



Cost linked to Value & Performance Indicators

Based on best practice Enterprise Modelling & Architecture principles



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Introduction

Cost shows the expenditure flows across organizational boundaries and incorporates many different aspects of an organization, and often makes it a complex subject to identify and document. However, in order to capture value and performance indicators related to costs, Cost linked to Value & Performance Indicators is built as a matrix. The matrix is a representation that shows the relationship of captured information between specific decomposed and/or composed value and performance indicator and cost objects. The core idea of a Cost linked to Value & Performance Indicators Matrix is that it typically consists of value and performance indicator aspects in a list of columns, and another aspect is a set of cost columns (taken from the map), while the third and final aspect being the cross product between the rows and the columns.

This allows for the Cost linked to Value & Performance Indicators Matrix to relate (un)familiar objects to familiar objects in the different layers of an enterprise (composition discipline), usually in the form of a diagram, a table or a chart (e.g. rows and columns), thereby outlining direct (and possibly indirect) connection points between different kinds of objects while showing a common pattern of the objects and the relationship between them.

Cost linked to Value & Performance Indicators

The Cost linked to Value & Performance Indicators Matrix provides you with a detailed overview of the cross relationships between value and performance indicators and costs (each identified with a unique name and ID number) that has been identified through the Cost Map, and then associated with the organizational competencies (core differentiating, core competitive or non-core), products, costs (cost-specific outputs/results), organizational units, areas and groups, locations, and (business, service, process, application/system, data, platform and infrastructure) owners.

How to use the Cost linked to Value & Performance Indicators

Identify, document and relate value and performance indicators to the costs (each identified with a unique name and ID number) that has been identified through the Cost Map, and then associated with the organizational competencies (core differentiating, core competitive or non-core), products, costs (cost-specific outputs/results), organizational units, areas and groups, locations, and (business, service, process, application/system, data, platform and infrastructure) owners.

For example:

1. A value or performance indicator may have multiple yet specific associations with costs, organizational competencies (core differentiating, core competitive or non-core), products, costs (cost-specific outputs/results), organizational units, areas and groups, locations, and (business, service, process, application/system, data, platform and infrastructure) owners.
2. Multiple value and/or performance indicators may have an association to any single specific cost, organizational competency (core differentiating, core competitive or non-core), product, cost (cost-specific output/result), organizational unit, area and group, location, and (business, service, process, application/system, data, platform and infrastructure) owner.



What (strategic, tactical or operational)	Cost #	What			Where				Who						
		Organizational Competency (core differentiating, core competitive or non-core)	Product	Cost	Organizational Area	Organizational Group	Organizational Unit	Location	Business Owner	Service Owner	Process Owner	Application/System Owner	Data Owner	Platform Owner	Infrastructure Owner
Value/Performance Indicator 1	#														
Value/Performance Indicator 2	#														
Value/Performance Indicator N	#														

Table 1: The Cost linked to Value & Performance Indicators Matrix.

Please note that the objects we have listed here are the most typical objects that are commonly used within a Cost linked to Value & Performance Indicators, but there may be more (or fewer) relevant objects that are used within your organization. If that is the case, feel free to either add new ones, or remove any objects that are not relevant, or are otherwise unimportant, for this particular map.

Also note that the objects might have a different name in your organization, so make sure to adapt the objects of this artefact so that it fits to the taxonomy of your organization.



The objects involved with Cost linked to Value & Performance Indicators is shown in Table 2.







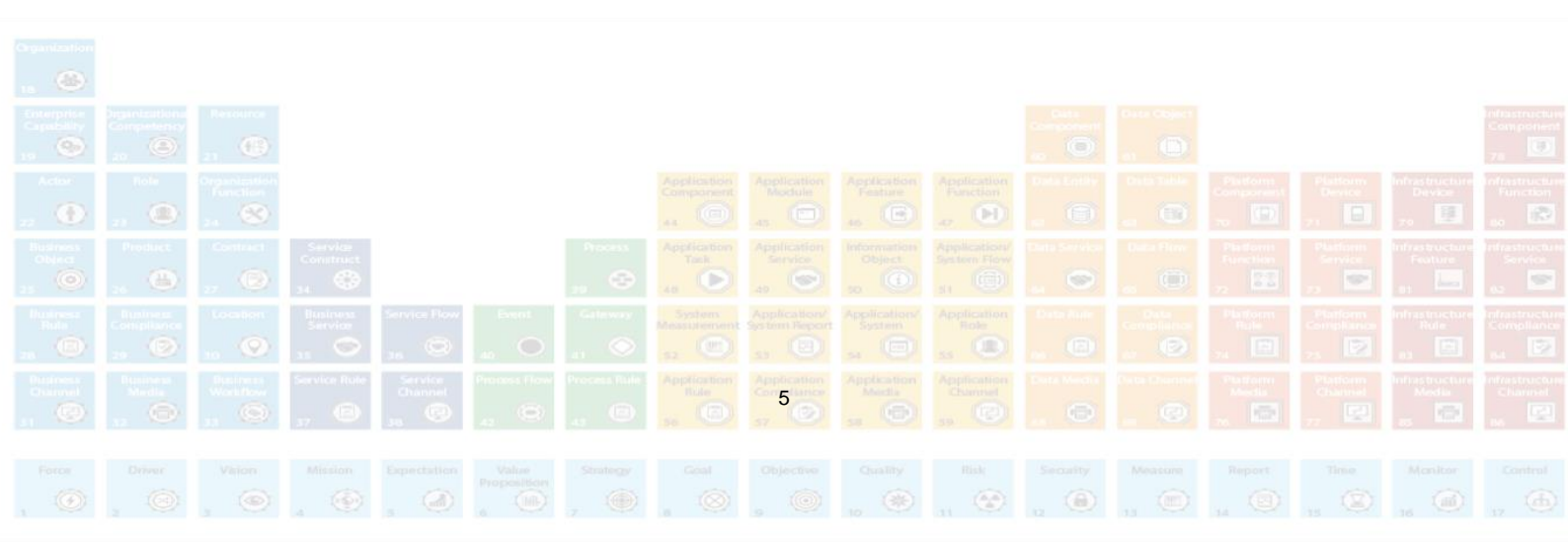
Objects used with Cost linked to Value & Performance Indicators		
Notation	Name	Description
	Measure (cost, value and performance indicators)	Any type of measurement used to gauge some quantifiable component of an enterprise's performance.
	Organizational Competency (core differentiating, core competitive or non-core)	An integrated and holistic set of related knowledge, skills, and abilities related to a specific set of resources (including persons and organizations) that - once combined - enables the enterprise to do something well.
	Product	A result and output generated by the enterprise. It has a combination of tangible and intangible attributes (i.e. features, functions, usage).
	Organization (organizational units, areas and groups)	An arrangement or formation of resources that has a set of collective goals.
	Location	A point, facility, place or geographic position that may be referred to physically or logically.
	Role (business, service, process, application/system, data, platform and infrastructure owners)	A part that something or someone has the rights, rules, competencies, and capabilities to perform. A resource and/or actor may have a number of roles (i.e. process role, service role or application role) and many actors may be assigned the same role.

Table 2: Objects typically associated with Cost linked to Value & Performance Indicators.



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