

## Step 20: Cost-Justifications.

### Purpose of this step:

#### Reasons for Cost Justification

- **To sell Usability Engineering**
  - Be conservative on expected benefits
  - Don't over-do the project plan
  - Make sure benefits outweigh the cost

### Overview:

- **Cost Benefit Analysis**
  - **Gather all expenses**
    - Man hours
    - Equipment cost
  - **Gather all tasks**
    - User profiles
    - Conceptual model Design
- **Positives and negatives include:**
  - In house:
    - (-) late changes
    - (-) Training
    - (+) Productivity

- Outsourced
  - (-) late changes
  - (+) sales
  - (-) customer support

**Practical application of these principles to your site:**

**Calculate Benefit:**

Calculate Productivity Ex.

5,000 users X 120 transactions X 230 days X (.5) seconds = 19,167 hours

If hourly rate is \$15

$$\begin{array}{r} 19,167 \\ \times \\ \underline{\$15} \\ \$287,505 \text{ Benefit} \end{array}$$

25 users X 12 Transaction X 230days X 1 = 1,150

(1,150) \* \$15

17,250

**Much easier version is to take hours and multiply by hourly rate**

**Examples:** See examples of this step in the “Examples” folder.