



# Hard vs. Soft Cost Savings, How to Prioritize and Measure Your Cost



# IMPORTANCE

**Hard Cost savings** refer to quantifiable reductions in expenses, while **Soft Cost savings** are more intangible and harder to measure.

When it comes to cost savings, it's essential to know the difference when prioritizing and measuring your savings.



# 1 Measure Your **HARD** Savings.

**Spend less on supplies that go straight to your bottom line.**

Hard cost savings can also be realized by by reducing labor costs. If an hourly employee works more efficiently and, as a result, works fewer hours, the reduction in payroll is a hard cost savings.

By prioritizing these, you can improve your EBITDA, increase the value of your practice, and create a more profitable business.



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## Improvements through **SOFT Savings.**

**Examples of soft cost savings include extending payment terms and lowering inventory levels, both of which can improve cash flow and increase your profit margin.**



**Soft cost savings can also be realized by enabling employees to work more efficiently.**

**Time-saving tools and processes result in more work getting done in less time.**

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## Where Cost Avoidance Adds Value

**Budget saved by negotiating price reductions and limiting price increases on supplies, goes directly to your bottom line.**

Preventive maintenance is another example that can significantly impact the practice's profitability.

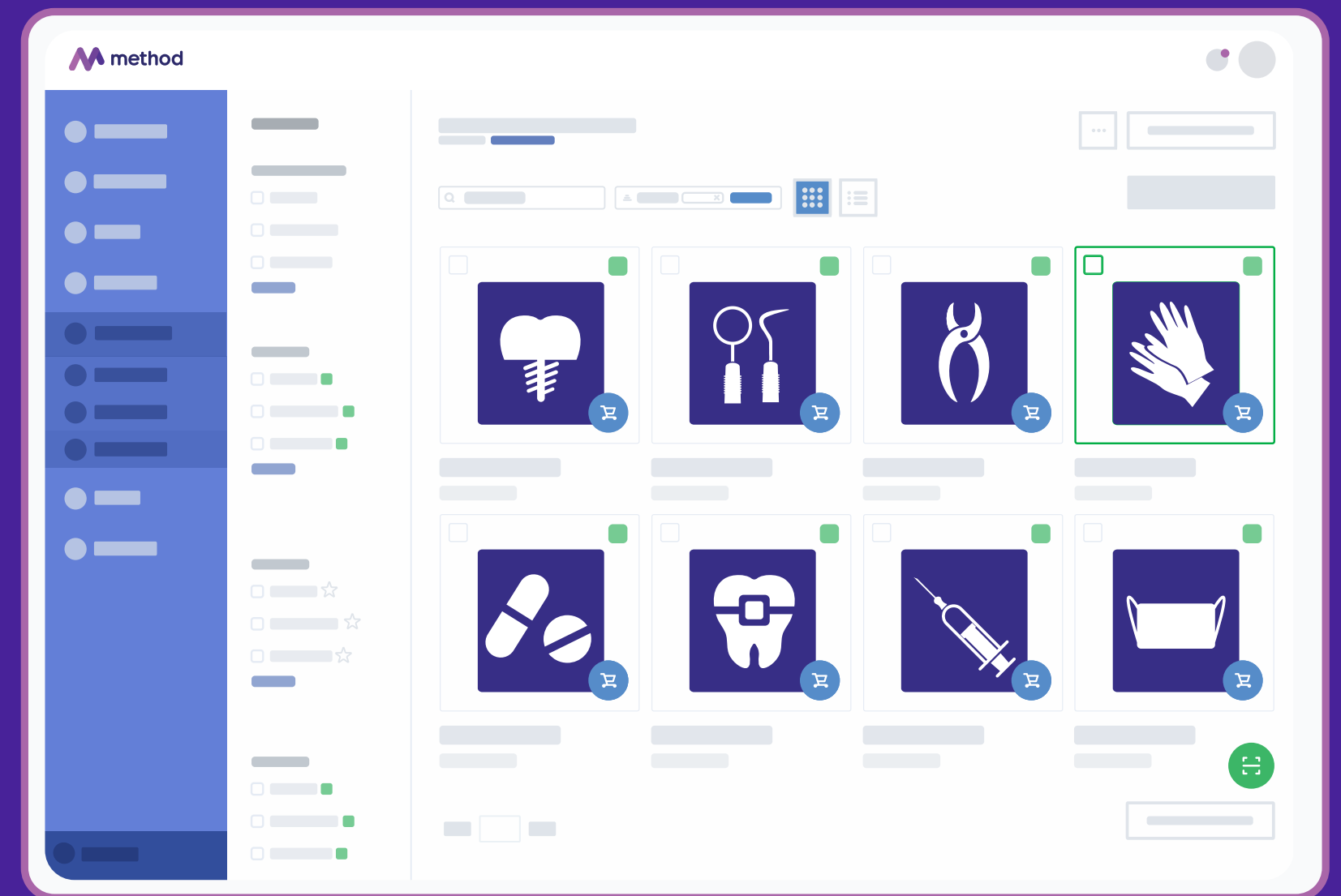
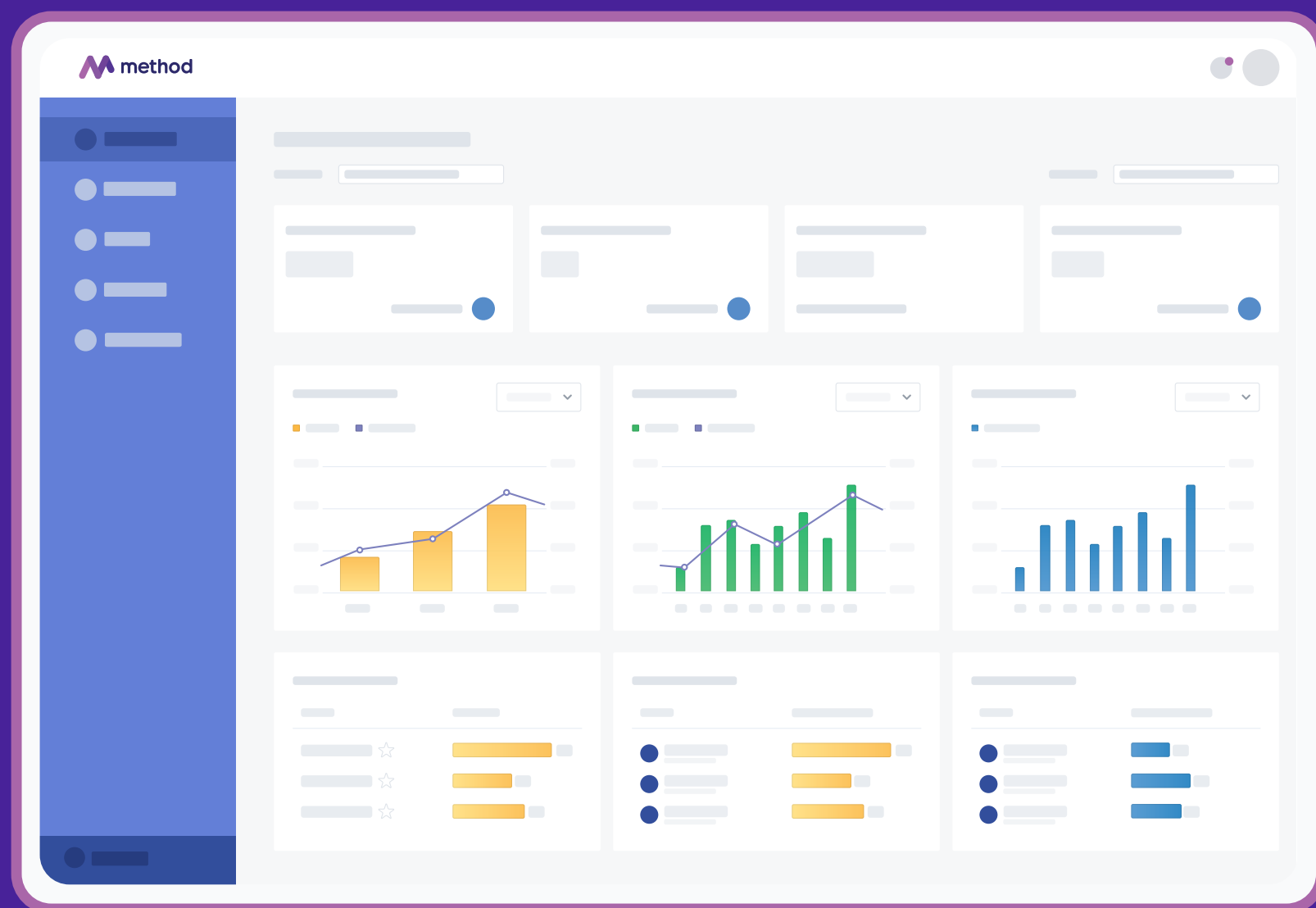
By investing in preventative maintenance, a practice can avoid costly repairs and downtime.





# Hard & Soft Cost Savings Are Essential

## SPEND MANAGEMENT



## SUPPLY PURCHASING

Start by identifying areas where you can improve and then track the actual savings over time. It's important to communicate the value this will bring to your team in order to build support and drive future success.



# Improve Your Cost Savings

Our platform helps you identify hard and soft savings opportunities, prioritize cost-saving initiatives, and accurately measure your cost savings. With Method, you can take control of your procurement processes and maximize your bottom line.

