

Savings Categories

○ Project Savings Categories & Definitions

1. Direct Tangible
 - Actual dollars that impact cash flow.
2. Indirect Tangible
 - Measurable but no impact to cash flow.
3. Direct Intangible
 - Actual dollars that could have impacted cash flow.
4. Indirect Intangible
 - Not quantifiable in dollars, but adds value to the business.

		Impact to Cash	
		Direct	Indirect
Impact to Business	Tangible	Increase revenue Reduce existing costs Reduce headcount/OT 1	Shift (not reduce) headcount Accelerate existing cash flow 2
	Intangible	Avoid lost revenue Avoid additional costs 3	Compliance Issues Customer satisfaction Employee satisfaction 4

○ How to Determine the Savings Category

1. Does the project affect cash flow (*increasing revenue or decreasing costs*)?
 - Yes = Direct Savings; No = Indirect Savings
2. Does the project have a financially measurable improvement to the business?
 - Yes = Tangible Savings; No = Intangible Savings