduction of temporary worker costs</i> |
| Reduces Training Costs | <i>Customer's Current Training Costs * Reduction of training costs</i> |

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| Increases Repeat/Return Business | <i>Customer's Current Product Revenue * Improvement of repeat/return business * Customer's Contribution Margin</i> |
| Reduces Employee Salary and Benefits Costs | <i>Customer's Current Salary and Benefit Costs * Reduction of employee salary and benefits costs</i> |
| Increases Sales Volume/Growth of Existing Offers | <i>Customer's Current Product Revenue * Improvement of sales volume/growth of existing offers * Customer's Contribution Margin</i> |
| Increases Sales of Complementary Products and Services | <i>Customer's Current Complementary Product Revenue * Improvement of sales of complementary products and services * Customer's Contribution Margin</i> |
| Reduces Employee Recruiting Costs | <i>Customer's Current Recruiting Costs * Reduction of employee recruiting costs</i> |
| Increases Customer Upselling | <i>Customer's Current Product Revenue * Improvement of customer upselling * Customer's Contribution Margin</i> |
| Reduces Defect Costs | <i>Customer's Current Defect Costs * Reduction of defect costs</i> |
| Enables Product Price Increases | <i>Customer's Current Product Revenue * Improvement of product price increases * Customer's Contribution Margin</i> |
| Increases Ordering Frequency | <i>Customer's Current Product Revenue * Improvement of ordering frequency * Customer's Contribution Margin</i> |
| Reduces Customer Claim Payments | <i>Customer's Current Customer Claim Costs * Reduction of customer claim payments</i> |
| Reduces Customer Acquisition Costs | <i>Customer's Current Customer Acquisition Costs * Reduction of customer acquisition costs</i> |
| Reduces IT Infrastructure Costs | <i>Customer's Current IT Infrastructure Costs * Reduction of IT infrastructure costs</i> |
| Reduces IT Hardware Costs | <i>Customer's Current IT Hardware Costs * Reduction of IT hardware costs</i> |
| Reduces Finished Goods Inventory | <i>Customer's Current Finished Goods Inventory * Reduction of finished goods inventory * Customer's Current Cost of Capital</i> |
| Reduces Error Rates | <i>Customer's Current Cost of Errors * Reduction of error rates</i> |
| Reduces Energy Costs | <i>Customer's Current Energy Costs * Reduction of energy costs</i> |
| Reduces Downtime Costs | <i>Customer's Current Cost Downtime Costs * Reduction of downtime costs</i> |
| Reduces Distribution Administrative Costs | <i>Customer's Current Administrative Costs * Reduction of distribution administrative costs</i> |
| Reduces Customer Retention Costs | <i>Customer's Current Customer Retention Costs * Reduction of customer retention costs</i> |
| Increases Average Customer Lifetime Value | <i>Customer's Current Average Customer Lifetime Value * Improvement of average customer lifetime value * Customer's Contribution Margin</i> |