



## **CTC – Everyone Knows; What is BTC? What is the difference?**

### **Cost to the Company (CTC)**

- Annualized, total cost incurred by Business by an employee.
- Few Companies include indirect costs also – like workstation, IT infra, amenities & facilities, etc.
- CTC of an employee, depends on the Cost of a Project.
- In rare cases, Cost of the Project is determined on the CTC of employee/s (where the project is wholly depends on Expertise of the individual employee/s)
- CTC of employees in support services – like, Marketing, Administration, Accounts/Finance HR, etc will be determined on Business Revenue

### **Benefit to the Company (BTC)**

- The benefit that the company gets out of an employment (of an employee)
- Companies will measure, whether the individual employee is contributing to the expectation for which he was engaged
- For e.g. 3 employees are engaged to perform a project deliverables for a fixed cost (manpower cost + profit)
  - When the performance (of such employee/s) is poor or another manpower cost is required to involve to complete the task due to various reasons - (a) quality (not to the expectation or erroneous or defective) or (b) time delay, etc. - **EMPLOYEE/s WILL BE RETRENCHED**
  - If the Customer is satisfied as the deliverables are beyond expectation - gives more job | gives further references - **EMPLOYEE/S WILL BE REWARDED AS THE COMPANY ALSO GETS MORE**